



Zizzi Invest ApS

Kløvermarken 29
7190 Billund
CVR No. 28302029

Annual report 2023

The Annual General Meeting adopted the annual report on 28.06.2024

Kuno Kildetoft Mehlsen
Conductor

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Entity details

Entity

Zizzi Invest ApS
Kløvermarken 29
7190 Billund

Business Registration No.: 28302029
Registered office: Billund
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Stefan Andreas Walter Happak
Joachim Horst Scholz

Executive Board

Kuno Kildetoft Mehlsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Zizzi Invest ApS for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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

We recommend the annual report for adoption at the Annual General Meeting.

Billund, 30.01.2024

Executive Board

Kuno Kildetoft Mehlsen

Board of Directors

Stefan Andreas Walter Happak

Joachim Horst Scholz

Independent auditor's report

To the shareholders of Zizzi Invest ApS

Opinion

We have audited the financial statements of Zizzi Invest ApS for the financial year 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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.

Kolding, 30.01.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Morten Gade Steinmetz

State Authorised Public Accountant
Identification No (MNE) mne34145

Thomas Aamand Lund

State Authorised Public Accountant
Identification No (MNE) mne47764

Management commentary

Primary activities

The Company's objective is to hold shares in other companies in the Zizzi Group. The Zizzi Group's main objective is to source and market clothing for plus size women.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Gross profit/loss		(38)	(15)
Income from investments in group enterprises		14,164	4,450
Other financial income	1	305	0
Other financial expenses	2	(1,842)	(543)
Profit/loss before tax		12,589	3,892
Tax on profit/loss for the year	3	346	123
Profit/loss for the year		12,935	4,015
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		25,000	0
Retained earnings		(12,065)	4,015
Proposed distribution of profit and loss		12,935	4,015

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Investments in group enterprises		146,122	131,077
Financial assets	4	146,122	131,077
Fixed assets		146,122	131,077
Receivables from group enterprises	5	18,268	5,239
Deferred tax	6	469	123
Receivables		18,737	5,362
Cash		2	192
Current assets		18,739	5,554
Assets		164,861	136,631

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		85,505	85,505
Translation reserve		(2,181)	(92)
Reserve for loans and collateral		10,000	0
Retained earnings		2,227	21,323
Proposed dividend		25,000	0
Equity		120,551	106,736
Trade payables		10	10
Payables to group enterprises		44,265	29,881
Other payables		35	4
Current liabilities other than provisions		44,310	29,895
Liabilities other than provisions		44,310	29,895
Equity and liabilities		164,861	136,631
Contingent liabilities	7		
Assets charged and collateral	8		
Related parties with controlling interest	9		
Group relations	10		

Statement of changes in equity for 2023

	Contributed capital DKK'000	Translation reserve DKK'000	Reserve for loans and collateral DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Equity beginning of year	85,505	(92)	0	21,323	0
Exchange rate adjustments	0	(2,089)	0	0	0
Other entries on equity	0	0	0	2,969	0
Transfer to reserves	0	0	10,000	(10,000)	0
Profit/loss for the year	0	0	0	(12,065)	25,000
Equity end of year	85,505	(2,181)	10,000	2,227	25,000

	Total DKK'000
Equity beginning of year	106,736
Exchange rate adjustments	(2,089)
Other entries on equity	2,969
Transfer to reserves	0
Profit/loss for the year	12,935
Equity end of year	120,551

Reserve for loans and collateral consists of an reserve regarding legal self-financing. See note 5 for more information.

Notes

1 Other financial income

	2023	2022
	DKK'000	DKK'000
Financial income from group enterprises	305	0
	305	0

2 Other financial expenses

	2023	2022
	DKK'000	DKK'000
Financial expenses from group enterprises	1,842	542
Other interest expenses	0	1
	1,842	543

3 Tax on profit/loss for the year

	2023	2022
	DKK'000	DKK'000
Change in deferred tax	(346)	(123)
	(346)	(123)

4 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	340,425
Cost end of year	340,425
Impairment losses beginning of year	(209,348)
Exchange rate adjustments	(2,089)
Adjustments on equity	2,969
Amortisation of goodwill	(4,986)
Dividend	19,151
Impairment losses end of year	(194,303)
Carrying amount end of year	146,122

Hereof non amortized goodwill 15 mDKK.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Zizzi ApS	Billund, Denmark	ApS	100

5 Receivables from group enterprises

The company has provided legal self-financing under §206 in the Danish Company Act to the parent company which totally amounts of DKK 10,000k during the financial year. The amount has been tied to reserve for loans and collateral under the equity and is subject to an interest rate of 6% per annum. The loan is expected to be repaid in 2024.

6 Deferred tax

Changes during the year	2023 DKK'000	2022 DKK'000
Beginning of year	122	616
Recognised in the income statement	346	122
Utilised in jointly taxed companies	1	(616)
End of year	469	122

Deferred tax assets comprise temporary deferred tax losses that are expected to be utilized within 3-5 years.

7 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Zizzi Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

8 Assets charged and collateral

Collateral provided for group enterprises

The Entity has guaranteed group enterprises' debt with the Group's main bank. The maximum limit of the guarantee is DKK 110,011k. Bank loans of group enterprises amount to DKK 60,356k at 31 December 2023.

The above mentioned floating charge also secures group enterprises' debt with the Group's main bank..

9 Related parties with controlling interest

The following parties have a controlling interest:

- Zizzi Holding ApS, Billund, shareholder
- Sissi 26 FIII Holding GmbH, Munich, shareholder
- Sissi 26 SC FIII Holding GmbH, Munich, shareholder

10 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Zizzi Holding ApS, Kløvermarken 29, 7190 Billund, Business Reg. No 40 29 85 68.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Business combinations

The book value method is applied on mergers where the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the book value method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, and external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

By reference to the Danish Financial Statements Act section 99a paragraph 7 fees to the auditor appointed at the annual general meeting is not disclosed since this is included in the consolidated financial statements of Zizzi Holding ApS.

Income from investments in group enterprises

Income from investments in group enterprises comprise the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax 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 recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with Ax Zizzi Invest ApS and all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with refund concerning tax losses).

Balance sheet

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market

position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 7-20 years.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.