HUGO BOSS Nordic ApS

CVR-nr. 26 59 64 67

Støberigade 12
2450 København SV

Annual Report

1 January 2022 - 31 December 2022

The annual Report has been presented and approved on the company's general meeting the 6th of June 2023

Joerg Hocher (Jun 7, 2023 09:22 GMT+1)

Chairman of the general meeting

Contents

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:	01/01/2022 - 31/12/2022
Board of Directors	Yves M. Müller Jörg Horcher Ivica Maric
Straight line Executive Board	Jörg Horcher
Auditor	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S DK Denmark Registration no: 33963556

Statement by Management

Today, management has considered and approved the annual report of HUGO BOSS Nordic ApS for the financial year 1 January 2022 – 31 December 2022.

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 2022 and of the results of its operations for the financial year 1 January 2022 – 31 December 2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Copenhagen, 6th of June, 2023

Executive Board

Joerg Horcher (Jun 7, 2023 09:22 GMT+1)

Jörg Horcher

Board of Directors

Joerg Horcher (Jun 7, 2023 09:22 GMT+1)

Jörg Horcher
Chairman

Yves Mueller (Jun 7, 2023 11:18 GMT+2)

Yves Müeller

Ivica Maric

Ivica Maric (Jun 7, 2023 11:02 GMT+2)

Ivica Maric

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 01.01.2022 – 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity’s financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 – 31.12.2022 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 this auditor’s report. We are independent of the Entity 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity’s ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 about 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 the 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary
Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 06.06.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Sejer Pedersen
State Authorised Public Accountant
Identification No (MNE) mne14986

Management's Review

Key figures and ratios

m.DKK

Key figures	**2022**	**2021**	**2020**	**2019**	**2018**
Net turnover	383,3	325,1	281,2	390,1	412,6
Gross profit	69,2	45,3	35,3	78,7	89,7
Operating Income	12,7	7,2	-6,9	25,9	15,8
Net financial expenses	-0,4	-0,6	-0,7	-0,6	-1,3
Profit for the year	9,4	5,2	-9,0	19,8	11,1
Balance sheet	86,0	94,2	115,0	112,5	123,8
Investments in tangible assets	4,0	0,7	3,2	9,3	6,9
Equity	48,6	44,8	39,6	48,6	48,8
Key ratios					
Profit ratio	3,3%	2,2%	-2,5%	6,6%	3,8%
Straight line	18,0%	13,9%	12,6%	20,2%	21,7%
Liquidity Ratio	261,4%	202,1%	142,0%	130,5%	130,6%
Equity ration (solidity)	56,5%	47,6%	34,4%	43,2%	39,5%
Return on equity	20,2%	12,4%	-20,5%	40,5%	25,6%
Average full-time employees	103	88	97	117	116

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, and the onlinesales to the Danish market.

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 18% compared to 2021.
The sales in our own retail stores (excluding online) increased by 40%, the performance was driven by our own store in Østergade and at Copenhagen Airport. Offsetting this the online business decresed by 23%, driven by our customers visiting the physical stores again in 2022. Total retail (including our Outlet stores) increased by +14% compared to 2021.
The profit of the year increased by 4,2m DKK compared with last years result, inline with expectations.

Furthermore our sales to related parties, increased by 12%, this was impacted by Estonia and Latvia as these entities were able to trade the full year.

The overall expectation for 2022, did not change during the year. The online sales decrased by 12% towards expectations during 2022. Due to the previous years pandemic it was challenging to estimate how the online business will develop in 2022. The decrese was offset by the good performance in our wholesale channel driven by orders from the stock and replenishments (+ 6% vs expectation), total wholesale was + 22% vs last year.
In addition driven by our 24/7 lifestyle positioning and continued demand from our wholesale partners in 2022, we significantly increased the visibility and market presence of both of our brands HUGO & BOSS.

Furthermore it is important to mention that the result has been affected by impairment test of fixed assets, the result is therefore impacted by 0.9 mill. DKK from writedown related to the impairment of fixed asset (2021: 2.3 mill. DKK).

Profit for the year in relation to expected developments

The company focused on the Company's "CLAIM 5" growth strategy in 2022, and closed with a profit of DKK 9,4m. The "CLAIM 5" strategy take center stage also in 2023. This includes building on the strong brand power gained in the wake of our comprehensive branding refresh and maintaining the top-line.

Expectations to the future

The "CLAIM 5" strategy will hold a center stage also in 2023. This includes building on the strong brand power, which was gained in the wake of our comprehensive branding refreshning and maintaining the top-line in 2022.

The expectations are to increase the result in 2023, and digital will be the key for successful journey towards 2025. The main sales channel to grow is wholesale. The profit for 2023 is expected to follow increase of wholesale channel. For our own like-for-like stores we expect to increse the net sales up to 10%. Intercompany sales are expected to be lower in 2023.

Despite the company's good performance, 2022 was not a normal year for many, 2022 was significally impacted by high global inflation and the war in Ukraine. While macroeconomic uncertainty is expected to remain elevated also this year, we are committed to making further progress towards our ambitions.

Risk report

Uncertainty relationg to recognition and measurement

As described in note 16 the Company has since July 2019 been part of an investigation from the Danish Competion and Consumer Authority (DCCA). A provision was recognized in 2020 and the investigation has not affected the result for 2022.

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 therefor no significant direct effect on the result.

Income statement 1 jan 2022 - 31 dec 2022

	Note	2022	2021
		(DKK)	(DKK)
Revenue		383.331.577	325.100.853
Cost of sales		-238.171.821	-206.035.431
Other operating income	2	1.164.705	8.646.490
Other external expenses		-77.133.460	-82.428.435
Gross profit		**69.191.001**	**45.283.477**
Employee expenses	3	-53.157.648	-31.184.066
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets	2, 8	-3.375.277	-6.948.588
Profit from ordinary operating activities		**12.658.076**	**7.150.823**
Other finance income	4	169.730	72.454
Other finance expense	5	-542.269	-647.991
Straight line		**12.285.537**	**6.575.286**
Tax expense	6	-2.843.142	-1.363.236
Profit		**9.442.395**	**5.212.050**

Balance sheet 31 December 2022

	Note	31.12.2022	31.12.2021
		(DKK)	(DKK)
ASSETS			
Acquired other similar rights		0	0
Intangible assets	7	**0**	**0**
Fixtures, fittings, tools and equipment		3.148.519	1.827.777
Leasehold improvements		3.663.948	4.332.902
Tangible assets	8	**6.812.467**	**6.160.679**
Deferred tax asset	11	1.164.444	1.410.510
Deposits	9	9.566.853	9.378.687
Other non-current assets		**10.731.297**	**10.789.197**
Total non-current assets		**17.543.764**	**16.949.876**
		32.692.789	33.763.582
Trade receivables		23.388.182	24.398.963
Receivables from Group enterprises		4.293.233	0
Tax receivables		0	948.860
Prepaid expenses	10	760.514	482.521
Other receivables		6.547	3.653
Receivables		**61.141.265**	**59.597.579**
Cash and cash equivalents		**7.311.151**	**16.549.144**
Total current assets		**68.452.417**	**76.146.723**
Total assets		**85.996.180**	**93.096.599**

Balance sheet 31 December 2022

	Note	31.12.2022 (DKK)	31.12.2021 (DKK)
EQUITY and LIABILITIES			
Share capital		250.000	250.000
Retained earnings		40.377.842	38.935.447
Proposed dividend		8.000.000	5.600.000
Total equity		**48.627.842**	**44.785.447**
Other provisions	16	11.179.650	11.179.650
Non current liabilities		**11.179.650**	**11.179.650**
Trade payables		4.475.783	12.277.348
Payables to group enterprises		1.203.139	6.089.304
Tax payables		227.642	0
Other payables		19.554.903	17.487.379
Deferred income		727.221	1.277.470
Current liabilities		**26.188.689**	**37.131.501**
Total liabilities		**37.368.339**	**48.311.151**
Total equity and liabilities		**85.996.180**	**93.096.599**

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Statement of changes in equity 1 jan 2022 - 31 dec 2022

	Contributed share capital	Retained earnings	Proposed dividend for the year	Total
Equity, beginning of year	250.000	38.935.447	5.600.000	44.785.447
Dividend paid	0	0	-5.600.000	-5.600.000
Profit of the year	0	1.442.395	8.000.000	9.442.395
Equity, end of year	**250.000**	**40.377.842**	**8.000.000**	**48.627.842**

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 of 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 weighted average cost 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.

Deferred Income
Deferred revenues are not considered revenue until they are earned, thus they are not reported on the income statement. These are reported on the balance sheet as a liability.

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: $\dfrac{\text{Operating income x 100}}{\text{Net turnover}}$

Contribution margin: $\dfrac{\text{Gross profit x 100}}{\text{Net turnover}}$

Liquidity Ratio: $\dfrac{\text{Current asset x 100}}{\text{Current liabilities}}$

Equity ratio (solidity): $\dfrac{\text{Equity, end x 100}}{\text{Total liabilities}}$

Return on equity: $\dfrac{\text{Profit for the year x 100}}{\text{Average equity}}$

Notes

2 Other Income

	2022 (DKK)	2021 (DKK)
Covid-19	180.858	8.240.378
Other operating income	983.847	406.112
Total	**1.164.705**	**8.646.490**

3 Employee expenses

	2022	2021
Salary and wages	47.132.352	27.789.474
Pensions	1.968.838	1.335.129
	813.614	546.824
Other employee expenses	3.242.844	1.512.639
Total	**53.157.648**	**31.184.066**
Average number of full-time employees	103	88

The total remuneration to Management for 2022 of TDKK 1.476 (2021: TDKK 1.053), 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

	2022	2021
Interest income, other	15.486	16.565
Foreign exchange gains, group companies	213	3.580
Foreign exchange gains, other	154.031	52.309
Total	**169.730**	**72.454**

Notes

		2022	2021
		(DKK)	(DKK)
5	**Financial expenses**		
	Interest expenses, group companies	354.754	530.032
	Interest expenses, other	64.993	53.052
	Foreign exchange loss, group companies	213	117
	Foreign exchange loss, other	122.309	64.790
	Total	**542.269**	**647.991**
6	**Tax on profit for the year**		
	Corporate income tax	2.105.642	503.140
	Corporate income tax regarding previous years	491.436	220.000
	Total	**2.843.142**	**1.363.236**

		Intangible assets *Key Money*
7	**Intangible assets**	
	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, 2022	**0**
	Depreciation years	10 *years*

		Fixtures, fittings, tools and Equipment	IT-equipment
8	**Tangible assets**		
	Acquisition price, beginning of year	22.402.322	4.429.896
	Additions during the year	1.440.456	966.274
	Disposals during the year	-14.232.741	-2.519.502
	Acquisition price, at year-end	**9.610.037**	**2.876.669**
	Depreciation and impairment losses, beginning of year	-21.246.896	-3.757.545
	Depreciation for the year	-207.648	-606.104
	Impairment losses for the year	-41.147	-10.415
	Disposals during the year	14.232.741	2.504.751
	Loss on sold assets	-205.923	0
	Depreciation and impairment losses, at year-end	**-7.468.873**	**-1.869.314**
	Net book value as of December 31, 2022	**2.141.164**	**1.007.355**
	Depreciation period	1-5 *years*	3 *years*

Notes

	Leasehold improvements
Acquisition price, beginning of year	73.536.073
Additions during the year	1.620.335
Disposals during the year	-57.235.797
Acquisition price, at year-end	**17.920.611**
Depreciation and impairment losses, beginning of year	-69.203.171
Depreciation for the year	-2.007.567
Impairment write ups for the year	645.508
Impairment losses for the year	-736.058
Disposals during the year	57.044.625
Depreciation and impairment losses, at year-end	**-14.256.663**
Net book value as of December 31, 2022	**3.663.948**
Depreciation period	1-10 *years*

		Deposits
9	**Financial assets**	
	Orginal cost as of Janaury 1, 2022	9.378.687
	Additions	188.166
	Disposals	0
	Net book value as of December 31, 2022	**9.566.853**

		2022 (DKK)	2021 (DKK)
10	**Prepaid expenses**		
	Other prepaid expenses	0	482.521
	Total	**0**	**482.521**

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.

	2022	2021
Deferred tax, beginning of year	1.410.510	2.050.605
Deferred tax for the year	-246.066	-640.095
Deferred tax at year-end	**1.164.444**	**1.410.510**

Notes

12 Contractual commitments

The Company has entered into tenancy agreements of renting premises. The total rent commitment amounts to 39.975 TDKK at December 31, 2022 (2021: TDKK 65.240), of which 18.583 TDKK mature in 2023 (2021: TDKK 25.817). The tenancy agreements have different termination possibilities and can be terminated in the period January 1, 2023 to October 31, 2025.

The Company has entered into leases of office equipment and cars. The total lease commitments amount to TDKK 249 at December 31, 2021 (2021: TDKK 199), of which TDKK 214 (2021: 193 TDKK) mature in 2023. The remaing lease commitments mature within 3 years.

13 Contingent liabilities and securities

	2022	2021
	(DKK)	(DKK)
Bank guarantee	781.250	1.831.250
Total	**781.250**	**1.831.250**

14 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

	2022	2021
	(t. DKK)	(t. DKK)
Net sales to group companies	40.143	35.915
Net sales to parent company	0	0
Cost of goods from group companies	-54.507	-44.249
Cost of goods from parent company	-117.681	-93.045
Income from other services from group companies	9.433	5.296
Cost of services from parent company	-28.206	-26.220
Interest expenses from parent company	-355	-530
Receivables from group companies	4.293	0
Payables to parent company	1.203	6.089

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

		2022	2021
15	**Proposed distribution of results**	(DKK)	(DKK)
	Proposed dividend recognised in equity	8.000.000	5.600.000
	Retained earnings	1.442.395	-387.950
		9.442.395	**5.212.050**

16 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 2022.