

PWT GROUP

PWT Group is a leading Nordic brand house in men's fashion, serving both B2B, B2C, and D2C markets.

We offer high-quality men's fashion products from a variety of top brands, designed, sourced, and sold throughout various distribution channels.

Overall, extensive distribution through both physical stores and online sales, combined with our outstanding omnichannel approach, positions PWT Group as a leading provider of quality men's fashion products.

PWT BRANDS

Our five strong brands are sold by +700 independent retailers and our own retail chains, Tøjeksperten and Wagner. From our headquarter in Aalborg, PWT Brands markets Lindbergh, JUNK de LUXE, Bison, Jacks Sportswear Intl., and Morgan to more than 27 countries through both physical retail stores and online shops.

TØJ | eksperten

Tøjeksperten, with 112 stores, is Denmark's largest omni-channel menswear chain, providing quality clothing for fashion-conscious men of all ages since 1968.

The careful selection of brands and products reflects our ambition to maintain Tøjeksperten as the leading menswear chain in the medium price range.

Tøjeksperten Erhverv is a part of Tøjeksperten, and specializes in providing high-quality profile clothing for the Danish businessman through its B2B services.

WAGNER

Wagner, established in 1946, has a growing and comprehensive store network in Scandinavia. The chain offers a fantastic selection of contemporary fashion and strong brands, including Lindbergh, JUNK de LUXE, Bison, and Jacks Sportswear Intl. Wagner currently operates 20 stores in Denmark, 12 in Sweden, and 8 in Norway.

ONLINE & OMNI-CHANNEL SHOPPING

In addition to the physical stores, PWT Group has a strong presence in online sales.

Our products are available through our own e-commerce sites (D2C) as well as through partnerships with major online retailers and marketplaces. This extensive distribution allows us to reach a wider audience and provide convenient shopping options for all of our customers.

The retail chains, Tøjeksperten and Wagner, offer a superior omnichannel shopping experience. This omnichannel approach helps cater to the diverse shopping preferences of our customers and provides an outstanding and seamless shopping experience across all channels.

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COMPANY DETAILS

COMPANY	<p>PWT Group A/S Gøteborgvej 15-17 9200 Aalborg SV Denmark</p> <p>CVR No.: 31 08 16 10 Established: 30. November 2007 Registered office: Aalborg Financial year: 1 January 2023 - 31 December 2023 (16th financial year)</p>
WWW	<p>pwt-group.com pwtbrands.com lindberghfashion.com bison.dk junkdeluxe.dk wagner.dk tøjeksperten.dk erhverv.tøjeksperten.dk mode-elev.dk</p>
BOARD OF DIRECTORS	<p>Lars Johansson (Chairman) Dorte Eg Signe Trock Hilstrøm Michael Kjær Ole Koch Hansen</p>
EXECUTIVE BOARD	<p>Ole Koch Hansen, CEO Claus Back Nielsen, CFO</p>
AUDITORS	<p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Skelagervej 1A 9000 Aalborg Denmark</p>



MISSION

"WE DRESS MEN"



KEY NUMBERS

REVENUE

803_{M DKK}

(794_{M DKK})

EBITDA

124_{M DKK}

(154_{M DKK})

EBITDA MARGIN

15.5%

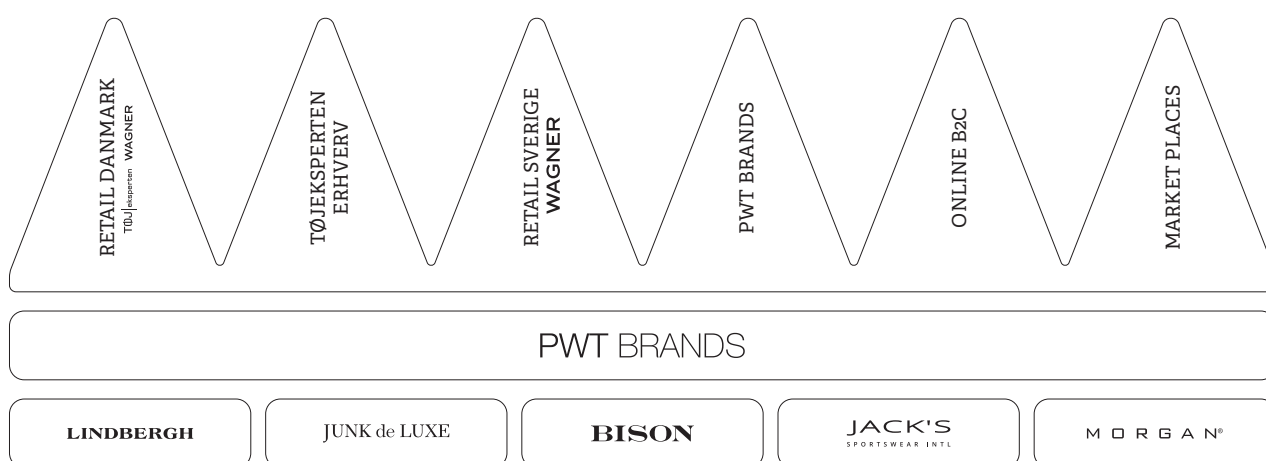
(19.4%)

SOLVENCY RATIO

57.4%

(60.5%)

PWT GROUP PLATFORM



	REVENUE	COUNTRIES	RETAILERS/ STORES	NUMBER OF EMPLOYEES
PWT BRANDS		TOTAL Independent Retailers	+700	112 EMP
TØJ eksperten		TOTAL Denmark	112 112 (55 franchises)	253 EMP
WAGNER		TOTAL Denmark Norway Sweden	40 20 (11 franchise) 8 (8 franchise) 12 (6 franchise)	35 EMP
TOTAL	803 M DKK	152 STORES	+700 RETAILERS	400 EMP

WORD FROM THE CEO

We are pleased to report that our performance in 2023 has been overall satisfactory. Despite facing challenges from macroeconomic trends, we have worked thoroughly to uphold the strong performance achieved in the preceding year of 2022. The fundamental aspects of our business operations have remained robust throughout 2023 - a testament to our resilience and adaptability, of which we are proud.

The financial results for the year 2023 showcase the solidity and resilience of our business even in the face of various macroeconomic pressures such as inflation, rising energy prices, rent, and labour costs. Our continued focus on cost-effectiveness, day-by-day, has been a key factor in achieving these results amidst a challenging economic backdrop.

I take great pride in recognizing the strong performance of our dedicated employees and partners who have been instrumental in driving our success in 2023. Their unwavering commitment and hard work have been key factors in maintaining our strong performance throughout the year.

In 2023, we continued to prioritize our core strategical objectives of enhancing our products and the untiring

effort to serve our customers better, every day. Our customer-centric approach and continued refinement of our products have once again proven to be significant drivers of success. Additionally, we have remained steadfast in our efforts to address climate & ESG-related tasks, drive digital innovation, and adapt to the evolving retail arena, all of which will continue to be focal points for us in 2024.

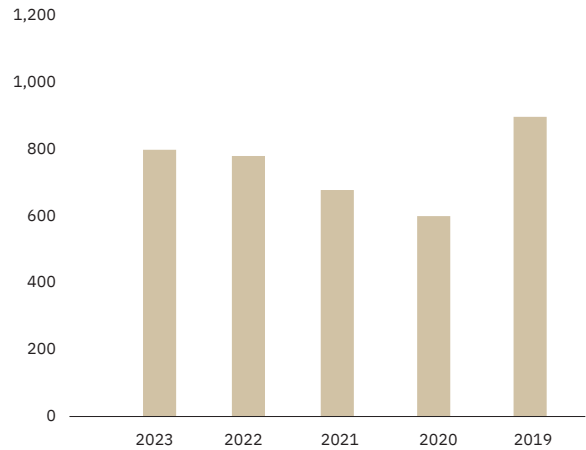
As for the outlook of 2024, we aim to keep the same level of performance, however we anticipate a potentially challenging year characterized by further increases in cost levels, beyond our control. We have already observed fixed costs rising, and the uncertain demand from customers is heavily influenced by macroeconomic development, that are still uncertain. Nevertheless, we remain committed to navigating these challenges with agility and determination, staying true to our long-term vision and values.

Ole Koch Hansen
CEO

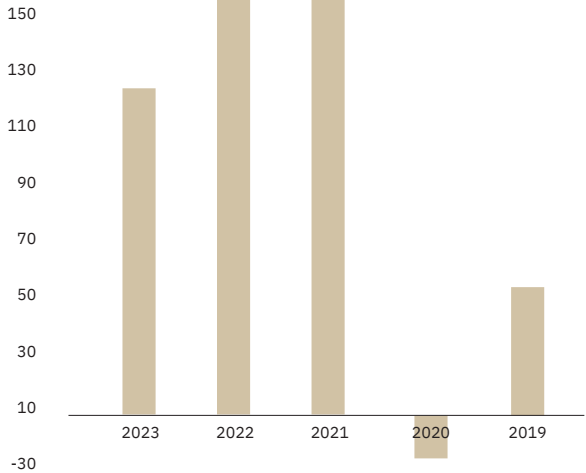


FINANCIAL HIGHLIGHTS

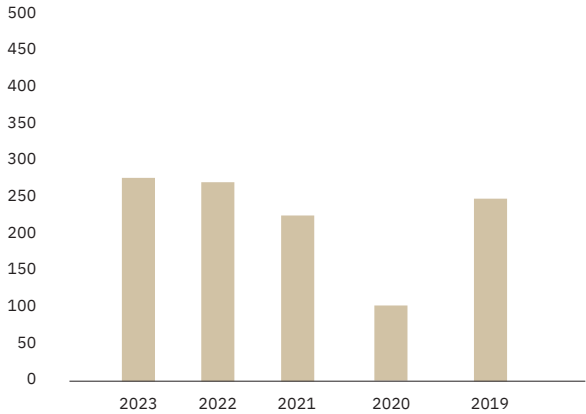
REVENUE
MILLION DKK



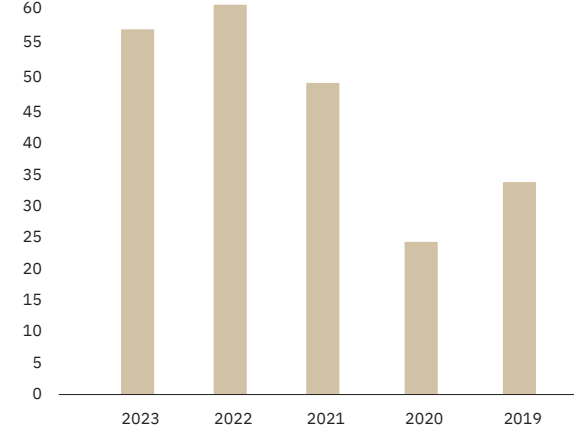
EBITDA
MILLION DKK



EQUITY
MILLION DKK



SOLVENCY RATIO
STATED AS A PERCENTAGE



FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK IN MILLION	2023	2022	2021	2020*	2019*
INCOME STATEMENT					
Revenue	803	794	668	596	873
Gross profit	308	324	316	165	289
EBITDA	124	154	156	-21	55
EBIT	104	135	138	-388	-18
Profit/loss from financial income and expenses (including associate)	-5	3	3	242	-23
Profit/loss for the year	73	115	126	-200	-33
BALANCE SHEET					
Total assets	478	451	421	355	769
Investment in plant and equipment	44	32	22	24	53
Equity	274	273	213	87	269
CASH FLOWS					
Cash flows from operating activities	164	6	153	60	111
Cash flows from investing activities, net	-44	-42	-29	-8	-14
Thereof, investment in plant and equipment	-23	-24	-12	-10	-6
Cash flows from financing activities	-67	-81	-38	-6	-76
Total cash flows	53	-118	86	46	21
EMPLOYEES					
Average number of employees	400	374	354	444	552
FINANCIAL RATIOS STATED AS A PERCENTAGE					
Gross margin	38.4	40.8	47.3	27.7	33.1
EBITDA margin	15.5	19.4	23.3	-3.5	6.3
Operating margin (EBIT)	13.0	17.0	20.7	-65.2	-2.1
Return on invested capital	23.4	31.9	36.8	-70.7	-1.9
Solvency ratio	57.4	60.5	50.6	24.5	35.0
Return on equity	26.7	47.4	83.9	-112.3	-8.6

For definitions, please see the accounting policies.

*The Company has changed its accounting policy for investments in subsidiaries in the financial year. Figures for 2020 and 2019 have not been adjusted.

MANAGEMENT'S REVIEW

THE BUSINESS PLATFORM - A BRAND HOUSE

PWT Group is a leading Nordic brand house within men's fashion, operating in both the B2B, B2C, and D2C markets.

PWT Brands offers distinctive brands with a full product range within menswear. PWT Brands develops, produces, and sells a wide range of strong brands:

- Lindbergh
- Bison
- Junk de Luxe
- Morgan
- Jacks Sportswear Intl.

These brands are sold to approximately 700 independent retailers in 27 countries, as well as to PWT Groups' two retail chains Tøjeksperten and Wagner.

PWT Group's two retail chains are operated under separate names and focus on different target groups. The strategy also sets out to further optimize management and back-office functions handling procurement, marketing, and administration in order to capitalize on synergies and obtain economies of scale.

Tøjeksperten is the largest menswear omni-channel retailer in Denmark with 112 stores across the country, of which 57 are owned by the Group, while 55 are franchises. Tøjeksperten focuses on quality clothing for fashion-conscious men of all ages and sells both its own and external brands.

Wagner is a Scandinavian menswear omni-channel retailer, which has 20 stores in Denmark, 8 in Norway, and 12 in Sweden. Of these, the Group owns 9 Danish and

6 Swedish stores, while 11 Danish stores, 8 Norwegian, and 6 Swedish stores are franchises. Wagner primarily sells the Group's own brands.

PERFORMANCE IN THE FINANCIAL YEAR UNDER REVIEW

Retail B2C offline has impacted the results for 2023 positively. Increased revenue and a higher coverage ratio have led to Retail performing better than expected, but increased rental and personnel costs, as anticipated, resulted in a result lower than in 2022.

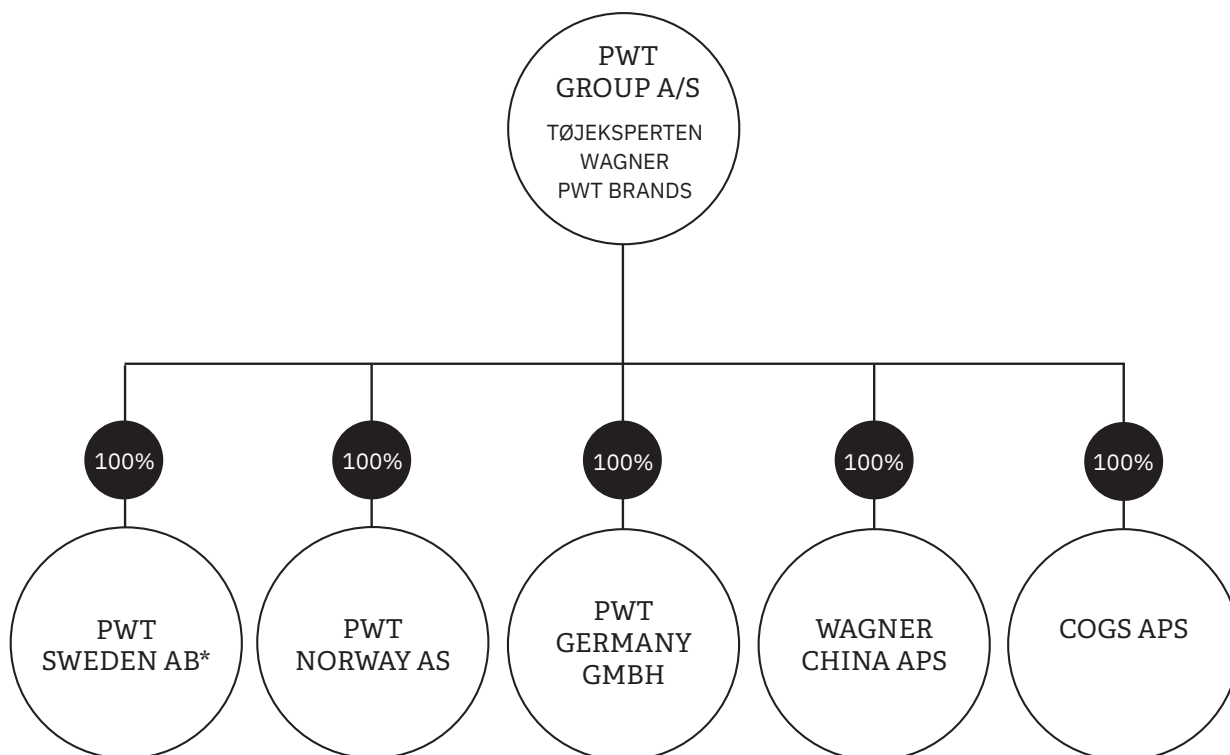
PWT Brands B2B has impacted the results for 2023 positively. Although revenue has fallen, a significantly higher coverage ratio has led to a better result than expected. Despite increased expenses, especially for personnel, the results are on par with last year.

The B2C online business revenue has increased significantly both in terms of expectations and compared to last year, but earnings, due to substantial marketing expenses, were below expectations.

The Group's EBITDA was DKK 124 million in 2023, which is satisfactory but below last year.

Despite the lower result, the result before tax (EBT) for 2023 is still assessed as satisfactory and in line with expectations from the previous years annual report. So, despite challenges and increased costs, PWT managed to maintain profitability and achieve the financial targets.

Total revenue increased to DKK 803 million in 2023 from DKK 794 million in 2022.



*100% Wagner Birsta AB
 100% Wagner Karlstad AB
 100% Wagner Växjö AB

A satisfactory gross margin of 38.4% was realized, as expected, slightly lower than last year due to increased costs.

Profit for the year was DKK 73 million.

In 2023, DKK 44 million was invested primarily in new stores, expansion/improvements of existing stores, as well as in a new website and IT security. A dividend of DKK 75 million has been distributed. The decision to distribute was made while ensuring that there is sufficient liquidity in the company, which led to the distribution being made in two steps during 2023.

Net cash and cash equivalents on 31 December 2023 amounted to DKK 96 million, which is very satisfactory.

OPERATIONAL OPTIMIZATION

The ongoing efforts to optimize PWT Group's business and constantly improve our customers' experience with the Group's brands and retail chains continued in 2023 and included:

- Improving the quality and relevance of our products.
- Increased focus on the product mix and merchandising in the stores.
- Continued optimization of retail focusing on securing earnings in each store, renewing the stores, and building bigger stores in attractive locations.
- Continued investments in the Group's online sales, including B2C, D2C, B2B, and omni-channel sales.

EVENTS AFTER THE BALANCE SHEET DATE

No material events have occurred after the balance sheet date.

OUTLOOK

We aim to maintain the same level of performance, however, we anticipate a potentially challenging year characterized by further increases in cost levels, beyond our control. We have already observed fixed costs rising, and the uncertain demand from customers is heavily influenced by macroeconomic developments, that are still uncertain. Nevertheless, we remain com-

mitted to navigating these challenges with agility and determination, staying true to our long-term vision and values.

Naturally, the outlook will depend on parameters impacting consumer behavior and disposable amounts. These include:

- The war in Ukraine and its impact on the economy.
- High inflation rates and potential additional negative consumer behavior.
- General uncertainty related to the customers' financial circumstances.

In general, 2024 is expected to be a challenging year, possibly affected by the above uncertain conditions. EBITDA is expected to be 15-20% lower than in 2023.

PWT Group has strengthened its financial position significantly in the past 3 years. The high earnings have been spent on consolidating the company, repaying all debts, and achieving a very high solvency ratio. We continue the very conservative dividend policy model for distribution where we distribute in steps so we are sure there is sufficient liquidity to make the distribution. As a result, PWT is quite confident about the future and has built a healthy and stable financial foundation.

RISK MANAGEMENT

Risk management is an integrated part of the managerial process in PWT Group to limit uncertainties and risks in relation to the financial and strategic targets defined for the Group. As part of the annual update and ap-

proval of the strategy, Management assesses relevant business risks. For the purpose of the risk assessment, Management considers, when required, the policy on currency risks adopted by the Board of Directors.

FINANCIAL RISKS

The Group manages its financial risks centrally and coordinates liquidity management and funding. Together with the Board of Directors, Management annually assesses the Group's most important risks and, by way of regular monthly reporting, reports on aspects that may materially affect the Group's activities and risks. The corporate policy is to not engage in speculation with financial risks. At the same time, we follow a conservative dividend policy where we only distribute as we are sure that we have sufficient liquidity to ensure the company's operations.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS FOR FINANCIAL REPORTING PURPOSES

The Board of Directors and the Executive Board are overall responsible for risk management and internal controls in the Group for financial reporting purposes. The organisational structure and internal guidelines make up the control environment together with legislation and other rules applying to the Group. The Group's organisational structure and staff numbers are addressed at board meetings. In relation to the financial reporting process, Management pays special attention to the following internal controls, supporting a satisfactory financial reporting process:

- Credit rating of debtors
- Assessment of the valuation of USD positions
- Assessment of accruals and valuation of inventories

PWT Group has established a “Group reporting process” comprising monthly reporting in the form of budget follow-up, performance assessment and compliance with defined targets.

On the basis of the Group reporting and reports on other selected areas, four board meetings are held each year at which the reporting received is discussed and assessed.

Moreover, key employees from the Group participate in the board meetings at which they describe and account for the risks and controls within their areas of responsibility.

CAPITAL RESOURCES

Management regularly assesses the appropriateness of the Group’s capital resources.

Based on net cash and cash equivalents of DKK 96 million at 31 December 2023 and the credit facilities made available by Spar Nord, the cash resources are expected to be sufficient in 2024.

DATA ETHICS

In PWT’s continued efforts to adhere to data ethics standards, PWT has focused on safeguarding custom-

er personal information and ensuring compliance with applicable laws and regulations. While PWT previously noted the absence of a formal data ethics policy, it is crucial to clarify that PWT operates under a comprehensive set of internal guidelines that effectively serve as PWT’s data ethics policy.

These guidelines encompass strengthened security measures to prevent data loss and unauthorized access, alongside providing thorough data ethics and security training for all employees. This ensures understanding and commitment across the organization to protect personal information.

PWT’s data processing procedures respect the boundaries of customer consent, ensuring data use is appropriate and proportionate. PWT maintains transparency with PWT’s customers about data usage and provide avenues for them to control their personal information. PWT recognizes the importance of these internal guidelines in guiding our ethical data practices, demonstrating PWT’s dedication to responsible data management.

ESG REPORT 2023

OUR BUSINESS

PWT is committed to reduce its negative impacts and increase the positive impacts on basic principles of social, environmental, and economic sustainability. It is a long journey, and the Group continuously improves policies and procedures to be able to identify and manage risks throughout the business and value chain. For a description of the Group's business model, please see page 7 and 13.

ESG Strategy

In 2021 the Group introduced its first CSR Strategy 2021-2025 which was focused on the Sustainable Development Goals. Because of the rapid development of topics of sustainability, the Group has conducted a review of the strategy and in 2024 we introduce an updated strategy "ESG Strategy 2024-2026".

In this new phase, the Group wishes to integrate the concept of ESG into its business operations from product design and manufacturing processes to supply chain management. By embedding Environmental, Social, and Governance principles into the business, PWT also prepares for forthcoming legislative frameworks such as the Corporate Sustainability Reporting Directive (CSRD) and others to come.

This report will reflect the new strategy setup.

Policies

PWT's sustainability work is based on the UN Global Compact's ten principles and follows the approach set forth in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs). The Group's CSR Policy refers to internationally endorsed principles for sustainable development, such as the International Bill of Human

Rights, including core ILO labour rights, the Rio Declaration and the UN Convention against Corruption.

Internal Processes

PWT sets the same requirements to itself as to its suppliers:

- Adopt policies
- Conduct regular risk assessments
- Draw up action plans to manage identified risks and challenges
- Communicate about actions and results
- Enable access to remedy through a legitimate grievance mechanism

This is a process which requires both time and resources and the Group is continuously improving its due diligence procedures.

The strategy is integrated in all departments of the company, such as Design, Purchase, Sales, Marketing, and Retail through info meetings, communication materials, etc. On a quarterly basis, CSR meetings are held with the management group.

Partnerships

PWT strives to encourage cooperation and dialogue with suppliers and other relevant parties on socially, environmentally, and economically sustainable solutions. Tackling global and wide-spread risks cannot be achieved by one company alone, and the Group collaborates with several organisations and initiatives to create as much positive impact as possible.

The Group sees it as imperative that the different players of the textile industry come together to create the most valuable and long-lasting changes that are needed.

ESG STRATEGY 2024 - 2026

E ENVIRONMENT

We will integrate environmental considerations into our entire business

CLIMATE	RESPONSIBLY MADE	PACKAGING & WASTE
<ul style="list-style-type: none"> Reduce CO2 emissions in own business and in value chain Biodiversity Natural Resources 	<ul style="list-style-type: none"> Ensure use of materials better for climate, environment, and people Design and produce for circularity No overproduction No harmful chemicals 	<ul style="list-style-type: none"> Reduce waste generated from our activities Focus on reusability

S SOCIAL

We will ensure good and safe working conditions for our employees and in our supply chain

OWN WORKFORCE	SUPPLY CHAIN	CONSUMERS
<ul style="list-style-type: none"> Be an attractive workplace Employee well-being and health Opportunity for development/education Diversity and equality 	<ul style="list-style-type: none"> Improve working conditions and safety through due diligence processes Dialogue and supplier training 	<ul style="list-style-type: none"> Helping consumers make informed choices Sell good and safe products

G GOVERNANCE

We will ensure transparency, ethical behavior, and responsibility in our decisions and actions

ETHICS	REPORTING & TRANSPARENCY	RISK MANAGEMENT
<ul style="list-style-type: none"> Ensure we have policies in place 	<ul style="list-style-type: none"> Annual CSR reporting 	<ul style="list-style-type: none"> Identify and manage potential risks Due Diligence on social and environmental considerations

Monitoring and implementation of national and international legislation and guidelines

PARTNERSHIPS





PWT is aware that it has a substantial environmental footprint and is committed to reduce this by continuously improving internal processes and supporting suppliers on their journey towards more environmentally-friendly production methods.

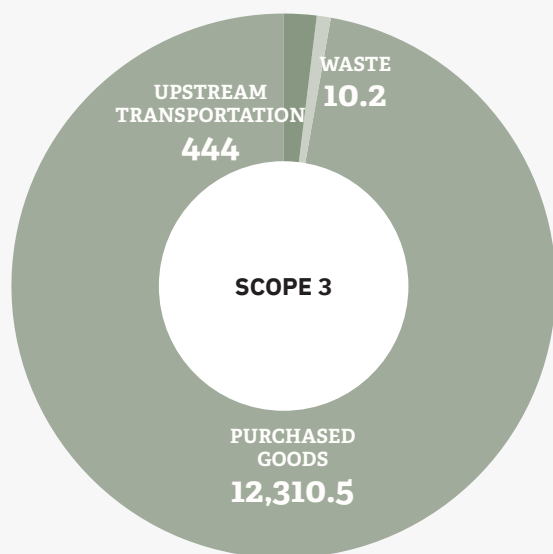
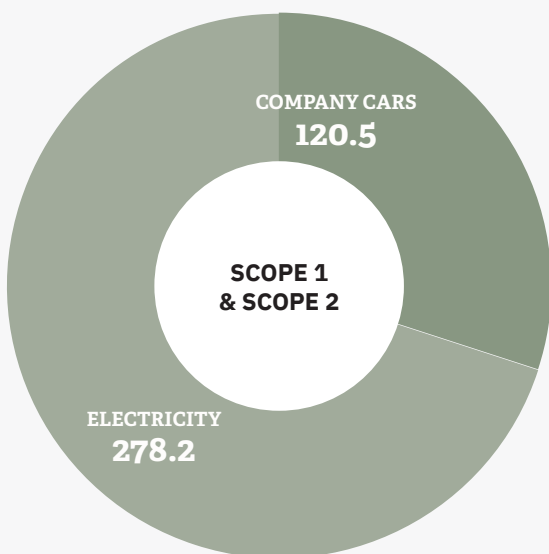
CLIMATE

PWT is measuring its carbon footprint through an online reporting system provided by CEMAsys. The reporting system follows the GHG Protocol and ISO14064, and

the aim is to map the Group's emissions and track the progress on reducing GHG emissions throughout the business.

This year's climate report shows a total emission of 13,163.5 tons CO₂e, which is a 30.1% reduction compared to 2022. Material production accounting for 93.5%, transportation for 3.4%, electricity for 2.1%, waste for 0.1% and company cars for 0.9% of the total emissions. See Carbon Accounting 2023 on page 30-37.

DISTRIBUTION OF EMISSIONS tCO₂e



In recent years, the Group has invested in replacing light sources with LED lightning in all stores, warehouse, and at the head office. This has resulted in a significant reduction of electricity consumption by 27% from 2022 to 2023. The group will continue investigating and implementing other energy-saving activities.

Compared to an average year, 2022 was a year with a higher amount of purchased goods. The Group has in 2023 reduced the amount in material purchases by 37.3%. In addition, the emissions have been reduced by 30.3% compared to 2022. The amount of purchased materials for 2023 is comparable to other years before 2022. In 2023 there was an increase in tCO2e per tonnes produced clothes of 11%. This is due to a decrease in purchase of materials with a lower CO2 footprint such as organic cotton and recycled materials and higher emissions due to updated emission factors by CEMAsys. This effects by approx. 6%.

As a result of the decrease in purchase of products, the Group has also achieved a reduction in CO2e from transport by 40.8%. Compared to 2021, which was a more comparable year, emissions from transport are reduced by 24.5%.

RESPONSIBLY MADE

The most sustainable garments are quality products that will last for many years. In recent years PWT has worked to reduce the number of styles and gain better quality and durability for each garment. The Group’s premium brands, Bison and Lindbergh Black, are a big part of this. Until now, the Group has reached a 63% reduction of styles.

Material production accounts for 93.5% of the Groups GHG emissions, based on this year’s climate report. Therefore, to reduce the Group’s environmental footprint, it is essential to look at how to shift from conventional materials and production processes to ones that leave a lower footprint.

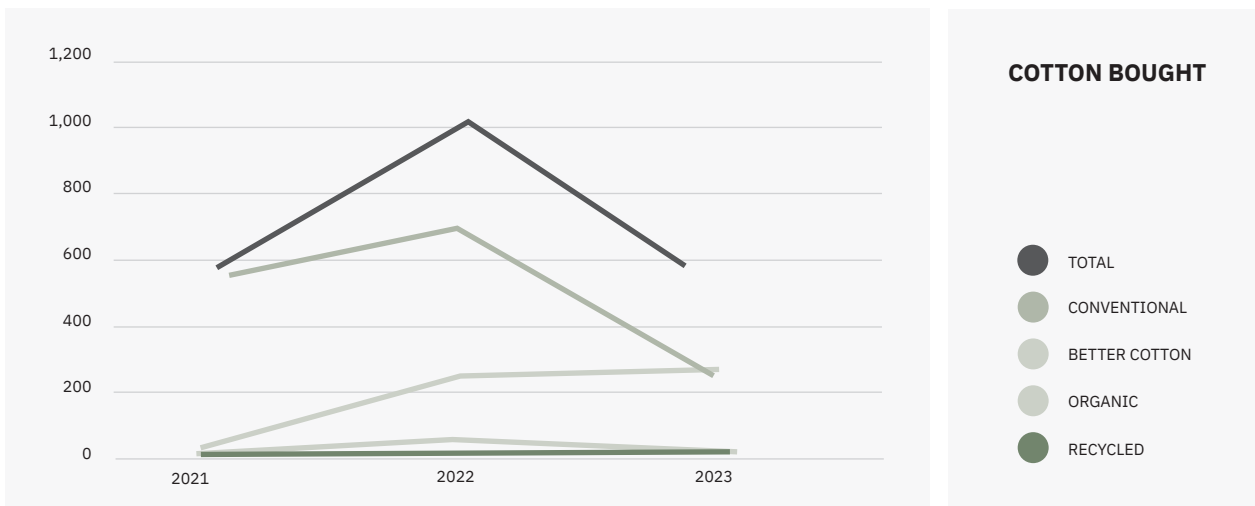
For this purpose, designers and purchasers are working with suppliers on finding more sustainable materials and production methods. The approach is to cooperate with suppliers on finding the best solution that makes sense on all parameters. This intensified focus has resulted in several initiatives, such as the implementation of organic cotton, Better Cotton, recycled materials, and better denim production.

A relatively large share of the Group’s material use is cotton. Considering cotton production’s negative impact on the climate, the local environment, and the biodiversity, it is imperative that the textile industry finds more sustainable ways of producing cotton.

PWT is a member of Better Cotton to improve cotton farming globally. Better Cotton makes global cotton production better for the people who produce it, better for the environment it grows in, and better for the sector’s future. By buying more Better Cotton the Group reduces the use of conventional cotton and thereby reduces CO2 emissions.

PWT is committed to sourcing 50% of the Group’s cotton as Better Cotton by 2025.

Better Cotton is sourced via a system of Mass Balance and is not physically traceable to end products. Read more about Better Cotton here: www.bettercotton.org/



Further to the Better cotton membership, the Group focuses on its use of organic cotton, recycled materials, and others whenever possible.

Amfori BEPI

It is essential to look at the production methods throughout the supply chain. PWT has started engaging strategic suppliers on the amfori BEPI (Business Environmental Performance Initiative) program. Through the BEPI program, suppliers are asked to report on their energy consumption, waste management, chemicals, etc., and then work on improving their environmental performance level within priority areas. The Group will support the suppliers in this process and push for sustainable changes.

Forest Steward Council (FSC®)

PWT is a member of the Forest Steward Council and has an FSC® promotional license (FSC® - N004374). This means that it is approved by FSC Denmark to use the FSC trademarks in communication and promotion of FSC-labelled products. Woodbased products bearing the FSC label are sourced from forests with responsible forest management.

Read more about FSC here: www.fsc.org/

Leather

PWT requires all leather suppliers to only use tanneries that are members of the Leather Working Group; an initiative focusing on reducing the consumption of water, energy, and chemicals.

No harmful chemicals

PWT is aware of the risk of using harmful chemicals during production, and the Group is actively working to avoid them, for the sake of both local biodiversity, the environment, and the health of the people working in production.

PWT has certified a range of products to the OEKO-TEX® Standard 100. The aim is to expand the range of certified products during the coming years.

The Group has set up a Restricted Substance List (RSL) in collaboration with Bureau Veritas. The RSL applies to all garments and accessories manufactured for PWT. All suppliers must sign this document before starting production. The RSL is based on the Regulation (EC) No. 1907/2006 of the European Parliament, also known as the REACH regulation, and is updated on a regular basis. For each sales season, styles are picked out for testing at local BV labs, based on a risk assessment. Occasionally, random tests are performed at the warehouse in Denmark to avoid golden samples.

PACKAGING AND WASTE MANAGEMENT

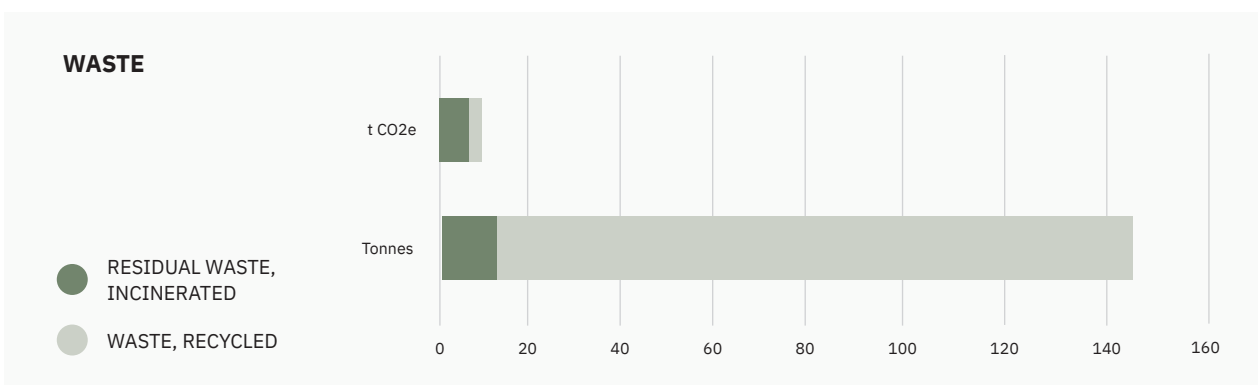
Since 2019, all bags and gift boxes have been replaced with ones made of recycled materials. The Group is proud to cooperate with Plastic Change, the Danish environmental organisation that works to break the exponential growth of plastic pollution. As of 2020, PWT has donated to Plastic Change.

A considerable impact, when talking about packaging consumption and waste, is the packaging material used during transportation of products, such as poly bags, tissue paper, and carbon boxes. The Group is continuously looking into how to reduce and/or replace existing packaging materials with more sustainable materials. Coming legislation will also require the Group’s focus on this.

Waste Management

PWT focuses on handling waste very carefully. The goal is to recycle as much waste as possible.

By implementing targeted waste sorting at PWT Headquarter and Warehouse, the group will ensure that a



large part of the waste is recycled. In 2023, the Group started collecting data on waste, and we monitor the efforts of sorting in our climate accounting.

In 2023 the Group reached 91% waste for recycling which was the same as in 2022. Cardboard accounts for 82% of the total amount of waste.

At the end of 2022, the Group has run a pilot project regarding the sorting and recycling of textile waste with NewRetex. By using robot technology NewRetex sorts and processes discarded textiles. This means that the textiles are sorted by quality and color which improves recyclability.

The project resulted in 80% of the textiles that were sent to NewRetex being recyclable. The Group has entered a collaboration with NewRetex so that in the future it will send textile waste for recycling through them.

In 2023 the Group sent 2.386 kilo textiles for recycling by NewRetex.

By sorting and making sure most of the waste is recycled, the Group takes care of the climate by reducing CO2 emissions and the need for virgin materials.





OWN WORKFORCE

PWT wants to be an attractive workplace and the Group focuses on recruiting, training, and retaining employees. Through ongoing dialog regarding continuing education, the Group ensures that it has the right qualifications it requires. The need for education and personal development is clarified annually. Upskilling of employees benefits both the employee and PWT.

Through a working environment committee, the Group works to ensure good and safe working conditions for all employees. In 2023, the Group installed a defibrillator in the warehouse. In October, all employees were invited to participate in at first aid training with CPR.

The warehouse is regularly visited by the Working Environment Authority where safety procedures are reviewed, and any improvements are recommended. The latest visit was carried out without comments, which means that PWT complies with the Working Environment Legislation.

The Group will continue working on employee health and well-being and be an attractive workplace with focus on employee development.

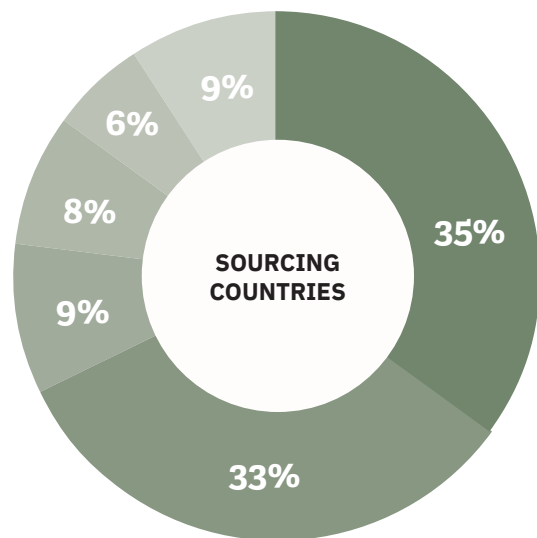
SUPPLY CHAIN

Production takes place in several countries across the globe. PWT does not own any factories but cooperates with a range of suppliers, both directly at production facilities and via sourcing houses. The top-30 factories represent approx. 93% of all orders, and focus is primarily given to these.

It is of utmost importance that textiles are produced at factories with decent working conditions. Many resources are spent on following up with suppliers on their work on adhering to the Code of Conduct.

The Group’s Code of Conduct is based on Danish Fashion & Textile’s Code of Conduct and describes the sustainability minimum standards set for business partners.

It is a fact that some production countries represent considerable risks of unsafe working conditions and challenged labour rights. At the same time, the textile



BANGLADESH	●
CHINA	●
PAKISTAN	●
VIETNAM	●
PORTUGAL	●
OTHER	●

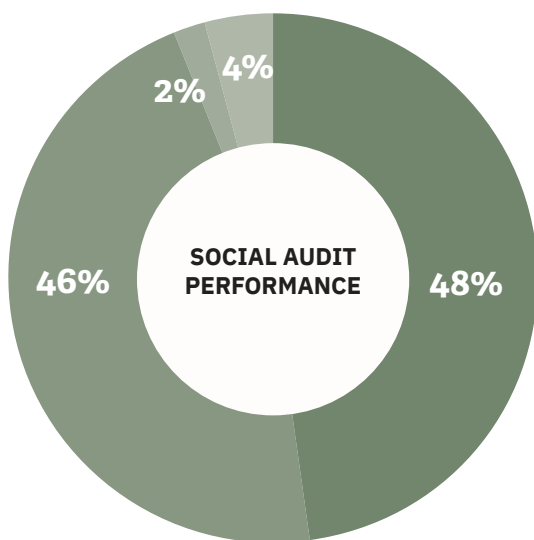
industry creates millions of jobs, and the Group does not see it as an option to cut out countries from the sourcing loop. Instead the group will focus on contributing to improvement through the supply chain management, and through participation in national and international initiatives.

However due to the situation in Myanmar, the Group has decided to stop its activities there until the situation changes.

AMFORI BSCI

PWT has been a member of the amfori since 2013 and has used the amfori BSCI as the main social certification system for suppliers. Suppliers are expected to work with amfori BSCI (SA8000 or similar system), and in cases where a factory has not yet initiated the BSCI process, they are expected to join within a reasonable amount of time. Suppliers are audited annually by third party auditors, and audit reports are used to promote dialogue on necessary improvements.

As a minimum, the Group expects the factories to achieve a C-rating.



GOOD (A+B+SA8000)	●
ACCEPTABLE (C + SEDEX)	●
NON-ACCEPTABLE (D+E)	●
AUDIT EXPIRED/ AUDIT IN PROGRESS	●

The Group does not expect suppliers to overcome challenges overnight but focuses on their ability and willingness to demonstrate continuous improvements. Considerable resources are spent on following up with suppliers on their improvement work.

As a part of the collaboration with suppliers and garment factories, facilities are visited regularly.

In 2023, travel activities reached the same level as in 2022 as employees from Purchase have visited 18 factories. Visits have been to both existing and possible new factories.

Through dialog and improvement activities, factories have achieved better BSCI scores and the number of factories with A and B-rating have increased from 44% in 2022 to 48% in 2023.

The international Accord for Health and Safety in the Textile and Garment Industry

PWT has been a signatory member of the Accord since 2013. The latest Accord expired on 31 October 2023, and the Group followed the negotiations for a new agreement closely and has in 2024 signed the new agreement for The International Accord for Health and Safety in the Textile and Garment Industry and the CSSP for the Bangladesh Agreement.

The Group continues to require all active Bangladeshi suppliers to work actively with the RMG Sustainability Council (RSC). This means 1) engaging with the Inspection Programme, 2) improving fire, building, and electrical safety based on inspection findings, 3) participating in the extensive training, and 4) engaging in remediation dialogues based on the RSC grievance mechanism.

The Group continuously receives and acts upon inspection reports on the factories' building safety, as well as fire and electrical safety, through the Accord.

In 2023, the Group has 15 active Bangladeshi factories in the initiative with an average progress rate of 80%. This is 5 factories more than 2022. By increasing the number of factories covered by the Accord together with other members, the Group ensure the occupational safety of more factory workers in Bangladesh as these factories are participating in the Accord's safety committee training.



ETHICS & ANTI-CORRUPTION

Anti-Corruption Policy

PWT wishes to combat corruption and bribery and seeks to promote openness and transparency. PWT has established an Anti-corruption Policy, which is based on the UN Convention against Corruption and signed by the top management. It is included in the Employee Handbook and Supplier Manual. The policy covers risks like corruption, bribery, facilitation payment and Hospitality. Together with the policy, a “Facilitation and Hospitality Register” has been set up in which employees register gifts. The policy is communicated internally, and the facilitation and hospitality register are monitored on an annual basis as well. During 2023, one item was registered on the Facilitation and Hospitality Register. The Group will continue to keep awareness on this subject.

Animal Welfare Policy

All relevant suppliers are required to sign and comply with the Group’s Animal Welfare Policy. It states, among other things, that PWT only accepts leather from animals bred for the food industry, that mulesing is not accepted and that live plucking of birds is unacceptable. The policy is based on The Five Animal Freedoms.

REPORTING & TRANSPARENCY

PWT has set up a grievance mechanism on the Group’s website, which ensures that stakeholders can report any concern relating to PWT anonymously. Until now, no grievances have been received.

The Group’s Internal whistleblower mechanism aims to provide a confidential channel through which employees can report concerns related to unethical behavior, violations of company policies, or any activities that may pose risks to the environment or society. To ensure that no conflict of interest arises, all reports will be initially received by an external partner who is responsible for an initial assessment of the report.

Since the establishment of the internal whistleblower mechanism, no issues have been reported.

Gender Diversity in Board of Directors and Management (section 99B)

Gender Diversity and equal opportunities for all employees are important to PWT.

Currently, the Board of Directors consists of 40% females and the Group has thus achieved the goal of an equal gender distribution of 40% female and 60% male. The Board continues to strive to find suitable female candidates when recruiting board members.

PWT is committed to build a workforce through the entire company that is represented equally by both genders across both the management team and other managerial positions. As a menswear company, PWT has an average of 80% male and 20% female employees throughout the Group.

At management level, the average is 88% male managers and 12% female managers in 2023 which is the

same as in 2022. Since there have been no replacements at management level in 2023, the Group has not used its internal procedures in 2023.

The staff policies and HR processes are directed at retaining qualified female employees by addressing the work/life balance to create a desirable working environment as well as supporting personal development through performance reviews, feedback, and leadership training.

The Group has a special focus on the gender distribution in the individual departments when recruiting, just as it has focused on this in our student recruitment.

Furthermore, the policy for the Management Team emphasizes diversity in the broadest sense and lays down the principle to always hire the most qualified person, regardless of gender, age, nationality, sexual orientation, or religious beliefs. PWT will continue to work toward increasing diversity throughout the organization as well as in management levels and aim to achieve more balanced gender representation across the management level with a minimum of 25% women by the end of 2026.

GENDER DISTRIBUTION

DISTRIBUTION IN %	2022		2023		TARGET 2026	
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
BOARD OF DIRECTORS	40	60	40	60	40	60
	5 members		5 members			
MANAGEMENT LEVEL	12	88	12	88	25	
	8 members		8 members			
ALL EMPLOYEES	21	79	20	80		

RISK-MANAGEMENT

On an annual basis, the Group conducts a risk assessment, including action plans. Below is the latest version:

HUMAN AND LABOUR RIGHTS

Relevant policies: CSR Policy Commitment, Code of Conduct, Restricted Chemicals List (RSL)

Risks in our own business	Risks in our supply chain	Action plan
Risk of occupational hazards and injuries		A working environment committee continuously assesses the working environment and makes recommendations for improvements.
Risk of overtime work on a regular basis		Regular overtime is a common challenge for the industry, but the Group is continuously working to prevent excessive overtime. The team managers are constantly improving working processes in order to ensure a more efficient flow and hence avoid excessive overtime.
Health of employees		<p>All employees are covered by a health insurance which includes e.g. minor operations or psychological treatments, and is a supplement to the public health service. A health insurance ensures quick investigation, treatment and helps our employees to get well and return to work.</p> <p>The Group conducts first aid trainings with CPR in collaboration with Falck. Once a year all employees will be offered trainings. First aid trainings will be mandatory for all our store assistant trainees.</p> <p>In addition, a defibrillator has been installed at the Main Office and Warehouse.</p>
	Unsafe working conditions	<p>PWT's suppliers must provide safe working conditions for their employees.</p> <p>As a member of the amfori BSCI, the Group expects its suppliers to ensure safe working conditions by complying with amfori requirements and being part of the audit program.</p> <p>As a signatory member of the International Accord for Health and Safety in the Textile and Garment Industry, the Group is supporting safer production buildings for suppliers in Bangladesh. It is a requirement to all suppliers that they can provide valid permits of building safety.</p>
	Excessive working hours	PWT works to ensure that its own buying practices do not contribute to excessive working hours. Orders are placed well in advance, and the Group ensures that changes are not made shortly before deadlines. The Group assesses suppliers' practices; overtime should be voluntary and limited, management should develop a contingency plan and is encouraged to set up electronic time systems, etc.
	Lack of ensuring the health of workers	Suppliers' ability to ensure the health of their employees is assessed on an ongoing basis. Indicators include proper sanitary facilities, clean drinking water, medical staff, regular health check-ups, access to medicine, proper conditions for pregnant employees, etc. Whenever possible, the Group promotes and invites suppliers to relevant trainings, such as the OSH course in Dhaka where participating factories were instructed by Danish OSH experts.

HUMAN AND LABOUR RIGHTS

Relevant policies: CSR Policy Commitment, Code of Conduct, Restricted Chemicals List (RSL)

Risks in our own business	Risks in our supply chain	Action plan
	Unfair remuneration	PWT does not own factories and cannot manage salaries paid to suppliers' workers. However, the Group does negotiate realistic prices in order not to contribute to unfair remuneration. PWT requires that all suppliers comply with national regulation, and the Group assesses suppliers' ability to support workers financially in other ways, e.g. by providing free transportation, low-cost canteens, and kiosks with low-cost provisions.
	Discrimination	Suppliers' ability to provide equal rights and payment for everyone is assessed on an ongoing basis. Indicators include recruitment and salary procedures, respectful behavior from managers towards workers, etc.
	Precarious employment and bonded labour	Production facilities should keep proper records of contracts and employee ID, and have proper notice and leave procedures in place in order to avoid precarious employment. PWT focuses on questioning the use of piece-rated employees and probation workers, which can be a method to keep wages down.
	Freedom of association and collective bargaining	PWT assesses suppliers' respect for worker associations and trade unions as well as their ability to include workers in decision-making. The Group stresses to suppliers that safety or WP committees can be very valuable and support suppliers in establishing good committee practices. Through the Accord, all Bangladeshi suppliers are required to establish Health and Safety committees, and they receive training on their rights and responsibilities in regard to committee practices.
	Child labour and the lack of protection of young workers	In general, this issue has improved among suppliers. However, the Group still considers child labour as a substantial risk within the supply chain. The Group became a member of amfori BSCI in 2013, an initiative that works to improve working conditions on factories. Factories are audited on a yearly basis and preventing child labour is an essential issue.

ENVIRONMENT AND CLIMATE

Relevant policies: CSR Policy Commitment, Code of Conduct, Restricted Chemicals List (RSL), Animal Welfare Policy

Risks in our own business	Risks in our supply chain	Action plan
CO2-emissions		Since 2020, PWT is working with the CEMAsys system to calculate CO2 emissions in a structured way, based on the GHG Protocol. Please read more in the section “Climate & Environment”
Use of textile materials		PWT prioritizes longevity in the design and production of each product. Focus is on quality over quantity, leading us to reduce the number of styles every year. The Group is committed to sourcing quality materials that range from organic to recycled. In 2019, PWT joined Better Cotton, one of the world’s largest sustainable textile initiatives. The Group is also a member of the Forest Steward Council (FSC). The plan for the coming years involves the introduction of additional materials that are better for the environment.
Plastic use, and packaging in general		PWT has replaced all packaging materials in the stores with ones made of recycled materials. Bags are not provided for free. In the coming years, the Group will look into how to reduce the amount of packaging material, such as poly bags, tissue paper, carbon boxes, etc., and how to replace virgin materials with recycled ones.
Transport		PWT specifies to suppliers that the Group prefers sea freight, and that train freight is preferred over air freight, reducing air freight to an absolute minimum. Furthermore, all shipments from central inventories are continuously optimized.
Textile waste		In collaboration with an extern partner we collect our textile waste, sort it, and make sure most of our textile waste is recycled.
	Animal Welfare	All relevant suppliers are required to sign and comply with the Animal Welfare Policy. It states, among other things, that PWT only accepts leather from animals bred for the food industry, that mulesing is not accepted, and that live plucking of birds is an unacceptable practice.
	Risk of use of harmful chemicals, and of insufficient chemical management at production sites.	All suppliers are obliged to comply with the Group’s RSL, which is aligned with the EU regulation, REACH. Styles from each collection are selected for testing at Bureau Veritas, based on a risk assessment. In 2021, PWT accomplished to get an OEKO-TEX certification for a range of products.

ENVIRONMENT AND CLIMATE

Relevant policies: CSR Policy Commitment, Code of Conduct, Restricted Chemicals List (RSL), Animal Welfare Policy

Risks in our own business	Risks in our supply chain	Action plan
	<p>In general, poor environmental management at production facilities</p>	<p>In the coming years, the Group will engage with strategic suppliers about the amfori BEPI programme, in order to support them in setting up sufficient policies and processes in regard to environmental management. This includes looking at chemical handling, waste management, water and energy use, etc.</p>

ANTI-CORRUPTION

Relevant Policy: CSR Policy Commitment, Code of Conduct, Anti-Corruption Policy

Risks in our own business	Risks in our supply chain	Action plan
<p>Sourcing from countries with high corruption risks</p>		<p>Together with the policy, a 'Facilitation and Hospitality Register' has been set up where employees register gifts. This register is monitored on an annual basis as well. The aim of this is to increase the awareness level internally.</p>

CLIMATE REPORT

CARBON ACCOUNTING

REPORT 2023

This report provides an overview of PWT Groups greenhouse gas (GHG) emissions, which is an integrated part of the organisation's climate strategy. GHG emissions accounting is a fundamental tool in identifying tangible measures to reduce GHG emissions. The annual GHG emissions accounting report enables the organisation to benchmark performance indicators and evaluate progress over time.

Consolidation approach used for the GHG emissions accounting: Operational control

This report comprises the following organisational units:

PWT Group's head office, warehouse, and stores.

The input is based on consumption data from internal and external sources, which has then been converted into tonnes CO₂-equivalents (tCO₂e) using generic and/or specific emission factors. The GHG emissions accounting is based on the international standard; A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). The GHG Protocol is the most widely used and recognised international standard for measuring greenhouse gas emissions on a company level, and is the basis for the ISO standard 14064-I.

REPORTING YEAR ENERGY AND GHG EMISSIONS

Summary	Unit	2023	% share of total calculated GHG emissions
Scope 1 total	tCO ₂ e	120.5	1%
Scope 2 total	tCO ₂ e	278.2	2%
Scope 3 total	tCO ₂ e	12,764.8	97%
Scope 1, 2 & 3 total		13,163.5	

SCOPE 1	Description	Consumption	Unit	Energy (MWh)	tCO ₂ e	% share
Transportation total				472.0	120.5	0.9%
Diesel (B5)		43,711.0	liters	432.7	110.8	0.8%
Petrol (E5)		4,338.0	liters	39.3	9.7	0.1%
Scope 1 total					120.5	0.9%

SCOPE 2	Description	Consumption	Unit	Energy (MWh)	tCO2e	% share
Electricity total				2,243.8	278.2	2.1%
	Electricity Denmark 125	2,243,793.0	kWh	2,243.8	278.2	2.1%
Scope 2 total				2,243.8	278.2	2.1%

SCOPE 3	Description	Consumption	Unit	Energy (MWh)	tCO2e	% share
Transportation total					12,310.6	93.5%
	Acrylic fabric (T1-4)	16,791.0	kg		217.8	1.7%
	Bamboo fabric (T1-4)	20,094.0	kg		317.7	2.4%
	Cotton fabric, BCI (T1-4)	294,538.0	kg		2,650.8	20.1%
	Cotton fabric, conventional (T1-4)	284,744.0	kg		2,793.3	21.2%
	Cotton fabric, organic (T1-4)	8,697.0	kg		74.9	0.6%
	Cotton fabric, recycled (T1-4)	2,321.0	kg		18.5	0.1%
	Down insulation	624.0	kg		5.7	
	Elastane/Spandex fabric (T1-4)	12,752.0	kg		189.4	1.4%
	Leather, cow (T1-4)	12,192.0	kg		437.7	3.3%
	Leather, goat (T1-4)	336.0	kg		6.6	0.1%
	Linen (flax) fabric (T1-4)	47,733.0	kg		439.6	3.3%
	Lyocell fabric (T1-4)	1,154.0	kg		15.8	0.1%
	Nylon fabric (6) (T1-4)	11,521.0	kg		196.4	1.5%
	Nylon fabric, recycled (T1-4)	801.0	kg		7.8	0.1%
	Nylon/polyamide (PA) fabric (T1-4)	23,077.0	kg		295.4	2.2%
	Polyester fabric (T1-4)	209,739.0	kg		2,326.0	17.7%
	Polyester fabric, recycled (T1-4)	33,832.0	kg		284.5	2.2%
	Polyurethane fabric (T1-4)	519.0	kg		7.7	0.1%
	Viscose/Rayon fabric (T1-4)	70,063.0	kg		1,107.7	8.4%
	Wool, fine (T1-4)	22,198.0	kg		885.0	6.7%
	Wool, recycled (T1-4)	4,017.0	kg		32.1	0.2%
Upstream transportation and distribution total					444	3.4%

Air Intercontinental freight	WTW	285	tCO2e	285	2.2%
Sea container avg load	WTW	131	tCO2e	131	1.0%
Truck avg.	WTW	28	tCO2e	28	0.2%
Waste total				10.2	0.1%
Residual waste, incinerated		13,415.0	kg	7.4	0.1%
Plastic packaging waste, recycled		230.0	kg		
Glass waste, recycled		150.0	kg		
Metal waste, recycled		3,570.0	kg	0.1	
Organic waste, recycled		1,970.0	kg		
Plastic waste, recycled		860.0	kg		
Cardboard waste, recycled		118,790.0	kg	2.5	
Sorted waste, recycled		5,910.0	kg	0.1	
Textile waste, recycled		2,220.0	kg		
SCOPE 3 total				12,764.8	97.0%
TOTAL SCOPE 1,2 & 3				13,163.5	100.0%

The above provides a comprehensive summary of the GHG emissions accounting of PWT Group for the reporting year 2023. It illustrates Scope 1, Scope 2 and the Scope 3 categories ‘Purchased Goods and Services’, ‘Upstream Transportation and Distribution’ and ‘Waste’. The table presents consumption data and its corresponding reporting unit (e.g., kg, liters, kgCO2e), consumption data converted into energy (MWh) and tCO2e, and the percentage share each emission source represented in the overall GHG emissions. Consumption data that equals a tCO2e value lower than 0.1 are visualised with an ‘-’. PWT Group is currently working on expanding their Scope 3 emissions to other relevant categories, which will be included in next years reporting.

For 2023 the total calculated Scope 1, 2 and 3 emissions for PWT Group are 13,163.5 tCO2e, which is a 30.1% decrease compared to 2022. This significant decrease is mainly due to a considerably higher amount of purchased fabrics in 2022 compared to an average year.

Scope 1 includes direct emissions from the reporting company’s own operations. For PWT group, this consist

of fuel use for company owned or leased vehicles. For 2023 the total calculated Scope 1 emissions for PWT Group are 120.5 tCO2e, which account for less than 1 % of the total calculated GHG emissions. Compared to 2022, PWT Group has experienced a 5.7% reduction in Scope 1 emissions, mainly due to a decrease in petrol consumption.

Scope 2 includes indirect emissions from the reporting company’s consumption of grid electricity, heat, steam or cooling. For PWT group this consist of purchased electricity for its offices, warehouse and stores. For 2023 the total calculated Scope 2 emissions for PWT group are 278.2 tCO2e, which account for 2% of the total calculated GHG emissions. Compared to 2022, PWT Group has experienced a 27% decrease in Scope 2 emissions due to a decrease in electricity consumption.

Heating of PWT Group’s buildings, warehouses, or stores has yet to be accounted for since the data availability has been low. PWT Group is continuously working on expanding their data and heat will be included in the GHG emissions accounting for 2024.

Scope 3 includes indirect emissions from activities in the company's value chain. For PWT Group this GHG emissions accounting include emissions associated with their purchased fabrics, their upstream transportation and distribution and the waste generated in their operations. For the category waste, PWT Group has currently set their organizational boundary to their office and warehouse, since waste data from stores has been difficult to retrieve. However, it will be included in the GHG emissions accounting for 2024.

For 2023 the total calculated emissions from Scope 3 for PWT Group were 12 764.8 tCO₂e, which account for

97% of the total calculated emissions. Within Scope 3, the emissions associated with the production of the purchased fabric account for 93.5% of the total calculated Scope 3 emissions, where cotton purchase is the largest contributor to these emissions. In 2023 PWT Group has experienced a 30.3% reduction in its total calculated Scope 3 emissions, due to a significant decrease in purchased goods. This is because of 2022 being a year with a higher amount of textile and fabric purchases compared to an average year.

MARKET-BASED GHG EMISSIONS

CATEGORY	Unit	2021	2022	2023
Electricity Total (Scope 2) with market-based calculations	tCO ₂ e	1,090.9	1,103.8	969.3
Scope 2 Total with market-based electricity calculations	tCO ₂ e	1,090.9	1,103.8	969.3
Scope 1+2+3 Total with market-based electricity calculations	tCO ₂ e	13,807.4	19,553.2	13,854.6
PERCENTAGE CHANGE		100.0%	41.6%	-29.1%

ANNUAL GHG EMISSIONS

SCOPE 1	Description	2021	2022	2023	% change from 2022
Transportation total		112.8	127.8	120.5	-5.7%
Diesel (B5)		100.4	114.4	110.8	-3.1%
Petrol (B5)		12.4	13.4	9.7	-27.6%
		112.8	127.8	120.5	-5.7%

SCOPE 2	Description	2021	2022	2023	% change from 2022
Electricity total		360.7	381.4	278.2	-27.1%
Electricity Denmark 125		360.7	381.4	278.2	-27.1%
SCOPE 2 TOTAL		360.7	381.4	278.2	-27.1%

SCOPE 3	Description	2021	2022	2023	% change from 2022	
Purchased goods and services total		12,015.7	17,561.8	12,310.6	-29.9%	
	Cotton fabric, conventional (T1-4)	5,048.2	6,596.2	2,793.3	-57.7%	
	Cotton fabric, BCI (T1-4)	1,087.8	2,020.7	2,650.8	31.2%	
	Tencel fabric (T1-4)	4.5	2.2		-100.0%	
	Leather, cow (T1-4)	188.5	238.9	437.7	83.2%	
	Acrylic fabric (T1-4)	162.6	241.5	217.8	-9.8%	
	Bamboo fabric (T1-4)	270.9	451.6	317.7	-29.7%	
	Lyocell fabric (T1-4)	11.0	26.8	15.8	-41.0%	
	Leather, goat (T1-4)	42.2	108.8	6.6	-93.9%	
	Cotton fabric, organic (T1-4)	211.0	412.7	74.9	-81.9%	
	Modal fabric (T1-4)	5.4	17.6	-	-100.0%	
	Cotton fabric, recycled (T1-4)	4.6	6.3	18.5	193.7%	
	Nylon fabric (6) (T1-4)	106.2	311.1	196.4	-36.9%	
	Down insulation	-	-	5.7	100.0%	
	Nylon fabric, recycled (T1-4)	61.4	88.2	7.8	-91.2%	
	Elastane/Spandex fabric (T1-4)	153.3	146.3	189.4	29.5%	
	Nylon/Polyamide (PA) fabric (T1-4)	423.8	341.7	295.4	-13.5%	
	Linen (flax) fabric (T1-4)	284.4	565.4	439.6	-22.2%	
	Polyester fabric (T1-4)	1,899.1	2,682.6	2,326.0	-13.3%	
	Polyurethane fabric (T1-4)	8.2	9.6	7.7	-19.8%	
	Wool, fine (T1-4)	1,028.7	1,447.5	885.0	-38.9%	
	Viscose/Rayon fabric (T1-4)	771.2	1,356.0	1,107.7	-18.3%	
	Wool, recycled (T1-4)	16.7	17.4	32.1	84.5%	
Upstream transportation and distribution total		588.0	749.9	444.0	-40.8%	
	Air Intercontinental freight	WTW	299.0	434.2	285.0	-34.4%
	Sea container Avg load	WTW	141.0	167.2	131.0	-21.7%
	Rail freight	WTW	3.0	1.7	-	-100.0%
	Truck avg.	WTW	145.0	146.8	28.0	-80.9%
	Waste total	-	9.9	10.2	3.0%	

Residual waste, incinerated	6.8	7.4	8.8%	
Plastic packaging waste, recycled	-	-	-	
Glass waste, recycled	-	-	-	
Metal waste, recycled	0.1	0.1		
Organic waste, recycled	-	-	-	
Plastic waste, recycled	-	-	-	
Cardboard waste, recycled	2.6	2.5	-3.8%	
Sorted waste, recycled	0.3	0.1	-66.7%	
Textile waste, recycled	-	-	-	
Scope 3 total	12,603.7	18,321.6	12,764.8	-30.3%
TOTAL Scope 1,2 & 3	13,077.3	18,830.7	13,163.5	-30.1%
Percentage change	100%	44.0%	-30.1%	

KPI PER 1000KG

KPI PER 1000KG	2021	2022	2023
TOTAL TC02E/1000KG PRODUCED CLOTHES	11.6	11.0	12.2

METHODOLOGY AND SOURCES

The Greenhouse Gas Protocol initiative (GHG Protocol) was developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). This analysis is done according to A Corporate Accounting and Reporting Standard Revised edition, currently one of four GHG Protocol accounting standards on calculating and reporting GHG emissions. The reporting considers the following greenhouse gases, all converted into CO₂-equivalents: CO₂, CH₄ (methane), N₂O (laughing gas), SF₆, HFCs, PFCs and NF₃.

For corporate reporting, two distinct approaches can be used to consolidate GHG emissions: the equity share approach and the control approach. The most common consolidation approach is the control approach, which can be defined in either financial or operational terms. The carbon inventory is divided into three main scopes of direct and indirect emissions.

Scope 1 includes all direct emission sources. This includes all use of fuels for stationary combustion or transportation, in owned and, depending on the consolidation approach selected, leased, or rented assets. It also includes any process emissions, from e.g. chemical processes, industrial gases, direct methane emissions etc., as well as leakage of refrigerants.

Scope 2 includes indirect emissions related to purchased energy, including electricity and heating/cooling in assets owned/controlled by the organisation.

In January 2015, the GHG Protocol published new guidelines for calculating emissions from electricity consumption. Primarily two methods are used to “allocate” the GHG emissions generated by electricity production to the end consumers on a given grid, namely the location-based and the market-based method. The

location-based method reflects the average emission intensity of the grids on which energy consumption occurs, while the market-based method reflects emissions from electricity that companies have purposefully chosen (or not chosen).

Organisations who report on their GHG emissions will now have to disclose both the location-based emissions from the production of electricity, and the market-based emissions related to the potential purchase of Guarantees of Origin (GoOs) and Renewable Energy Certificates (RECs).

The purpose of this amendment in the reporting methodology is on the one hand to show the impact of energy efficiency measures, and on the other hand to display how the acquisition of GoOs or RECs affect the GHG emissions. Using both methods in the emissions accounting highlights the effect of both of these types of measures regarding electricity consumption.

The location-based method: The location-based method is based on statistical emissions information and electricity output aggregated and averaged within a defined geographic boundary and during a defined time period. Within this boundary, the different energy producers utilize a mix of energy resources, where the use of fossil fuels (coal, oil, and gas) result in direct GHG-emissions. These emissions are reflected in the location-based emission factor. Most location-based electricity emission factors used in CEMAsys are based on national gross electricity production mixes and are published by the International Energy Agency's statistics (IEA Stat). Emission factors per fuel type are in these calculations based on assumptions in the IEA methodological framework. Emission factors for district heating/cooling are either based on actual (local) production mixes, or average national statistics.

The market-based method: The choice of emission factors when using this method is determined by whether the organisation acquires GoOs/RECs or not. When selling GoOs for renewable electricity or RECs, the supplier guarantees that the same amount of electricity has been produced exclusively from renewable sources, which is assumed to have an emission factor of 0 grams CO₂e per kWh. However, for electricity without GoOs or RECs, the emission factor should instead be based on the remaining electricity supply after all GoOs for renewable electricity and/or RECs have been sold and cancelled. This is called the residual mix, which in most cases is connected to a substantially higher emission factor than the location-based emission factor.

Scope 3 includes indirect emissions resulting from other value chain activities. The scope 3 emissions are a result of the company's upstream and downstream activities, which are not directly controlled by the organisation. Examples include production of purchased goods and services, business travel, goods transportation, waste handling, use of sold products, etc.

In general, the carbon accounting should include information that stakeholders, both internal and external to the company, need for their decision making. An important aspect of relevance is the selection of an appropriate inventory boundary which reflects the substance and economic reality of the company's business relationships.

SOURCES

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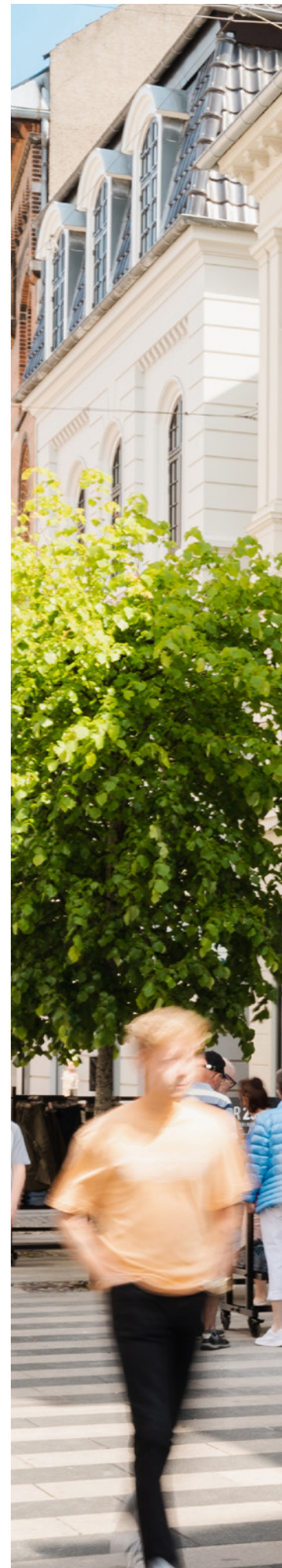
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World Business Council on Sustainable Development (WBCSD), Geneva, Switzerland /World Resource Institute (WRI), Washington DC, USA, 117 pp.

The reference list above is incomplete but contains the essential references used in CEMAsys. In addition, several local/national sources may be relevant, depending on which emission factors are used.



PWT GROUP STORES





WAGNER



WAGNER

A multi-brand concept made of brands from the PWT portfolio.

A growing and comprehensive store network in Scandinavia forms the foundation for Wagner's selection of menswear - ranging from trendy to classic fashion.

Established in 1946, Wagner currently has 20 stores in Denmark, 12 in Sweden and 8 in Norway. The chain offers an outstanding and affordable selection of contemporary fashion and strong brands including Lindbergh, Bison, JUNK de LUXE and Jacks Sportswear Intl.

A stylized map of Scandinavia (Denmark, Sweden, and Norway) where land is black and water is white. Small white icons with a black 'W' and a black arrow pointing up and to the right are scattered across the map to indicate store locations. The text is centered over the map.

20 STORES ACROSS DENMARK

12 STORES IN SWEDEN

8 STORES IN NORWAY

BASED ON FIGURES FROM DECEMBER 2023

TØJ | eksperten

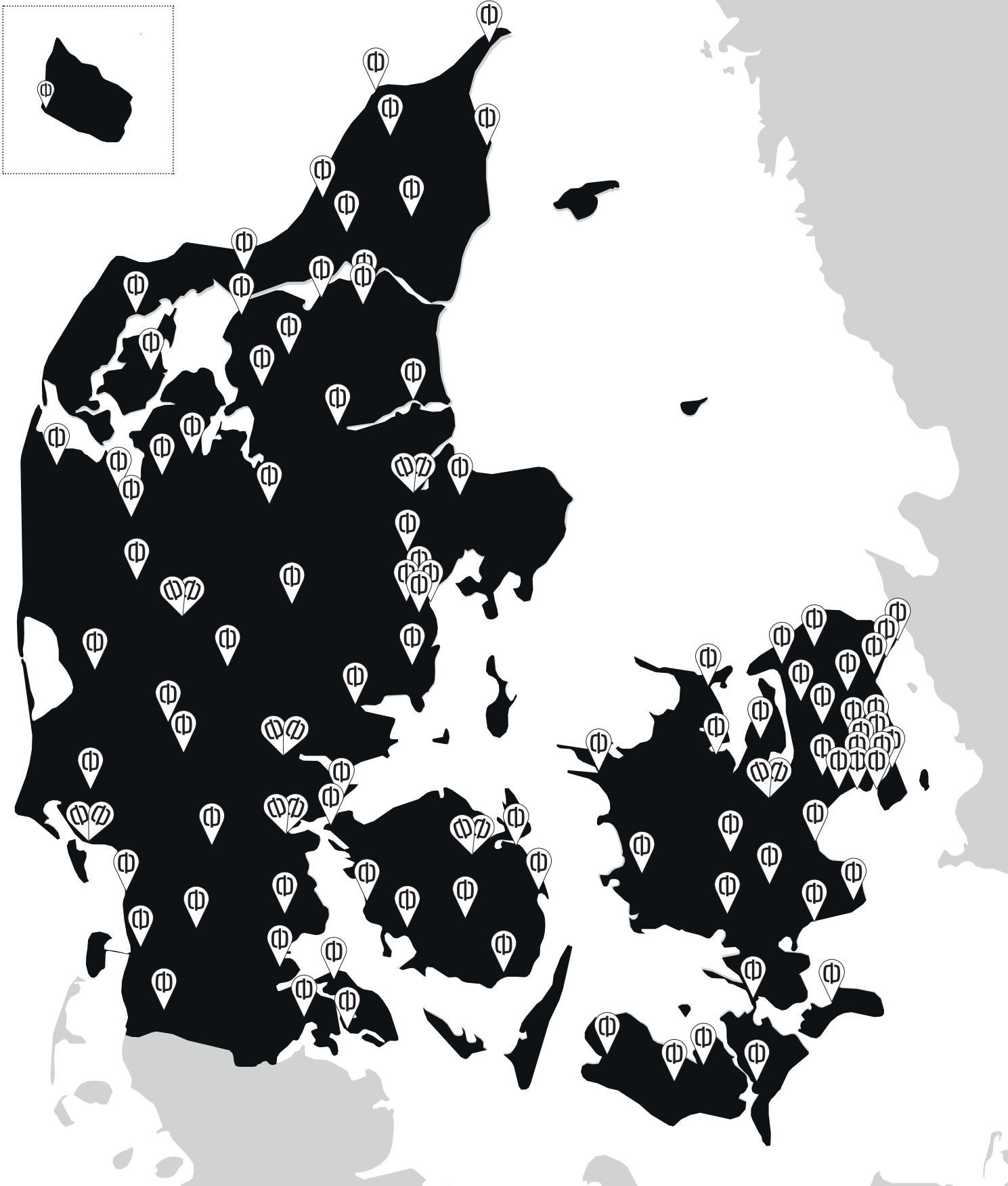


TØJEKSPERTEN

With 112 stores it is the largest menswear chain in Denmark. Tøjeksperten is providing quality clothing and strong brands from the PWT Brands portfolio and other external designers for fashion-conscious men of all ages since 1968.

Tøjeksperten is the largest omni-channel menswear brand in Denmark.

The careful selection of products and brands reflects our ambition to maintain Tøjeksperten as the leading menswear chain in the medium price range.



112 stores across Denmark

BASED ON FIGURES FROM DECEMBER 2023

PWT GROUP BRANDS





LINDBERGH

WHITE LABEL

The Lindbergh White line offers premium style, quality, and value to consumers worldwide.

It stands out as the vibrant and fashion-forward collection of Lindbergh, with a look that reflects simplicity, confident style, and the latest trends.

The silhouettes are a playful combination of contemporary fitted shapes mixed with urban relaxed fits, that add contrast and an unique edge.

The collections have a base of classic neutral tones for easy everyday styling that is accompanied by fashion-forward splashes of colour. This makes the White line stay ahead in trends.

Intricate stitching and refined treatments work as a red thread throughout the collection and gives it its modern signature style.

LINDBERGH



LINDBERGH

BLUE LABEL

The Lindbergh Blue product line emphasizes a rugged and casual style. It blends the brand's aviation heritage and denim DNA to create a classic and stylish look with a strong storytelling.

The collections are inspired by Americana, a combination of sporty, military, and vintage references which makes it packed with unique and functional features.

The brand's story is told in an authentic way through vintage graphic motifs on the T-shirt range, indigo washes, and soft treatments that give it a worn and lived-in look.

The pieces are designed with both an outdoor and urban lifestyle in mind. They have fitted shapes, contrast details, and refined functionality, adding a youthful signature twist to our heritage.

LINDBERGH



LINDBERGH

BLACK LABEL

The Lindbergh Black line is the pinnacle of refined functionality and elevated formal wear.

It integrates a clean, sophisticated style with our menswear heritage and innovation, from structured suiting to everyday wear. The classics are modernized with an updated fit, premium fabrics, technical details and treatments.

It also incorporates an impressive range of European manufactured suiting and holds a strong line-up of technical outerwear that is imbued with the latest fabric technology for durability, flexibility, and weather resistance.

The silhouettes are modern and timeless and appeal to the fashion-conscious individual and the modern businessman.

LINDBERGH



LINDBERGH

JEANS

The Lindbergh Jeans line is inspired by American denim classics and designed for a modern lifestyle.

We set out to create authentic jeans that are based on solid craftsmanship with a philosophy that great denim lasts forever.

Our collection of men's jeans spans from clean to vintage inspired washes. The many versatile fittings makes them easy to pair with any outfit.

We created Lindbergh jeans as a response to fast fashion, to make timeless jeans that stand the test of time.

LINDBERGH



JUNK DE LUXE

Eclectic juggling - First and foremost, about a certain kind of hip, urban attitude.

An uncompromisingly cross over style, making its presence felt on the biggest catwalk of them all - the street.

The style is an eclectic combination of collectibles and details from many decades of fashion and function wear. We keep up with current trends while not being a slave to fashion.

This is the inspiration to the design of JUNK de LUXE. A design direction rooted in the best from the past, but pointing forward. Our aim is to create a hybrid between vintage and modern garments, a combination which we call: Street Tailoring.



JUNK de LUXE



BISON

No nonsense clothing - Made to last

A clothing brand founded in Denmark in 1972. From the beginning characterised as a specialist brand based on the bison, a durable character from which we take inspiration to the soul of our brand and our legacy.

Bison works with contemporary fashion and lifestyle driven aesthetics, in the field of classic casual wear and functional garments, for everyday performance.

Bison develops a practical, stylish and durable range of no-nonsense clothing for no-nonsense men.

BISON



JACK'S SPORTSWEAR INTL

Sharp sporty casual

Casual clothing for the average consumer. The target audience is broad and the collection is very commercial.

Given the wide audience, the goal is to create a collection containing as many “must-have” styles as possible – and the fabrics and colour choices are therefore a dynamic size – compared to what is necessary to achieve the goal of this collection.

In short: a good, quality product – at a competitive price.

JACK'S
SPORTSWEAR INTL



MORGAN

A classic modern brand

Morgan is established in 1985 and characterized by the high-quality level and the comfortable fit.

The most important garment group of the collection is shirts and Morgan is well known for a high standard of wrinkle-free treatments.

Morgan is perfect for the man who seeks 'VALUE FOR MONEY' products, whether it is for a casual or formal occasion.

M O R G A N®



STATEMENT

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The Board of Directors and the Executive Board have today discussed and adopted the Annual Report of PWT Group A/S for 2023.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2023, and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January 2023 - 31 December 2023.

In our opinion, the Management's Review includes a fair review of the development in the Group's and the Parent Company's operations and financial conditions, results for the year, cash flows and financial position as well as a description of the most significant risks and uncertainty factors that the Company face.

We recommend that the Annual General Meeting approve the Annual Report.

Aalborg, 29. april 2024

Executive Board



Ole Koch Hansen
CEO



Claus Back Nielsen
CFO

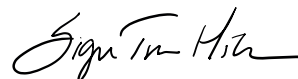
Board of Directors



Lars Johansson
(Chairman)



Dorte Eg



Signe Trock Hilstrøm



Michael Kjær



Ole Koch Hansen

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDER OF PWT GROUP A/S

OPINION

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of PWT Group A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group 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.

STATEMENT ON MANAGEMENT'S REVIEW

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company

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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent 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 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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Aalborg, 29. april 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 3377 1231



MADS MELDGAARD
State Authorised Public Accountant
mne24826



RASMUS MØLLERGAARD STENSKRØG
State Authorised Public Accountant
mne34161



STATEMENT

INCOME STATEMENT

DKK'000	NOTE	CONSOLIDATED		PARENT COMPANY	
		2023	2022	2023	2022
Revenue	2	803,493	794,180	781,096	782,573
Cost of sales		-341,834	-331,766	-338,906	-332,581
Other operating income		0	119	0	30
Other external costs	6	-153,228	-138,280	-141,853	-131,229
Gross profit/loss		308,431	324,253	300,337	318,793
Staff costs	3	-184,308	-170,392	-178,044	-167,047
Other operating costs		-30	-97	-30	-97
Earnings before interest taxes depreciation and amortization (EBITDA)		124,093	153,764	122,263	151,649
Depreciation/amortisation/impairment	4	-20,059	-19,084	-18,805	-18,780
Operationg profit/loss (EBIT)		104,034	134,680	103,458	132,869
Share of net profit of subsidiaries	16	0	0	-2,335	8,119
Financial income	7,5	7,558	7,707	8,273	1,004
Financial expenses	8	-12,600	-4,740	-11,186	-4,603
Profit/loss before tax (EBT)		98,992	137,647	98,210	137,389
Tax on profit/loss for the year	9	-26,012	-22,395	-25,230	-22,137
Profit/loss for the year		72,980	115,252	72,980	115,252

BALANCE SHEET

AT 31 DECEMBER

DKK'000	NOTE	CONSOLIDATED		PARENT COMPANY	
		2023	2022	2023	2022
ASSETS					
NON-CURRENT ASSETS					
Intangible assets					
Software	10	21,837	20,771	21,837	20,771
Trademarks	11	126	391	126	391
Goodwill	12	9,749	1,850	7,961	1,850
Other intangible assets	13	752	956	752	956
Total intangible assets		32,464	23,968	30,676	23,968
Fixtures and fittings, tools and equipment	14	24,735	17,096	20,969	15,555
Leasehold improvements	15	18,797	14,726	17,193	13,033
Total plant and equipment		43,532	31,822	38,162	28,588
Investments					
Investments in Group enterprises	16	0	0	14,372	8,706
Investments in associates	17	0	0	0	0
Amounts owed by Group enterprises		0	0	20,147	24,824
Deposits	18	20,968	18,470	20,172	18,245
Total investments		20,968	18,470	54,691	51,775
Total non-current assets		96,964	74,260	123,529	104,331
CURRENT ASSETS					
Inventories	19	229,709	256,356	223,637	254,831
Receivables					
Trade receivables		43,459	48,473	40,047	44,818
Deferred tax assets	24	1,200	3,000	1,200	3,000
Corporation tax		52	0	0	0
Amounts owed by Group enterprises		111	2,703	10,747	8,687
Other receivables		3,712	8,295	3,707	4,663
Prepayments	20	6,164	6,120	5,536	5,817
Total receivables		54,698	68,591	61,237	66,985
Cash and cash equivalents		96,196	52,027	89,572	49,088
TOTAL CURRENT ASSETS		380,603	376,974	374,446	370,904
Total assets		477,567	451,234	497,975	475,235

BALANCE SHEET

AT 31 DECEMBER

DKK'000	NOTE	CONSOLIDATED		PARENT COMPANY	
		2023	2022	2023	2022
EQUITY AND LIABILITIES					
EQUITY					
Share capital	21	16,698	16,698	16,698	16,698
Reserve for hedging transactions		-906	-2,915	-906	-2,915
Foreign currency translation reserve		335	-888	335	-888
Reserve for development expenses		0	0	431	511
Other reserves	21	2,285	2,287	2,285	2,287
Retained earnings		200,876	212,917	200,445	212,406
Dividend		55,000	45,000	55,000	45,000
TOTAL EQUITY		274,288	273,099	274,288	273,099
LIABILITIES					
Provisions					
Provisions	22	7,489	7,533	7,436	7,533
Provisions relating to investment in Group enterprises	16	0	0	19,360	20,297
Total provisions		7,489	7,533	26,796	27,830
NON-CURRENT LIABILITIES					
Subordinated loans	23	7,334	7,007	7,334	7,007
Other debts	23	15,727	15,319	15,727	15,319
Total non-current liabilities		23,061	22,326	23,061	22,326
Current liabilities					
Trade payables		58,314	55,556	56,635	55,340
Loans from Group enterprises		0	0	6,302	4,769
Corporation tax		549	31	25	12
Payables to group enterprises relating to corporation tax		24,933	12,360	24,933	12,360
Other debts	23,25	79,496	71,106	76,866	70,282
Deferred income	26	9,437	9,223	9,069	9,217
Total current liabilities		172,729	148,276	173,830	151,980
TOTAL LIABILITIES		195,790	170,602	196,891	174,306
Total equity and liabilities		477,567	451,234	497,975	475,235

STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED

DKK'000	Share capital	Share Premium	Reserve for hedging transactions	Foreign currency translation reserve	Other Reserves	Retained earnings	Dividend	Total
Equity at 1 January 2022	10,394	1,985	2,079	-2,111	9,646	145,954	45,000	212,947
Capital contributions	0	-1,985	0	0	0	1,985	0	0
Paid ordinary dividend	0	0	0	0	0	0	-45,000	-45,000
Profit for the year	0	0	0	0	0	115,252	0	115,252
Exchange rate adjustment Group enterprises	0	0	0	1,223	0	0	0	1,223
Fair value of forward exchange contracts, beginning year	0	0	-2,079	0	0	0	0	-2,079
Fair value of forward exchange contracts, end year	0	0	-2,915	0	0	0	0	-2,915
Convertible bonds	6,304	0	0	0	-7,359	-5,274	0	-6,329
Proposed Dividend	0	0	0	0	0	-45,000	45,000	0
Equity at 31 December 2022	16,698	0	-2,915	-888	2,287	212,917	45,000	273,099
Equity at 1 January 2023	16,698	0	-2,915	-888	2,287	212,917	45,000	273,099
Paid extraordinary dividend	0	0	0	0	0	-30,000	0	-30,000
Paid ordinary dividend	0	0	0	0	0	0	-45,000	-45,000
Profit for the year	0	0	0	0	0	72,980	0	72,980
Exchange rate adjustment Group enterprises	0	0	0	1,223	0	0	0	1,223
Fair value of forward exchange contracts, beginning year	0	0	2,915	0	0	0	0	2,915
Fair value of forward exchange contracts, end year	0	0	-906	0	0	0	0	-906
Convertible bonds	0	0	0	0	-2	-21	0	-23
Proposed Dividend	0	0	0	0	0	-55,000	55,000	0
Equity at 31 December 2023	16,698	0	-906	335	2,285	200,876	55,000	274,288

STATEMENT OF CHANGES IN EQUITY

PARENT COMPANY

DKK'000	Share capital	Share Premium	Reserve for hedging transactions	Foreign currency translation reserve	Reserve for development expenses	Other Reserves	Retained earnings	Dividend	Total
Equity at 1 January 2022	10,394	1,985	2,079	-2,111	0	9,646	145,954	45,000	212,947
Capital contributions	0	-1,985	0	0	0	0	1,985	0	0
Paid ordinary dividend	0	0	0	0	0	0	0	-45,000	-45,000
Profit for the year	0	0	0	0	0	0	115,252	0	115,252
Capitalized development expenses	0	0	0	0	511	0	-511	0	0
Exchange rate adjustment Group enterprises	0	0	0	1,223	0	0	0	0	1,223
Fair value of forward exchange contracts, beginning year	0	0	-2,079	0	0	0	0	0	-2,079
Fair value of forward exchange contracts, end year	0	0	-2,915	0	0	0	0	0	-2,915
Convertible bonds	6,304	0	0	0	0	-7,359	-5,274	0	-6,329
Proposed Dividend	0	0	0	0	0	0	-45,000	45,000	0
Equity at 31 December 2022	16,698	0	-2,915	-888	511	2,287	212,406	45,000	273,099
Equity at 1 January 2023	16,698	0	-2,915	-888	511	2,287	212,406	45,000	273,099
Paid extraordinary dividend	0	0	0	0	0	0	-30,000	0	-30,000
Paid ordinary dividend	0	0	0	0	0	0	0	-45,000	-45,000
Profit for the year	0	0	0	0	0	0	72,980	0	72,980
Exchange rate adjustment Group enterprises	0	0	0	1,223	0	0	0	0	1,223
Capitalized development expenses	0	0	0	0	-80	0	80	0	0
Fair value of forward exchange contracts, beginning year	0	0	2,915	0	0	0	0	0	2,915
Fair value of forward exchange contracts, end year	0	0	-906	0	0	0	0	0	-906
Convertible bonds	0	0	0	0	0	-2	-21	0	-23
Proposed Dividend	0	0	0	0	0	0	-55,000	55,000	0
Equity at 31 December 2023	16,698	0	-906	335	431	2,285	200,445	55,000	274,288

CASH FLOW STATEMENT

DKK'000	NOTE	CONSOLIDATED		PARENT COMPANY	
		2023	2022	2023	2022
Profit for the year before tax		98,992	137,647	98,210	137,389
Adjustments for non-cash operating items:					
Depreciation/amortisation/impairment and gain/loss on intangible assets and plant and equipment		20,059	19,084	18,805	18,780
Income from Group enterprises		0	0	2,335	-8,119
Other non-cash operating items, net		28	315	16	303
Financial income		-7,558	-7,707	-8,273	-1,004
Financial expenses		12,600	4,740	11,186	4,603
Cash generated from operations (operating activities) before changes in working capital		124,121	154,079	122,279	151,952
Change in working capital:					
Change in receivables		12,145	-13,116	8,625	-2,376
Change in inventories		26,647	-117,284	31,194	-115,759
Change in current liabilities in general		13,852	-4,404	10,217	-1,045
Cash generated from operations (operating activities)		176,765	19,275	172,314	32,772
Interest income, received		245	288	241	524
Interest expense, paid		-2,673	-3,390	-2,659	-12,600
Corporation tax paid		-10,399	-10,655	-9,873	-10,088
Cash flows from operating activities		163,938	5,518	160,023	10,608
Acquisition of plant, leasehold and equipment		-23,419	-23,658	-20,755	-20,474
Acquisition of intangible assets		-16,953	-13,590	-14,867	-13,590
Investment in Group enterprises		0	0	-7,714	-735
Investment in deposits		-1,036	-4,994	-1,927	-4,995
Disposal of plant and equipment		30	30	30	51
Business acquisition		-2,552	0	0	0
Cash flows from investing activities		-43,930	-42,212	-45,233	-39,743
Free cash flows		120,008	-36,694	114,790	-29,135
Change in bank loans		0	-34,343	0	-34,343
Repayment lease debt		0	-26	0	-26
Paid debt composition		-816	-2,080	-816	-2,080
Cash capital increase		0	6,304	0	6,304
Convertible bonds		-23	-6,304	-23	-6,304
Change in intercompany loans		0	0	1,533	1,989
Paid dividend		-75,000	-45,000	-75,000	-45,000
Cash flows from financing activities		-75,839	-81,449	-74,306	-79,460
Changes in cash and cash equivalents		44,169	-118,143	40,484	-108,595
Cash and cash equivalents 1 January		52,027	170,170	49,088	157,683
Cash and cash equivalents 31 December		96,196	52,027	89,572	49,088





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ACCOUNTING POLICIES

Financial reporting basis

PWT Group A/S is a limited liability company domiciled in Denmark. The financial information of the annual report for 2023 comprises both the consolidated financial statements of PWT Group A/S and its subsidiaries (group) as well as the parent company financial statements.

The annual report of PWT Group A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Board of Directors and the Executive Board have discussed and adopted the annual report of PWT Group A/S.

The annual report will be presented for adoption by the shareholders of PWT Group A/S at the annual general meeting on 29 April 2024.

Basis of preparation

The consolidated financial statements and the parent company financial statements are presented in Danish kroner thousands (DKK '000), which is the reporting currency of the Group's activities and the Parent Company's functional currency.

Revenue is recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changes to accounting estimates related to amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirm or invalidate affairs and conditions existing at the balance sheet date.

CONSOLIDATION

Consolidated financial statements

The annual report comprises the Parent Company, PWT Group A/S, and enterprises under the control of the Parent Company. The Parent Company is deemed to exercise control when the Group controls an entity and the Group is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Associates are entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Newly acquired or established enterprises are recognised in the consolidated financial statements from the time of acquisition. Enterprises that have been sold or wound up are recognised in the consolidated income statement up to the time of disposal. Comparative figures are not adjusted for newly acquired, sold or wound-up enterprises.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiary enterprises' market value of net assets and liabilities at the acquisition date.

Positive differences between the acquisition value and market value of acquired and identified assets and liabilities, including a provision for liabilities for restructuring, are recognised as goodwill and amortised in the income statement according to an individual assessment of their useful lives.

Consolidation principles

The consolidated financial statements are prepared on the basis of the financial statements of PWT Group A/S and its subsidiaries in which similar financial statement items are integrated. On consolidation, intra-group income and expenses, share Groups, dividends, intra-group balances as well as realised and unrealised internal gains and losses on intra-group transactions are eliminated. The annual reports used for preparing the consolidated financial statements have been recognised in accordance with the accounting policies of the Group.

Foreign currency translation

On initial recognition, transactions denominated in currencies different from the individual enterprise's functional currency are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose is recognised in the income statement as financial income or financial expenses.

Upon recognition in the consolidated financial statements of enterprises with a functional currency different from DKK, the income statements are translated into Danish kroner at an average exchange rates for the year, and balance sheet items are translated at the exchange rates at the balance sheet date. Exchange rate adjustments are recognised in the equity.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value at the settlement date and subsequently measured at fair value at the balance sheet date. Positive and negative fair values of derivative financial instruments are recognised as a separate balance sheet item.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as an effective hedge of future transactions are recognised in equity under retained earnings with respect to the effective portion of the hedges. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

For derivative financial instruments not qualifying for treatment as hedging instruments, changes are regularly recognised in the income statement as financial income and financial expenses.

Segment disclosures

The segment information has been prepared in accordance with the Group's accounting policies and is consistent with the Group's internal procedures for reporting to the Group management and board.

Special items

Special items comprise significant income and expenses of a special nature in relation to the Group's operating activities, such as costs for extensive structuring of processes and fundamental structural adjustments as well as any disposable gains and losses in connection therewith, which are significant over time. Special items also include other significant amounts of a non-recurring nature, which in the management's assessment are not part of the Group's primary operations.

Special items for the year are specified in note 5, including a description of recognition in the income statement for each item.

INCOME STATEMENT**Revenue**

Revenue from the sale of goods for resale and finished goods is recognised in the income statement where delivery and transfer of risk have been made to the buyer by year end, and the income may be measured reliably and is expected to be received. Revenue is measured excluding VAT and duties, less discounts in relation to the sale and less discounts and bonus points relating to loyalty programmes (customer club).

B2B:

The Group manufactures and sells a range of clothes in the B2B market. Sales are recognised when control of the products has transferred, being when the products are delivered to the B2B. The wholesaler has full discretion over the channel and price at which to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the B2B, and either the B2B has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. A receivable is recognised when the goods are delivered.

A financing element is not included in net revenue, as payment is made upon delivery or within a short credit period of, typically, 30-60 days.

RETAIL:

The Group operates a chain of retail stores selling clothes. Revenue from the sale of goods is recognised when a Group entity sells a product to the customer. Payment of the transaction price is due immediately when the customer purchases the clothes and takes delivery in store. It is the Group's policy to sell its products to the end customer with a right of return. Therefore, a right to the returned goods is recognised for products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale.

Bonus points relating to loyalty programmes are recognised in the income statement as a reduction in revenue and liabilities (contract liabilities). The collected bonus points are measured based on the projected utilisation of such points, which is based on historical figures.

Cost of sales

Together with changes in inventories of goods for resale, this item comprises costs incurred to generate revenue. Changes in inventories of goods for resale are recognised as cost of goods for resale.

Other external costs

Other external costs comprise cost of premises, selling and distribution costs as well as administrative expenses.

Supplements to cover marketing costs are recognised as other external costs.

Staff costs

Staff costs comprise payroll, pensions and other social security costs relating to staff.

Other operating income and costs

Other operating income and costs comprise items secondary to the primary activities of the enterprises, including gains on disposal of intangible assets and plant and equipment.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Income from Group enterprises and associates

The proportional share of profit for the year is recognized under the item “Share of net profit of subsidiaries” and “Share of net profit of associate” in the income statement.

Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised exchange gains and losses on transactions in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme. Financial income and expenses are recognised at the amounts relating to the financial year.

Tax on profit 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 amount that can be attributed to the profit for the year and directly in equity by the amount attributable to entries made directly to equity.

The parent and all Danish group enterprises are jointly taxed. The Danish income tax charge is divided among the profit-making and loss-making Danish enterprises by their taxable income (full allocation method).

BALANCE SHEET**Intangible assets**GOODWILL

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated at 20 years. Useful life has been determined taking into account the long-term strategy of establishing a national fashion business.

The carrying amount of goodwill is assessed continuously and written down via the income statement in cases where the carrying amount exceeds expected future net income from the enterprise or activity to which the goodwill is related.

SOFTWARE

Software is measured at cost less accumulated amortisation and impairment losses. The basis of amortisation is cost.

TRADEMARKS

Trademarks are measured at cost less accumulated amortisation. The basis of amortisation is cost. The expected useful life is based on the trademark's marked position.

OTHER INTANGIBLE ASSETS

Other intangible assets are measured at cost less accumulated amortisation. The basis of amortisation is cost.

Any value of lease rights (bracket money) acquired in connection with the purchase of clothing stores is included in other intangible assets. Remuneration for other leasehold rights is amortised on a straight-line basis over the useful life, which is estimated at ten years.

	Useful life
Goodwill	20 years
Software	3-5 years
Trademarks	5-10 years
Other intangible assets	10 years

Development projects

Costs on development projects include wages, depreciation and other costs that can be directly and indirectly attributed to the company’s development activities.

Development projects that are clearly defined and identifiable, where the degree of technical utilization, sufficient resources and a potential future market or development opportunity in the Group can be demonstrated, and where the intention is to manufacture, market or use the project, are recognized as intangible fixed assets if there is sufficient assurance that the capital value of the future earnings can cover production, sales and administration costs as well as the development costs themselves.

Development projects that do not meet the criteria for inclusion in the balance sheet are recognised as costs in the income statement as the costs are incurred.

Capitalized development costs are measured at cost less accumulated depreciation and write-downs or recoverable amount, if this is lower. An amount corresponding to the recognized development costs is reserved in the item Reserve for development expenses under equity. The reserve is continuously reduced with depreciation and write-downs on the development projects.

Capitalized development costs are depreciated from the time of completion on a straight-line basis over the period in which the development work is expected to generate economic benefits.

Plant and equipment

Fixtures and fittings, tools and equipment as well as leasehold improvements (stores) are measured at cost less accumulated depreciation and impairment losses.

The basis of depreciation is cost less projected residual value after the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The capitalised value of the lease obligation is recognised as a liability on the balance sheet, and the interest element of the lease payment is recognised as an expense in the income statement.

Depreciation is provided on a straight-line basis relying on the following assessment of the assets’ projected useful lives:

	Useful life
Fixtures and fittings, tools and equipment	3-5 years
Lease obligation	3-5 years
Leasehold improvements	5-7 years

The basis of depreciation is stated taking into account the scrap value of the asset and is reduced by impairment losses. The period of depreciation and the scrap value are determined at the date of acquisition and re-assessed annually.

Impairment of plant and equipment and intangible assets

The carrying amounts of intangible assets and plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If impairment is needed, the assets are written down to their lower recoverable amount and the amount written off is recognised in the income statement.

Lease agreement

Lease contracts relating to tangible fixed assets for which the company bears all material risks and reaps all benefits arising from such ownership (financial leases) are recognised as assets in the balance sheet. At initial recognition, the assets are measured at the calculated cost equal to the lower of fair value and present value of the future lease payments. The interest rate implicit in the lease is used as a discounting factor or an approximate value when calculating the present value. Finance lease assets are depreciated similarly to the company's other tangible fixed assets.

Operating lease payments are recognised in the income statement on a straight-line basis over the lease term.

Investment in subsidiaries and associates

Investment in subsidiaries and associates are recognised and measured according to the equity method. The equity method is used as a consolidation method.

In the balance sheet, under the item Investments in Group enterprises and Investments in associates, the proportional ownership share of the companies' accounting net asset value calculated on the basis of the fair value of the identifiable net assets at the time of acquisition with deductions or additions of unrealised intra-group profits or losses and with the addition of residual value of any surplus values and goodwill calculated at the time of the acquisition of the companies.

The total net revaluation of capital shares in subsidiaries and associated companies is allocated via the allocation of profits to Reserve for net revaluation according to the equity method under equity. The reserve is reduced by dividend distributions to the parent company and regulated by other equity movements in the subsidiaries and associated companies.

Subsidiaries and associated companies with a negative net asset value are recognized at DKK 0. If the parent company has a legal or actual obligation to cover the company's negative balance, a provision for this is recognized.

Deposits

Deposits comprise rent deposits attributable to the Group's leaseholds. Deposits are measured at amortised cost.

Inventories

Inventories are measured at cost on the basis of weighted average prices. In the cases where cost is higher than net realisable value, write-down is made to this lower value. The cost of goods for resale is stated as cost with the addition of delivery costs.

The net realisable value of inventories is calculated as the selling price less costs necessary to make the sale and is determined taking into account marketability, obsolescence and development of expected selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. Write down is made to net realisable value to provide for estimated bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning subsequent financial years. Prepayments are measured at cost.

Tax payable and deferred tax

Current tax liabilities and current tax receivable are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax is measured on the basis of tax rules and tax rates that under applicable law will be applicable on the balance sheet date when the deferred tax is expected to be triggered as current tax.

Provisions

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 outflow of resources embodying economic benefits to settle the obligation.

Provisions comprise refund liabilities forecast costs arising from leasehold improvements upon relocation and are based on projected costs determined on the basis of the leasehold's current interior and condition. Provisions with an expected maturity exceeding one year from the balance sheet date are discounted back to net present value.

Refund liabilities are measured at net present value of Management's best estimate of the expenditure required to settle the obligation.

Financial liabilities, bank overdrafts, etc.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Derivative financial instruments are measured at fair value, corresponding to market price at the balance sheet date. Other liabilities, which usually comprise trade payables, amounts owed to Group enterprises and other payables, are measured at amortised cost, which usually corresponds to nominal value.

Staff obligations

Staff obligations comprise the employees' rights to paid holidays after the balance sheet date.

The Group has only entered into pension arrangements for defined-contribution pension plans under which regular pension contributions are paid to independent pension providers as the contributions are earned. The Group has not taken out any defined-benefit pension plans.

Staff obligations are recognised as other payables in the balance sheet.

Deferred income

Deferred income comprises payments received regarding income in subsequent years, including mainly gift cards (contract liabilities). Gift cards payable are recognised at estimated value. See note 24.

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are computed as the result for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid. Working capital comprises current assets less current liabilities other than provisions, excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities, intangible assets, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the share capital and costs relating to the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

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

Definition of financial ratios:

EBITDA Earnings before restructuring costs, depreciation, amortisation, interest and tax

Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
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Operating margin (EBIT margin)	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
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Return on invested capital	$\frac{\text{Operating profit/loss} \times 100}{\text{Average operating assets}}$
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Solvency ratio	$\frac{\text{Closing equity} \times 100}{\text{Total equity and liabilities at year end}}$
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Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$
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NOTE 2 SEGMENT DISCLOSURES

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Geographical markets				
Denmark	496,009	489,562	453,590	445,020
Other markets	307,484	304,618	288,672	293,011
Total revenue	803,493	794,180	781,096	782,573
DKK'000				
Segment revenue				
Retail	465,730	446,703	453,590	445,020
Wholesale Worldwide	337,763	347,477	327,506	337,553
	803,493	794,180	781,096	782,573

The Group sells menswear and accessories mainly its own brands but also external brands for the retail business including online sales and its own brands for wholesalers.

PWT has two reportable segments selling menswear one through wholesalers worldwide and one through retailers. The Group primarily operates in Denmark and has, to a minor extent, activities in Norway, Sweden and Germany.

NOTE 3 STAFF COSTS

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Payroll	159,281	148,865	154,082	146,024
Pensions	12,931	10,799	12,831	10,779
Other social security costs	12,096	10,728	11,131	10,244
	184,308	170,392	178,044	167,047
Thereof:				
Payroll Executive Board	4,892	4,230	4,892	4,230
Payroll Board of Directors	900	900	900	900
	5,792	5,130	5,792	5,130
Average number of full-time employees	400	374	388	368

NOTE 4 DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Owned assets:				
Software	6,949	5,948	6,949	5,948
Trademarks	265	270	265	270
Goodwill	687	80	389	80
Other intangible assets	204	190	204	190
Fixtures and fittings, tools and equipment	6,601	6,814	6,038	6,614
Leasehold improvements	5,353	5,782	4,960	5,678
	<u>20,059</u>	<u>19,084</u>	<u>18,805</u>	<u>18,780</u>

NOTE 5 SPECIAL ITEMS

Special items comprise cost, which is special due to their size or nature.

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Financial income				
Dividend and write off of intercompany balance with WagNo AS	<u>0</u>	<u>7,129</u>	<u>0</u>	<u>190</u>
	0	7,129	0	190

NOTE 6 OTHER EXTERNAL COSTS

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Fees for auditors appointed at the general meeting				
Statutory audit services	827	522	520	348
Other assurance engagements	62	81	45	81
Tax advisory services	895	1,499	878	1,423
Other services	367	541	187	265
Total fee	2,151	2,643	1,630	2,117
Distributed as follows:				
PwC	1,865	2,371	1,604	2,100
Other firms	286	272	26	17
	2,151	2,643	1,630	2,117

Fee for other services than statutory audit services rendered by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, to the Group of TDKK 1.038 thousand consist mainly of tax advisory services and other services.

NOTE 7 FINANCIAL INCOME

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Interest income, banks	110	0	105	0
Interest income, Group enterprises	0	0	749	297
Other financial income	7,448	7,707	7,419	707
	7,558	7,707	8,273	1,004

NOTE 8

FINANCIAL EXPENSES

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Interest expense, banks	334	721	333	721
Foreign exchange adjustment	10,076	2,459	9,731	3,135
Other financial expenses	2,190	1,560	1,122	747
	<u>12,600</u>	<u>4,740</u>	<u>11,186</u>	<u>4,603</u>

NOTE 9

TAX

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Tax on profit/loss for the year from continuing operations is specified as follows:				
Estimated 22% tax on results before tax	-21,778	-30,282	-21,606	-30,226
Adjustment of tax in foreign entities in proportion to 22%	-1,420	-264	-803	464
Tax effect of:				
Adjustment deferred tax of prior years	-1,233	0	-1,233	0
Non-deductible cost/income	2,306	6,086	2,306	6,086
Adjustment of unrecognised tax loss carry forward	0	0	0	0
Adjustment of tax in respect of prior years	-3,887	2,065	-3,893	1,539
	<u>-26,012</u>	<u>-22,395</u>	<u>-25,230</u>	<u>-22,137</u>
Effective tax rate	26.3 %	16.3 %	25.7 %	16.1 %

NOTE 10 SOFTWARE

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Opening cost	64,337	57,860	64,240	57,763
Additions for the year	8,015	10,148	8,015	10,148
Disposals for the year	0	-3,671	0	-3,671
Closing cost	<u>72,352</u>	<u>64,337</u>	<u>72,255</u>	<u>64,240</u>
Opening amortisation	43,566	41,289	43,469	41,192
Amortisation for the year	6,949	5,948	6,949	5,948
Reversed amortisation for the year of disposals	0	-3,671	0	-3,671
Closing amortisation	<u>50,515</u>	<u>43,566</u>	<u>50,418</u>	<u>43,469</u>
Carrying amount	<u>21,837</u>	<u>20,771</u>	<u>21,837</u>	<u>20,771</u>

NOTE 11 TRADEMARKS

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Opening cost	7,366	7,366	7,366	7,366
Closing cost	<u>7,366</u>	<u>7,366</u>	<u>7,366</u>	<u>7,366</u>
Opening amortisation	6,975	6,705	6,975	6,705
Amortisation for the year	265	270	265	270
Closing amortisation	<u>7,240</u>	<u>6,975</u>	<u>7,240</u>	<u>6,975</u>
Carrying amount	<u>126</u>	<u>391</u>	<u>126</u>	<u>391</u>

NOTE 12 GOODWILL

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Opening costs	907,644	905,714	907,644	905,714
Additions for the year	8,586	1,930	6,500	1,930
Disposals for the year	-9,212	0	-9,212	0
Closing costs	907,018	907,644	904,932	907,644
Opening amortisation	905,794	905,714	905,794	905,714
Amortisation for the year	687	80	389	80
Reversed amortisation for the year of disposals	-9,212	0	-9,212	0
Closing amortisation	897,269	905,794	896,971	905,794
Carrying amount	9,749	1,850	7,961	1,850

NOTE 13 OTHER INTANGIBLE ASSETS

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Opening costs	2,040	1,490	2,040	1,490
Additions for the year	0	550	0	550
Closing cost	2,040	2,040	2,040	2,040
Opening amortisation	1,084	894	1,084	894
Amortisation for the year	204	190	204	190
Closing amortisation	1,288	1,084	1,288	1,084
Carrying amount	752	956	752	956

NOTE 14 FIXTURES AND FITTINGS, TOOLS AND EQUIPMENT

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Opening cost	72,738	95,361	70,451	94,011
Net effect from merger and acquisition	850	0	0	0
Additions for the year	14,109	12,111	11,481	10,719
Disposals for the year	-153	-34,734	-153	-34,279
Closing cost	87,544	72,738	81,779	70,451
Opening depreciation	55,642	83,471	54,896	82,466
Currency translation	19	113	13	115
Net effect from merger and acquisition	684	0	0	0
Depreciation for the year	6,601	6,814	6,038	6,614
Reversed depreciation for year on disposals	-137	-34,756	-137	-34,299
Closing depreciation	62,809	55,642	60,810	54,896
Closing carrying amount	24,735	17,096	20,969	15,555

NOTE 15 LEASEHOLD IMPROVEMENTS

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Opening cost	65,323	84,790	63,504	84,316
Net effect from merger and acquisition	1,697	0	0	0
Additions for the year	9,403	10,847	9,147	9,055
Disposals for the year	-42	-30,314	-42	-29,867
Closing cost	76,381	65,323	72,609	63,504
Opening depreciation	50,597	74,974	50,471	74,500
Currency translation	19	103	13	89
Net effect from merger and acquisition	1,643	0	0	0
Depreciation for the year	5,353	5,782	4,960	5,678
Reversed depreciation for year on disposals	-28	-30,262	-28	-29,796
Closing depreciation	57,584	50,597	55,416	50,471
Closing carrying amount	18,797	14,726	17,193	13,033

DKK'000	PARENT COMPANY	
	Investments in Group enterprises	
	2023	2022
Cost at 1 January	18,446	17,711
Additions	7,714	735
Cost at 31 December	26,160	18,446
Value adjustments 1 January	-30,037	-39,379
Foreign currency adjustment	1,223	1,223
Profit for the year	-2,036	8,119
Depreciation, goodwill	-298	0
Value adjustments 31 December	-31,148	-30,037
Provisions relating to capital shares in Group enterprises	19,360	20,297
Carrying amount at 31 December	14,372	8,706
Positive differences arising on initial measurement of subsidiaries at net asset value	3,114	0
Remaining positive difference included in the above carrying amount at 31 December	2,816	0

	EQUITY	PROFIT FOR THE YEAR	COMPANY CAPITAL	VOTING RIGHTS AND STAKE
	TDKK	TDKK		
PWT Norway AS, Oslo, Norge	-19,360	-330	TNOK 400	100 %
PWT Germany GmbH, Maasbüll, Germany	10,185	1,586	TEUR 25	100 %
Wagner China ApS, Aalborg, Denmark	-9,451	0	TDKK 300	100 %
Cogs ApS, Aalborg, Denmark	2,533	28	TDKK 50	100 %
PWT Sweden AB, Bjärred, Sweden	-1,322	-3,408	TSEK 100	100 %
- Wagner Birsta AB, Sundsvall, Sweden	-259	-894	TSEK 100	100 %
- Wagner Karlstad AB, Karlstad, Sweden	-301	-1,616	TSEK 100	100 %
- Wagner Växjö AB, Växjö, Sweden	-809	-861	TSEK 100	100 %

NOTE 17 INVESTMENTS IN ASSOCIATES

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Cost at 1 January	0	0	0	0
Transfer	0	0	0	0
Cost at 31 December	0	0	0	0
Value adjustments 1 January	0	0	0	0
Transfer	0	0	0	0
Value adjustments 31 December	0	0	0	0
Carrying amount at 31 December	0	0	0	0
	EQUITY	PROFIT FOR THE YEAR	COMPANY CAPITAL	VOTING RIGHTS AND STAKE
	TDKK	TDKK		
Wagner (Yantai), Ltd., Yantai, China	5,205	-940	CNY 58.199	49 %

NOTE 18 DEPOSITS

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Carrying amount at 1 January	18,470	13,476	18,245	13,250
Net effect from merger and acquisition	731	0	0	0
Additions	2,228	6,074	2,227	6,075
Disposals	-461	-1,080	-300	-1,080
Carrying amount at 31 December	20,968	18,470	20,172	18,245

NOTE 19 INVENTORIES

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Goods for resale	199,459	213,644	193,387	212,119
Prepayments for goods	30,250	42,712	30,250	42,712
Goods for resale, net	229,709	256,356	223,637	254,831

NOTE 20 PREPAYMENTS

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

NOTE 21 SHARE CAPITAL

DKK'000	SHARE CAPITAL 31-12-2023
Share capital upon establishment 2007/08	1,985
Capital contributions 2020	8,055
Convertible bonds converted to shares 2021	354
Convertible bonds converted to shares 2022	6,304
Closing share capital	16,698

The share capital is fully paid in and broken down on shares of DKK 1 or multiples thereof. No shares carry special rights.

The capital contribution of DKK 8 million was paid with a premium of 124.14, corresponding to a cash payment of DKK 10 million.

In addition, the company has issued convertible bonds for DKK 10 million. Any owner of a convertible bonds may at any time demand their bonds be converted into new shares in the company pursuant to the terms set in the investment agreement. By the end of 2023, the Company has convertible bonds for DKK 2.3 million.

Bonds will be converted to DKK 1 per shares, and there is no expire date of the bonds.

NOTE 22 PROVISIONS

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
The Group's total provision obligation broken down on residual terms:				
Within 1 year	1,593	1,639	1,540	1,639
Between 1 and 5 years	4,466	4,464	4,466	4,464
After 5 years	1,430	1,430	1,430	1,430
	<u>7,489</u>	<u>7,533</u>	<u>7,436</u>	<u>7,533</u>
Provision obligation at 1 January	7,533	7,372	7,533	7,372
Additions during the year	97	44	44	44
Reversals during the year	-99	185	-99	185
Effect of change in interest rates	-42	-68	-42	-68
Provision obligation at 31 December	<u>7,489</u>	<u>7,533</u>	<u>7,436</u>	<u>7,533</u>

Provisions obligations contains obligation to re-establish leaseholds (DKK 5.896 thousand) and refund liability on sold clothes (DKK 1.593 thousand).

Obligation to re-establish leaseholds relates to projected future costs attributable to relocation of leaseholds and is based on projected costs relying on the current interior and condition of the leaseholds.

The obligation is discounted back to net present value using a discount rate of 3.5% (2022: 9.1%), equivalent to a risk-free interest rate. Refund liabilities on sold clothes relates to projected future returns.

NOTE 23 OTHER DEBT / SUBORDINATED LOAN

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Within 1 year	79,496	71,106	76,866	70,282
Between 1 and 5 years	0	0	0	0
Above 5 years	15,727	15,319	15,727	15,319
	<u>95,223</u>	<u>86,425</u>	<u>92,593</u>	<u>85,601</u>

Included in Other Debt is debt composition of DKK 0.303 thousand.

In addition to the debt composition included in other debt, the debt composition agreement concludes an upside of 10%, which have been recognised in the balance sheet as a subordinated loan with DKK 7.334 thousand. The subordinated loan will be paid according to the terms set in the agreement, which all falls due after 5 years.

NOTE 24 DEFERRED INCOME TAX

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Deferred tax arises from:				
Intangible assets	-329	-236	-329	-236
Plant and equipment	-2,339	-60	-2,339	-60
Current assets	1,972	1,225	1,972	1,225
Provisions	1,374	1,385	1,374	1,385
Other liabilities	475	868	475	868
Adjustment of deferred tax to carrying value	47	-182	47	-182
	1,200	3,000	1,200	3,000

Included in above, is deferred tax of DKK 256 thousand on equity transaction.

The recognised tax asset including unused tax deductions arising from temporary differences are expected to be exploited within the next few years.

NOTE 25 DERIVATIVE FINANCIAL INSTRUMENTS

The Group has entered into forward contracts of a total of DKK 91.794 thousand for USD purchases until July 2024 for the purpose of hedging future purchases in USD. The average exchange rate is 680.

Consolidated 2023:

DKK'000	Residual life	Contract value	Fair value	Fair value on the equity
Forward contract, USD	0-7 months	91,794	-1,162	-906
Recognised on equity			-1,162	-906

Consolidated 2022:

Forward contract, USD	0-6 months	90,176	-3,737	-2,915
Recognised on equity			-3,737	-2,915

NOTE 26 DEFERRED INCOME

Deferred income comprises mainly obligations in relation to gift cards. Gift cards at DKK 8.974 thousand (2022: DKK 9.135 thousand) are recognised as income as they are used or when they become obsolete after 3 years according to regulations.

NOTE 27 CHARGES AND SECURITY

As security for debt payable to Spar Nord Bank A/S, a company charge at a nominal DKK 145 million has been provided in non-current assets and current assets.

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Non-current assets with a carrying amount	43,532	31,822	38,163	28,588
Inventories with a carrying amount	229,709	256,356	223,637	254,831
Trade receivables with a carrying amount	43,459	48,473	40,047	44,818

As security for debt payable to Spar Nord Bank A/S, equity investments have been pledged at a nominal NOK 400.000 in PWT Norway AS and a nominal EUR 25.000 in PWT Germany GmbH.

Equity investment with a carrying amount	0	0	10,185	8,579
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At 31 December 2023, we have confirmed letters of credit in the amount of DKK 0.842 thousand regarding non-settled purchases of supplies abroad (31 December 2022: DKK 5.797 thousand) and bank guarantees concerning rent and customs at an amount of DKK 6.815 thousand (31 December 2022: DKK 5.711 thousand).

NOTE 28 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

Rent obligations and operating lease liabilities

Consolidated DKK'000	Rent obligation	Other operating leases	Total
Within 1 year	66,010	930	66,940
Between 1 and 5 years	89,635	64	89,699
Above 5 years	0	0	0
	155,645	994	156,639

Parent company DKK'000	Rent obligation	Other operating leases	Total
Within 1 year	68,829	1,027	69,856
Between 1 and 5 years	94,339	96	94,435
Above 5 years	0	0	0
	163,168	1,123	164,291

The Group's Danish enterprises are jointly and severally liable for the jointly taxed enterprises' tax liabilities.

In the ordinary course of its business, the Group is subject to various litigation such as product liability claims, employee disputes, rental disputes and other kinds of lawsuits, and faces different types of legal issues. Any claim brought against the Group (with or without merit), could be costly to defend. These matters are inherently difficult to quantify. Management is of the opinion that the result of these disputes will not have a significant effect on the Group's financial position.

Control

OKH 63 Holding ApS, Teglværkssvinget 17, 9500 Hobro
 OKH Holding ApS, Teglværkssvinget 17, 9500 Hobro
 PWT Management ApS, Teglværkssvinget 17, 9500 Hobro

Basis

Ultimate parent company
 Parent company's owner
 Owner of PWT Group A/S

Significant influence

The CEO of PWT Group A/S, Ole Koch Hansen is deemed to exert significant influence and also exercises control over OKH 63 Holding ApS.

Transactions with related parties

Amounts owned by group enterprises are disclosed on the balance sheet of the parent company financial statements, and interest thereon is disclosed in note 7, Financial income and note 8, Financial expenses.

In addition during the financial year, the Group has conducted the following transactions with the Executive Board and Board members of the company, which performs significantly influence.

DKK'000	CONSOLIDATED	
	2023	2022
Rent, etc.	5,481	4,930
Rent obligations regarding related parties represent	24,414	29,590

Consolidated financial statements

The company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name**Place of registered office**

OKH 63 Holding ApS

Hobro, Denmark

DKK'000	CONSOLIDATED		PARENT COMPANY	
	2023	2022	2023	2022
Profit/loss allocation				
Extraordinary dividend for the financial year	30,000	0	30,000	0
Proposed dividend for the financial year	55,000	45,000	55,000	45,000
Transferred to equity	-12,020	70,252	-12,020	70,252
Total allocation	72,980	115,252	72,980	115,252
Extraordinary dividend after the financial year	45,000	30,000	45,000	30,000

