

HUGO BOSS Nordic ApS

CVR-nr. 26 59 64 67

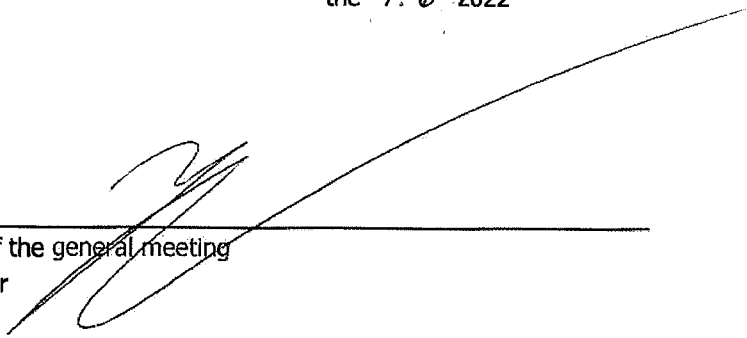
Støberigade 12
2450 København SV

Annual Report

1 January 2021 - 31 December 2021

The annual Report has been presented and approved on the company's general meeting
the 7. 6. 2022

Chairman of the general meeting
Jörg Horcher



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Statement by Management

Today, management has considered and approved the annual report of HUGO BOSS Nordic ApS for the financial year 1 January 2021 – 31 December 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

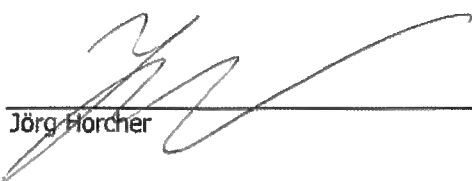
In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2021 and of the results of its operations for the financial year 1 January 2021 – 31 December 2021.

In our opinion, the management's review gives a fair review of the development and performance of the Company, the results for the year and financial position together with a description of the principal risks and uncertainties the company face.

The annual report is submitted for adoption by the annual general meeting.


Copenhagen, 7th June 2022

Executive Board



Jörg Horcher

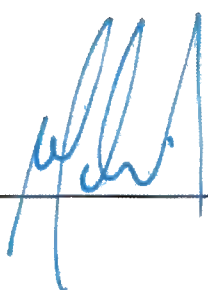
Board of Directors



Jörg Horcher
Chairman



Ivica Maric



Yves Müller

Company information

Name	HUGO BOSS Nordic ApS
Address	Støberigade 12
Postal code, City	DK-2450 København SV
Telephone	+45 33 18 80 00
Registration no.	26 59 64 67
Reporting period:	01/01/2021 - 31/12/2021
Auditor	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 2000 Frederiksberg DK Denmark Registration no: 30700228
Bank	Skandinaviska Enskilda Banken, Danmark/ Nordic Branch of Skandinaviska Enskilda Banken AB, Sverige Landemærket 10 1119 København DK Denmark

Independent auditor's reports

To the shareholders of HUGO BOSS Nordic ApS

Opinion

We have audited the financial statements of HUGO BOSS Nordic ApS for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 7 June 2022

EY

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Birgit Morville Schroder

State Authorised

Public Accountant

mne21337

Management's Review

Key figures and ratios

m.DKK

Key figures	2021	2020	2019	2018	2017
Net turnover	325,1	281,2	390,1	412,6	341,4
Gross profit	45,3	35,3	78,7	89,7	71,2
Operating Income	7,2	-6,9	25,9	15,8	6,9
Net financial expenses	-0,6	-0,7	-0,6	-1,3	-0,5
Profit for the year	5,2	-9,0	19,8	11,1	2,4

Balance sheet	94,2	115,0	112,5	123,8	130,0
Investments in tangible assets	0,7	3,2	9,3	6,9	19,4
Equity	44,8	39,6	48,6	48,8	37,8

Key ratios

Profit ratio	2,2%	-2,5%	6,6%	3,8%	2,0%
Contribution margin	13,9%	12,6%	20,2%	21,7%	20,9%
Liquidity Ratio	202,1%	142,0%	130,5%	130,6%	101,3%
Equity ration (solidity)	47,6%	34,4%	43,2%	39,5%	29,1%
Return on equity	12,4%	-20,5%	40,5%	25,6%	5,5%

Average full-time employees	88	97	117	116	111
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Main activity

The company's main activities has like previous years consisted of marketing and sale of the Group's product though the channels wholesale and retail.

The wholesales consider beside Denmark, Iceland, Faroe Island, Greenland, Estonia and Latvia. Whereas retail sales only are at the Danish market.

Development in activities and finances

The Sales of HUGO BOSS Nordic ApS has increased compared to 2020. Regardless that in 2021, the general economic situation continued to be dominated by the implications of the COVID-19 pandemic. Our own retail excluding online has decreased by 5%, this was mainly driven by the stores beeing closed during he 1st quarter off the year and the decreased travelling in 2021 as well. Offsetting this our online business has performed well.

The profit of the year increased by 14m DKK compared with last years result, this is also better then expected.

HUGO BOSS Nordic ApS continuously monitors the development of the market as well as the business and the company continuously takes measures to limit the possible negative effects.

The expectation for 2021 were changed during the first quarter of the year due to COVID19, and the government restrictions to keep the retail stores closed. Regardless of the closure sales increased by +17%, this was mainly driven by online sales (+ 40% vs LY) and wholesale (+ 18 vs LY).

Due to the pandemic it was challenging to estimate how 2021 would end. Because the stores have been closed and the expected impacts of the pandemic, the profit expectation was decreased from what was estimated but the year ended with positive result.

Furthermore it is important to mention that the result has been affected by impairment test of fixed assets, the result is therefore impacted by 2.3 mill. DKK from writedown related to the impairment of fixed asset (2020: 2.5 mill. DKK). Furthermore the company has received compensation packages during

The company has been part of an investigation of the Danish Competition and Consumer Authority (DCCA) since July 2019. As a precautionary, the company has established a provision for a potential fine.

Expectations to the future

HUGO BOSS Nordic expects the net sales and the profit to increase in 2022, driven by the groups "CLAIM 5" growth strategy and the brand refreshment for our brands BOSS and HUGO to target new user groups. Both brands undertake a new, modern brand identity focused on a younger and more global demographic.

The expectations are to increase the result in 2022, and digital will be the key for successful journey towards 2025. The main sales channel to grow is the Internet sales both for HB.com but also for other platforms, a positive development is also expected in online concessions. A new forecast for 2022 will be presented during the summer this year. The group has implemented a new brand strategy to refresh BOSS and HUGO. Both brands undertake a new, modern brand identity focused on a younger and more global demographic. HUGO BOSS Nordic ApS follows the group strategy and is expecting a positive result in 2022.

The management continues to follow closely the world situation and taking in to account certain uncertainties still associated with covid19 and political matters.

Risk report

Currency risk

Currency risks are extremely low, because all sales (wholesale and retail) are in DKK. Further the parent company bears the currency risk, and invoices merchandise to HUGO BOSS Nordic ApS in DKK.

Credit risk

The interest-bearing net debt does not pose a significant amount. Changes in interest rates have therefore no significant direct effect on the result.

Other circumstances

External environment

HUGO BOSS is not affected by any external environments and measures to prevent, reduce or remedy.

Research and development

There has been no research and development during the year.

Income statement 1 jan 2021 - 31 dec 2021

	Note	2021 (DKK)	2020 (DKK)
Revenue		325.100.853	281.217.484
Cost of sales		-206.035.431	-171.691.519
Other operating income	2	8.646.490	12.474.073
Other external expenses		-82.428.435	-86.682.280
Gross profit		45.283.477	35.317.757
Employee expenses	3	-31.184.066	-33.796.405
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets	2, 8	-6.948.588	-8.433.491
Profit from ordinary operating activities		7.150.823	-6.912.139
Other finance income	4	72.454	238.905
Other finance expense	5	-647.991	-932.212
Profit from ordinary activities before tax		6.575.286	-7.605.446
Tax expense	6	-1.363.236	-1.418.315
Profit		5.212.050	-9.023.761

Balance sheet 31 December 2021

	Note	31.12.2021 (DKK)	31.12.2020 (DKK)
ASSETS			
Acquired other similar rights		0	0
Intangible assets	7	0	0
Fixtures, fittings, tools and equipment		1.827.777	3.088.660
Leasehold improvements		4.332.902	9.338.251
Tangible assets	8	6.160.679	12.426.911
Deferred tax asset	11	1.410.510	2.050.605
Deposits	9	9.378.687	9.273.467
Other non-current assets		10.789.197	11.324.072
Total non-current assets		16.949.876	23.750.984
Inventories		33.763.582	40.043.382
Trade receivables		24.398.963	24.843.298
Receivables from Group enterprises		0	9.581.781
Tax receivables		948.860	527.510
Prepaid expenses	10	482.521	638.644
Other receivables		1.071.183	147.782
Receivables		60.665.109	75.782.397
Cash and cash equivalents		16.549.144	15.467.052
Total current assets		77.214.253	91.249.449
Total assets		94.164.129	115.000.432

Balance sheet 31 December 2021

	Note	31.12.2021 (DKK)	31.12.2020 (DKK)
EQUITY and LIABILITIES			
Share capital		250.000	250.000
Retained earnings		38.935.447	39.323.397
Total equity		44.785.447	39.573.397
Other provisions	17	11.179.650	11.179.650
Non current liabilities		11.179.650	11.179.650
Trade payables		14.622.348	17.074.221
Payables to group enterprises		6.089.304	23.441.945
Other payables		17.487.379	23.248.500
Deferred income	12	0	482.719
Current liabilities		38.199.031	64.247.385
Total liabilities		49.378.681	75.427.035
Total equity and liabilities		94.164.129	115.000.432
Accounting policies	1		
Contractual commitments	13		
Contingent liabilities and securities	14		
Related parties	15		
Other contingent liability	17		

Statement of changes in equity 1 jan 2021 - 31 dec 2021

	Share-capital	Retained earnings	Proposed dividend	Total
Equity as of 1 January 2021	250.000	39.323.397	0	39.573.397
Profit	<u>0</u>	<u>-387.950</u>	<u>5.600.000</u>	<u>5.212.050</u>
Equity as of 31 December 2021	<u>250.000</u>	<u>38.935.447</u>	<u>5.600.000</u>	<u>44.785.447</u>

The share capital consists of 500 shares of DKK 500 each.

The share capital of TDKK 250 has been unchanged the last 5 years.

Notes

1 Accounting policies

Accounting policy

The annual report has been prepared in accordance with the Danish Financial Statements Act applying to Reporting class C, medium-size enterprise.

The financial statements have been prepared in accordance with the same accounting policies as last year.

Recognition and measurement in general

Revenues are recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recognised in the income statement as financial income or financial expenses.

Assets are recognised in the balance sheet when it is probable future income benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and the value of the liability can be measured reliably.

On initial recognition assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Upon recognition and measurement, predictable losses and risks which occur before the presentation of the annual report and which confirm or disprove matters existing on the balance sheet date are taken into consideration.

Transactions in foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the payment date are recognised in the income statement as financial income or expenses.

Fixed assets purchased in foreign currency are translated at the exchange rate at the transaction date.

Receivable, payable and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the balance sheet date are recognised in the income statement as financial income or expenses.

Notes

1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of finished goods and commission is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Cost of sales

Cost of goods sales includes the cost of goods used in generating the year's revenue.

Other operating income

Other operating income comprise items of secondary nature relative to the Company's core activities, including re-invoicing of some costs to other group companies, gains or losses on the the of fixed assets, etc.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Employee expenses

Employee expenses include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. Made to the entity's employees. The item is net of refunds made by public authorities.

Financial income and expenses

Financial income and expenses and similar items include interest income and expenses, realised and unrealised exchange gains and losses on payables and transactions in foreign currency, as well as surcharges and allowances under the tax on account scheme etc.

Tax expense

Tax for the year, which consists of current taxes for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and by the portion attributable directly to equity with the portion attributable directly to equity.

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Intangible assets, such as Key Money are measured at cost less accumulated depreciation and impairment.

Cost comprises the acquisition price.

The assets are depreciated by the straight-line method over the expected economic life based on the following assessment of the assets expected useful lifetime:

Key Money: 10 years (max)

Depreciation period is based on the length of the lease agreement.

Tangible assets

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment. Basis for depreciation is cost less expected value after the end useful lifetime.

Cost comprises the acquisition price, cost directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The cost of a total asset is divided into separate elements which are depreciated individually when the useful lives of the individual elements differ.

The assets are depreciated by the straight-line method over the expected economic life and the length of the lease contract, based on the following assessment of the assets expected useful lifetime:

Fixtures and fittings, EDB-equipment, tools and equipment: 1-5 years

Leasehold improvements: 1-10 years

The basis of depreciation is calculated in consideration of the residual value of the asset and is reduced by impairment, if any. The residual value is fixed at the date of acquisition and is subject to annual review. When the residual value exceeds the carrying amount of the asset, depreciation will no longer take place.

In connection with changes in the depreciation period or the residual value, the effect of depreciation is recognised in future as a change in the accounting estimate.

Leases

Leases in respect of which the entity does not bear all significant risks and enjoy all significant benefits associated with the title to the assets are considered operating leases. Payments under operating leases are recognized in the income statement over the term of the lease.

Notes

1 Accounting policies (continued)

Impairment of non-current assets

Intangible assets and fixtures, fittings and equipment are reviewed for impairment on an annual basis. Where there is indication of impairment, each individual asset or group of assets generating independent cash flows is tested for impairment. The carrying amount of impaired assets is reduced to the higher of the value in use and the net selling price (recoverable amount). Where an impairment loss is recognised on a group of assets, a loss is first allocated to goodwill and then to the other assets on a pro rata basis.

Deposits

Deposits are measured as the lower of cost or net realisable value.

Inventories

Inventories are measured at the lower of cost calculated according to the FIFO principle and net realisable value. The net realisable value is calculated as the selling price less costs of completion and costs necessary to make the sale.

The cost of goods for resale comprises the acquisition price plus delivery costs.

Receivables

Receivables are recognised at the lower amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

Prepaid expenses

Deferred income asset comprise incurred costs relating to subsequent financial years. Prepayments are measured at amortised cost, which usually corresponds to the nominal value.

Equity

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Corporate tax

Current tax liabilities and receivables are recognised in the balance sheet, as estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and prepaid tax.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortizable goodwill.

Notes

1 Accounting policies (continued)

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystalize as current tax. Deferred tax assets are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Changes in deferred tax caused by changes in regulations or rates are to recognised in the income statement.

Cash equivalents

Cash equivalents comprises cash balances and bank balances.

Other provisions

Provisions comprise anticipated costs related to return of goods and claims etc. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Liabilities other than provisions

Liabilities are measured at net realisable value and is related to provision for holiday allowance, employee earnings, VAT e.g.

Cash flow statement

The Company has decided not to include a cash flow statement, as it is included in a cash flow statement for HUGO BOSS AG Group in accordance with the Danish Financial Statement Act. §86, 4.

Key figures

The key ratios are calculated as below:

Profit ratio:	$\frac{\text{Operating income} \times 100}{\text{Net turnover}}$
Contribution margin:	$\frac{\text{Gross profit} \times 100}{\text{Net turnover}}$
Liquidity Ratio:	$\frac{\text{Current asset} \times 100}{\text{Current liabilities}}$
Equity ratio (solidity):	$\frac{\text{Equity, end} \times 100}{\text{Total liabilities}}$
Return on equity:	$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$

Notes

2. Special items

Special items comprise significant income and expenses of a special nature relative to the Company's revenue-generating operating activities, e.g. Expenses incurred to extensive structuring of processes and basis structural adjustments, as well as any relating disposal gains and losses, and which over time have a material impact. Special items also comprise significant one-off items, which in the opinion of Management do not form part of the Company's operating activities.

As disclosed in the Management's review, the profit for the year is affected by matters that in the opinion of the Board of Directors do not form part of the operating activities.

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

	2021	2020
	(DKK)	(DKK)
Writedown on assets (impairment of assets)	-1.101.487	-2.454.922
Provision regarding legal cases	0	-11.179.650
Compensation packages	8.240.378	9.284.107

Special items are recognised in the below financial statement items:

Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets	-1.101.487	-2.454.922
Other external expenses	0	-11.179.650
Other operating income	8.240.378	9.284.107
Net profit/loss from special items	7.138.891	-4.350.466

3. Employee expenses

Salary and wages	27.789.474	30.206.492
Pensions	1.335.129	1.426.646
Other social security costs	546.824	383.904
Other employee expenses	1.512.639	1.779.363
Total	31.184.066	33.796.405
Average number of full-time employees	88	97

The total remuneration to Management for 2021 of TDKK 1,053 (2020: TDKK 1,041), recognized under other external expenses as it relates to manage fee, is disclosed as one, with reference to section 98b(3)(i) of the Danish Financial Statements Act.

4. Financial income

Interest income, other	16.565	5.985
Foreign exchange gains, group companies	3.580	23.334
Foreign exchange gains, other	52.309	209.587
Total	72.454	238.905

Notes

	2021	2020
	(DKK)	(DKK)
5 Financial expenses		
Interest expenses, group companies	530.032	429.592
Interest expenses, other	53.052	257.623
Foreign exchange loss, group companies	117	27.963
Foreign exchange loss, other	64.790	217.034
Total	647.991	932.212
6 Tax on profit for the year		
Corporate income tax	503.140	1.150.490
Corporate income tax regarding previous years	220.000	207.062
Changes in deferred tax	640.096	60.763
Total	1.363.236	1.418.315
7 Intangible assets		Intangible assets <i>Key Money</i>
Acquisition price, beginning of year		5.359.320
Additions during the year		0
Disposals during the year		0
Acquisition price, at year-end		5.359.320
Depreciation and impairment losses, beginning of year		-5.359.320
Depreciation for the year		0
Disposals for the year		0
Depreciation and impairment losses, at year-end		-5.359.320
Net book value as of December 31, 2021		0
Depreciation years		<i>10 years</i>
8 Tangible assets	Fixtures, fittings, tools and Equipment	IT-equipment
Acquisition price, beginning of year	22.350.427	4.170.915
Additions during the year	51.895	258.981
Disposals during the year		
Acquisition price, at year-end	22.402.322	4.429.896
Depreciation and impairment losses, beginning of year	-20.295.192	-3.137.489
Reversal of impairment losses for previous years	6.301	51.838
Depreciation for the year	-659.245	-617.816
Impairment losses for the year	-298.759	-54.078
Disposals during the year	0	0
Depreciation and impairment losses, at year-end	-21.246.896	-3.757.545
Net book value as of December 31, 2021	1.155.426	672.351
Depreciation period	<i>1-5 years</i>	<i>3 years</i>

Notes

		Leasehold improvements
Acquisition price, beginning of year		73.164.593
Additions during the year		371.480
Disposals during the year		0
Acquisition price, at year-end		73.536.073
Depreciation and impairment losses, beginning of year		-63.826.342
Reversal of impairment losses for previous years		1.160.929
Depreciation for the year		-4.570.041
Impairment losses for the year		-1.967.717
Disposals during the year		0
Depreciation and impairment losses, at year-end		-69.203.171
Net book value as of December 31, 2021		4.332.902
Depreciation period		1-10 years
9 Financial assets		Deposits
Original cost as of January 1, 2021		9.273.467
Additions		105.220
Disposals		0
Net book value as of December 31, 2021		9.378.687
	<u>2021</u>	<u>2020</u>
	(DKK)	(DKK)
10 Prepaid expenses		
Other prepaid expenses	482.521	638.644
Total	482.521	638.644
11 Deferred tax		
Deferred tax comprises inventories, intangible and tangible assets. Deferred income tax is determined using the tax rate at the balance sheet date that apply when the deferred tax is expected to be released as current tax.		
Deferred tax, beginning of year	2.050.605	2.111.368
Deferred tax for the year	-640.095	-60.763
Deferred tax at year-end	1.410.510	2.050.605

Notes

	<u>2021</u>	<u>2020</u>
	(DKK)	(DKK)
12 Deferred income		
Contribution to be recognised in income statement, in the following years	0	482.719
Total	<u><u>0</u></u>	<u><u>482.719</u></u>

13 Contractual commitments

The Company has entered into tenancy agreements of renting premises. The total rent commitment amounts to 65.240 TDKK at December 31, 2021 (2020: TDKK 70.399), of which 25.817 TDKK mature in 2022 (2020: TDKK 23.908). The tenancy agreements have different termination possibilities and can be terminated in the period January 1, 2022 to October 31, 2025.

The Company has entered into leases of office equipment and cars. The total lease commitments amount to TDKK 199 at December 31, 2021 (2020: TDKK 854), of which TDKK 193 (2020: 482 TDKK) mature in 2022. The remaining lease commitments mature within 3 years.

14 Contingent liabilities and securities

	<u>2021</u>	<u>2020</u>
	(DKK)	(DKK)
Bank guarantee	1.831.250	1.831.250
Total	<u><u>1.831.250</u></u>	<u><u>1.831.250</u></u>

15 Related parties

HUGO BOSS Nordic ApS' related parties comprises of the following:

Controlling interest

Related parties with controlling interests is the Company's parent company:

HUGO BOSS International B.V.
Danzigerkade 9, NL-1013AP Amsterdam
Holland

The company is a wholly owned subsidiary of HUGO BOSS International B.V., a company incorporated in the Netherlands. HUGO BOSS International B.V. is the holding and finance company of the HUGO BOSS Group owned by HUGO BOSS AG.

The directors regard HUGO BOSS AG, a company incorporated in Germany, as the ultimate parent undertaking an controlling party. Copies of the ultimate parent undertaking's group financial statements can be obtained from Dieselstrasse 12, 72555 Metzingen, Germany.

HUGO BOSS Nordic ApS is included in the consolidated financial statements for:

HUGO BOSS AG
Dieselstrasse 12, 72555 Metzingen
Germany

Notes

Transactions with related parties

	<u>2021</u>	<u>2020</u>
	(t. DKK)	(t. DKK)
Net sales to group companies	35.915	33.196
Net sales to parent company	0	0
Cost of goods from group companies	44.249	50.817
Cost of goods from parent company	93.045	107.731
Income from other services from group companies	-5.296	-12.219
Cost of services from parent company	26.220	21.480
Interest expenses from parent company	-530	430
Receivables from group companies	0	9.582
Payables to parent company	6.089	23.442

Information on the remuneration to Management appears from note 3, "Employee expenses".

	<u>2021</u>	<u>2020</u>
	(DKK)	(DKK)
16 Proposed distribution of results		
Proposed dividend recognised in equity	5.600.000	0
Retained earnings	-387.950	-9.023.761
	<u>5.212.050</u>	<u>-9.023.761</u>

17 Other contingent liability

The company has been part of an investigation of the Danish Competition and Consumer Authority (DCCA) since July 2019. The main focus of the investigation is on the relationship with partners and the exchange of information (eg. sales periods) between them in the years 2014 until 2018. On the 24th of June 2020 the DCCA published the decision on violations of the Danish competition law. The company has made an appeal against this decision. The appeal was dismissed. Currently it is being considered whether to accept such decision or to challenge it before the Commercial Court. Precautionary, the company has established an accrual for the potential fine. The provision was recognised in 2020 and has not affected the result for 2021.

