

Gudrun Sjödén ApS
Fiolstræde 5, 1171 København K

Annual report
2021

Company reg. no. 29 93 06 86

The annual report was submitted and approved by the general meeting on the 16 February 2022.

Gudrun Sjödén
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's statement

Today, the board of directors and the managing director have presented the annual report of Gudrun Sjøden ApS for the financial year 2021.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the company's results of activities in the financial year 1 January - 31 December 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 16 February 2022

Managing Director

Gudrun Sjøden

Board of directors

Gudrun Sjøden
Chairman

Anna Katarina Sjøden

Independent auditor's report

To the shareholders of Gudrun Sjödén ApS

Opinion

We have audited the financial statements of Gudrun Sjödén ApS for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the results of the company's activities 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 and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the 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 commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that Management's Review is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the Management's Review.

Copenhagen, 16 February 2022

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Chris Winther Bjørholm Dyhr
State Authorised Public Accountant
mne34473

Company information

The company	Gudrun Sjödén ApS Fiolstræde 5 1171 København K Company reg. no. 29 93 06 86 Financial year: 1 January - 31 December
Board of directors	Gudrun Sjödén, Chairman Anna Katarina Sjödén
Managing Director	Gudrun Sjödén
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø
Parent company	Gudrun Sjödén Group AB

Management´s review

The principal activities of the company

Gudrun Sjöden ApS sells and markets women's wear and furnishing fabrics in the Danish market. Sales are effected from the Company's own shop, by mail order sales and via the internet. The Company's sells clothes made of natural materials that can be combined in many ways in a simple functional design with a Nordic touch for women of all ages and sizes. The range of furnishing fabrics is characterised by the same unique design - a range of harmonious custom-made fabrics in colours of a unique Nordic design. Clothes and fabrics are designed by the Swedish Gudrun Sjöden Design AB.

Development in activities and financial matters

The income from ordinary activities after tax for the year totals DKK 602.019 against DKK 524.795 last year. Management considers the net profit for the year satisfactory.

Accounting policies

The annual report for Gudrun Sjødén ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Accounting policies

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses comprise interest income and expenses and realised and unrealised capital gains.

Tax on net profit or loss for the year

Tax for the year comprises the current the share attributable to the net profit or loss for the year and directly in equity with the share attributincome tax for the year and changes in deferred tax and is recognised in the income statement withable to entries directly in equity.

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date. If the residual value exceeds the carrying amount, the depreciation is discontinued.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Accounting policies

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	3.272.391	3.447.812
3 Staff costs	-2.127.536	-2.397.887
Depreciation and impairment of property, land, and equipment	-19.938	-21.229
Profit before net financials	1.124.917	1.028.696
4 Other financial income	13.664	19.688
Other financial costs	-361.229	-389.259
Pre-tax net profit or loss	777.352	659.125
5 Tax on net profit or loss for the year	-175.333	-134.330
Net profit or loss for the year	602.019	524.795
Proposed appropriation of net profit:		
Dividend for the financial year	2.500.000	0
Transferred to retained earnings	0	524.795
Allocated from retained earnings	-1.897.981	0
Total allocations and transfers	602.019	524.795

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Non-current assets		
6 Other fixtures and fittings, tools and equipment	21.599	41.537
7 Leasehold improvements	<u>0</u>	<u>0</u>
Total property, plant, and equipment	<u>21.599</u>	<u>41.537</u>
Total non-current assets	<u>21.599</u>	<u>41.537</u>
Current assets		
Manufactured goods and goods for resale	<u>772.516</u>	<u>522.164</u>
Total inventories	<u>772.516</u>	<u>522.164</u>
Trade receivables	1.040.099	1.340.732
Receivables from subsidiaries	3.038.659	0
Deferred tax assets	13.000	11.094
Other receivables	5.000	5.000
Accrued income and deferred expenses	<u>522.943</u>	<u>235.711</u>
Total receivables	<u>4.619.701</u>	<u>1.592.537</u>
Cash on hand and demand deposits	<u>1.926.633</u>	<u>6.476.035</u>
Total current assets	<u>7.318.850</u>	<u>8.590.736</u>
Total assets	<u>7.340.449</u>	<u>8.632.273</u>

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity and liabilities		
Equity		
Contributed capital	125.000	125.000
Retained earnings	693.394	2.591.375
Proposed dividend for the financial year	2.500.000	0
Total equity	<u>3.318.394</u>	<u>2.716.375</u>
Liabilities other than provisions		
Bank loans	809	0
Trade payables	304.026	194.511
Payables to group enterprises	767.675	1.028.105
Income tax payable	80.682	11.801
Other payables	2.868.863	4.681.481
Total short term liabilities other than provisions	<u>4.022.055</u>	<u>5.915.898</u>
Total liabilities other than provisions	<u>4.022.055</u>	<u>5.915.898</u>
Total equity and liabilities	<u>7.340.449</u>	<u>8.632.273</u>

1 Special items

8 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2020	125.000	2.066.580	0	2.191.580
Profit or loss for the year brought forward	0	524.795	0	524.795
Equity 1 January 2021	125.000	2.591.375	0	2.716.375
Profit or loss for the year brought forward	0	-1.897.981	2.500.000	602.019
	125.000	693.394	2.500.000	3.318.394

Notes

All amounts in DKK.

1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	<u>2021</u>	<u>2020</u>
Income:		
Salary compensation received	205.580	0
	<u>205.580</u>	<u>0</u>
Special items are recognised in the following items in the financial statements:		
Gross profit	205.580	0
Profit of special items, net	<u>205.580</u>	<u>0</u>

	<u>2021</u>	<u>2020</u>
2. Staff costs		
Production wages	0	142.780
Wages and salaries	1.880.436	1.926.635
Changes in holiday pay obligations, production wages	77.838	139.216
Pensions	130.500	142.370
Other social security expenses	38.762	46.886
	<u>2.127.536</u>	<u>2.397.887</u>

Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
3. Staff costs		
Salaries and wages	1.958.274	2.208.631
Pension costs	130.500	142.370
Other costs for social security	38.762	46.886
	<u>2.127.536</u>	<u>2.397.887</u>
 Average number of employees	 <u>5</u>	 <u>9</u>
4. Other financial income		
Interest, trade debtors	5.883	5.678
Exchange differences	7.934	14.010
Tax-exempted interest	-153	0
	<u>13.664</u>	<u>19.688</u>
5. Tax on net profit or loss for the year		
Tax of the results for the year, parent company	176.682	145.838
Adjustment for the year of deferred tax	-1.906	-738
Adjustment of tax for previous years	557	-10.770
	<u>175.333</u>	<u>134.330</u>
6. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	431.231	431.231
Cost 31 December 2021	<u>431.231</u>	<u>431.231</u>
Depreciation and writedown 1 January 2021	-389.694	-368.465
Depreciation for the year	-19.938	-21.229
Depreciation and writedown 31 December 2021	<u>-409.632</u>	<u>-389.694</u>
 Carrying amount, 31 December 2021	 <u>21.599</u>	 <u>41.537</u>

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
7. Leasehold improvements		
Cost 1 January 2021	<u>817.307</u>	<u>817.307</u>
Cost 31 December 2021	<u>817.307</u>	<u>817.307</u>
Depreciation and writedown 1 January 2021	<u>-817.307</u>	<u>-817.307</u>
Depreciation and writedown 31 December 2021	<u>-817.307</u>	<u>-817.307</u>
8. Contingencies		
Contingent liabilities		
		DKK in thousands
Lease liabilities		<u>815.564</u>
Total contingent liabilities		<u>815.564</u>