

NN.07 ApS
Galionsvej 35, 1437 København K

Company reg. no. 30 57 88 99

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 19 July 2021.

Ulrik Jürgensen
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

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Management's report

Today, the board of directors and the executive board have presented the annual report of NN.07 ApS for the financial year 1 January - 31 December 2020.

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 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

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 by the general meeting.

København K, 19 July 2021

Executive board

Anders Rahr

Ulrik Christian Sommerset

Board of directors

Carl Andreas Nyberg
Chairman

Tommy Holte

Måns Fabian Månsson

Independent auditor's report

To the shareholders of NN.07 ApS

Opinion

We have audited the financial statements of NN.07 ApS for the financial year 1 January - 31 December 2020, which comprise 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 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 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 international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 commentary

Management is responsible for the management commentary.

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 commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary 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 commentary.

Copenhagen, 19 July 2021

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Jacob Helly Juell-Hansen

State Authorised Public Accountant
mne36169

Company information

The company

NN.07 ApS
Galionsvej 35
1437 København K

Company reg. no. 30 57 88 99
Financial year: 1 January - 31 December

Board of directors

Carl Andreas Nyberg, Chairman
Tommy Holte
Måns Fabian Månsson

Executive board

Anders Rahr
Ulrik Christian Sommerset

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Financial highlights

DKK in thousands.	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Income statement:					
Gross profit	36.634	50.932	47.144	41.125	33.852
Profit from operating activities	18.078	32.695	27.368	28.583	24.505
Net financials	-688	5.169	3.112	1.383	634
Net profit or loss for the year	13.850	29.633	24.152	23.630	19.409
Statement of financial position:					
Balance sheet total	102.568	92.889	83.389	49.461	39.698
Investments in property, plant and equipment	101	1.092	1.990	2.057	3.801
Equity	85.168	71.319	53.685	12.247	28.617
Employees:					
Average number of full-time employees	22	19	21	15	14
Key figures in %:					
Acid test ratio	570,2	382,7	228,4	303,3	519,3
Solvency ratio	83,0	76,8	64,4	24,8	72,1
Return on equity	17,7	47,4	73,3	115,7	66,0

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Acid test ratio
$$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$$

Solvency ratio
$$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

Return on equity
$$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$

Management commentary

The principal activities of the company

The company's principal activities are design, production and trading with clothing including activities in connection to this.

Unusual circumstances

There is no unusual circumstances.

Uncertainties about recognition or measurement

There is no uncertainties about recognition or measurement.

Development in activities and financial matters

The gross profit for the year totals tDKK 36.634 against tDKK 50.932 last year. Income or loss from ordinary activities after tax totals tDKK 14.108 against DKK 29.633 last year. Management considers the net profit or loss for the year satisfactory.

Special risks

Foreign currency risks

The result, cash flow and equity are influenced by the development in currency due to activities in foreign countries.

Environmental issues

The company are environment conscious and continuously work on reducing the environmental impact of the company's operations.

Expected developments

2020 was a challenging year due to the outbreak of Covid-19. We have a positive outlook for 2021 and expect growth and further development.

Events occurring after the end of the financial year

No events occurring after the balance sheet date will affect the financial statements for 2020.

Branches abroad

The branch in Germany are sited in Düsseldorf and its primary purpose is to act as a sales branch in the german market. As the branch are relatively newly established, the activities of the branch are still limited.

Accounting policies

The annual report for NN.07 ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of NN.07 ApS and its group enterprises are included in the consolidated financial statements for Chino BidCo ApS, København, CVR nr. 40790233.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Chino BidCo ApS.

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.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

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.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Accounting policies

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

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 goods 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.

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

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Accounting policies

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

Tax on net profit or loss for the year

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

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs comprise salaries, wages, and amortisation directly attributable to development activities.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 10 years.

Software

Acquired goodwill is measured at cost less accumulated amortisation.

The basis for depreciation are cost, that includes initial cost and expenses directly related to the acquirement until the moment, the asset are ready to be used.

The depreciation period are determined at the time of acquisition date and are re-evaluated annually.

In case of alterations of the depreciation period, the effect of depreciations are recognized as a change of accounting estimates.

Software are depreciated lineary over 10 years.

Accounting policies

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 and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

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
Leasehold improvements	3-5 years
Other fixtures and fittings, tools and equipment	3-5 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.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

Investments

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method.

Accounting policies

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

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.

Costs of goods for resale 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.

Prepayments and accrued income

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

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

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 on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Accounting policies

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.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

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

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross profit	36.633.544	50.932
2 Staff costs	-15.655.411	-14.851
Depreciation, amortisation, and impairment	-2.899.890	-3.386
Operating profit	18.078.243	32.695
Income from equity investments in group enterprises	558.653	1.372
3 Other financial income	1.470.948	3.965
Other financial costs	-2.717.103	-168
Pre-tax net profit	17.390.741	37.864
4 Tax on net profit for the year	-3.540.440	-8.231
5 Net profit for the year	13.850.301	29.633

Statement of financial position at 31 December

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

Assets		
Note	2020	2019
Non-current assets		
6 Software	713.932	966
7 Development projects in progress and prepayments for intangible assets	1.085.345	0
Total intangible assets	1.799.277	966
8 Other fixtures and fittings, tools and equipment	0	0
9 Leasehold improvements	3.389.464	5.935
Total property, plant, and equipment	3.389.464	5.935
10 Equity investments in group enterprises	8.412.330	7.847
Total investments	8.412.330	7.847
Total non-current assets	13.601.071	14.748
Current assets		
Manufactured goods and goods for resale	25.937.523	31.752
Total inventories	25.937.523	31.752
Trade receivables	22.802.047	30.379
Receivables from group enterprises	6.025.498	0
Other receivables	3.409.344	3.688
11 Prepayments and accrued income	42.250	3.072
Total receivables	32.279.139	37.139
Cash on hand and demand deposits	30.750.415	9.250
Total current assets	88.967.077	78.141
Total assets	102.568.148	92.889

Statement of financial position at 31 December

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Equity and liabilities		
Equity		
Contributed capital	187.500	188
Reserve for net revaluation according to the equity method	5.700.474	4.887
Retained earnings	79.280.363	66.244
Total equity	85.168.337	71.319
Provisions		
12 Provisions for deferred tax	803.660	777
Total provisions	803.660	777
Liabilities other than provisions		
Other payables	992.721	372
Total long term liabilities other than provisions	992.721	372
Bank loans	137.401	864
Trade payables	4.908.315	1.651
Payables to group enterprises	2.116.146	4.761
Income tax payable	3.513.906	7.378
Other payables	4.927.662	5.767
Total short term liabilities other than provisions	15.603.430	20.421
Total liabilities other than provisions	16.596.151	20.793
Total equity and liabilities	102.568.148	92.889
1 Special items		
13 Charges and security		
14 Contingencies		
15 Financial risks		
16 Related parties		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Total
Equity 1 January 2020	187.500	4.886.338	66.244.198	71.318.036
Share of results	0	814.136	13.036.165	13.850.301
	187.500	5.700.474	79.280.363	85.168.337

Notes

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

	<u>2020</u>	<u>2019</u>
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.		
Special items for the year are specified below, indicating where they are recognised in the income statement.		
Income:		
Covid-19, cost compensation	2.372.640	0
Public payroll compensation	984.509	0
	<u>3.357.149</u>	<u>0</u>
Special items are recognised in the following items in the financial statements:		
Gross profit	<u>3.357.149</u>	<u>0</u>
Profit of special items, net	<u>3.357.149</u>	<u>0</u>
2. Staff costs		
Salaries and wages	15.432.092	14.516
Other costs for social security	-67.715	65
Other staff costs	291.034	270
	<u>15.655.411</u>	<u>14.851</u>
Executive board and board of directors	<u>4.753.938</u>	<u>4.380</u>
Average number of employees	<u>22</u>	<u>19</u>
3. Other financial income		
Interest, trade debtors	24.511	60
Exchange differences	1.446.437	1.938
Market value adjustment, securities that are current assets	0	1.967
	<u>1.470.948</u>	<u>3.965</u>

Notes

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

	<u>2020</u>	<u>2019</u>
4. Tax on net profit for the year		
Tax of the results for the year, parent company	3.513.906	7.378
Adjustment for the year of deferred tax	<u>26.534</u>	<u>853</u>
	<u>3.540.440</u>	<u>8.231</u>
5. Proposed appropriation of net profit		
Reserves for net revaluation according to the equity method	814.136	1.670
Transferred to retained earnings	<u>13.036.165</u>	<u>27.963</u>
Total allocations and transfers	<u>13.850.301</u>	<u>29.633</u>
	<u>31/12 2020</u>	<u>31/12 2019</u>
6. Software		
Cost 1 January 2020	1.260.109	1.121
Additions during the year	<u>0</u>	<u>139</u>
Cost 31 December 2020	<u>1.260.109</u>	<u>1.260</u>
Amortisation and writedown 1 January 2020	-294.155	-56
Amortisation for the year	<u>-252.022</u>	<u>-238</u>
Amortisation and writedown 31 December 2020	<u>-546.177</u>	<u>-294</u>
Carrying amount, 31 December 2020	<u>713.932</u>	<u>966</u>

Notes

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

	<u>31/12 2020</u>	<u>31/12 2019</u>
7. Development projects in progress and prepayments for intangible assets		
Cost 1 January 2020	0	0
Additions during the year	<u>1.085.345</u>	<u>0</u>
Cost 31 December 2020	<u>1.085.345</u>	<u>0</u>
Amortisation and writedown 1 January 2020	<u>0</u>	<u>0</u>
Amortisation and writedown 31 December 2020	<u>0</u>	<u>0</u>
Carrying amount, 31 December 2020	<u>1.085.345</u>	<u>0</u>
8. Other fixtures and fittings, tools and equipment		
Cost 1 January 2020	<u>3.101.980</u>	<u>3.102</u>
Cost 31 December 2020	<u>3.101.980</u>	<u>3.102</u>
Amortisation and writedown 1 January 2020	<u>-3.101.980</u>	<u>-3.102</u>
Amortisation and writedown 31 December 2020	<u>-3.101.980</u>	<u>-3.102</u>
9. Leasehold improvements		
Cost 1 January 2020	19.962.457	18.870
Additions during the year	<u>101.150</u>	<u>1.092</u>
Cost 31 December 2020	<u>20.063.607</u>	<u>19.962</u>
Depreciation and writedown 1 January 2020	-14.026.274	-10.879
Depreciation for the year	<u>-2.647.869</u>	<u>-3.148</u>
Depreciation and writedown 31 December 2020	<u>-16.674.143</u>	<u>-14.027</u>
Carrying amount, 31 December 2020	<u>3.389.464</u>	<u>5.935</u>

Notes

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

	<u>31/12 2020</u>	<u>31/12 2019</u>
10. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2020	3.258.401	3.258
Additions during the year	<u>7.000</u>	<u>0</u>
Cost 31 December 2020	<u>3.265.401</u>	<u>3.258</u>
Revaluations, opening balance 1 January 2020	4.886.339	3.217
Results for the year before goodwill amortisation	<u>814.136</u>	<u>1.670</u>
Revaluation 31 December 2020	<u>5.700.475</u>	<u>4.887</u>
Amortisation of goodwill, opening balance 1 January 2020	-298.063	0
Amortisation of goodwill for the year	<u>-255.483</u>	<u>-298</u>
Depreciation on goodwill 31 December 2020	<u>-553.546</u>	<u>-298</u>
Carrying amount, 31 December 2020	<u>8.412.330</u>	<u>7.847</u>
Group enterprises:		
	Domicile	Equity interest
NN.07 Norway AS	Oslo	100 %
NN.07 Sweden AB	Malmö	100 %
NN.07 Inc.	New York	100 %

Notes

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

	<u>31/12 2020</u>	<u>31/12 2019</u>
11. Prepayments and accrued income		
Prepayments	42.250	1.501
Accruals	<u>0</u>	<u>1.571</u>
	<u>42.250</u>	<u>3.072</u>
12. Provisions for deferred tax		
Provisions for deferred tax 1 January 2020	777.126	-76
Deferred tax of the results for the year	<u>26.534</u>	<u>853</u>
	<u>803.660</u>	<u>777</u>

13. Charges and security

For bank loans, the company has provided security in company assets representing a nominal value of tDKK 4.000. This security comprises the assets below, stating the carrying amounts:

	<u>DKK in thousands</u>
Inventories	25.938
Trade receivables	22.802

14. Contingencies

Contingent liabilities

The company has a rent commitment totalling tDKK 1.931.

The company has granted a bank guarantee expiring january 2022 concerning rental deposits totalling tDKK 1.024.

Joint taxation

With Chino BidCo ApS, company reg. no 40790233 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

Notes

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

15. Financial risks

Exchange rate risks

For the purpose of hedging future purchased supplies in USD, NOK and SEK, the company has entered into forward exchange contracts totalling tDKK 7.460. Compared to the forward price at the reporting date, the contracts have a negative value of approximately tDKK 240. The negative value is recognized under other payables.

16. Related parties

Controlling interest

Chino Holding ApS	Majority shareholder
c/o NN.07 ApS	
Galionsvej 35	
1437 Copenhagen	

All transactions between related parties has been in accordance with the arm's length principle.

Consolidated financial statements

The company is included in the consolidated financial statements of Company Chino Bidco ApS, Galionsvej 35, which is the largest group.

The company is also included in the consolidated financial statements of Company Chino Holding ApS, Galionsvej 35, which is the smallest group.