WODEN

WODEN A/S

BALTICAGADE 12 A, 8000 AARHUS C

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2022

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 25 May 2023

____

Carl Erik Skovgaard

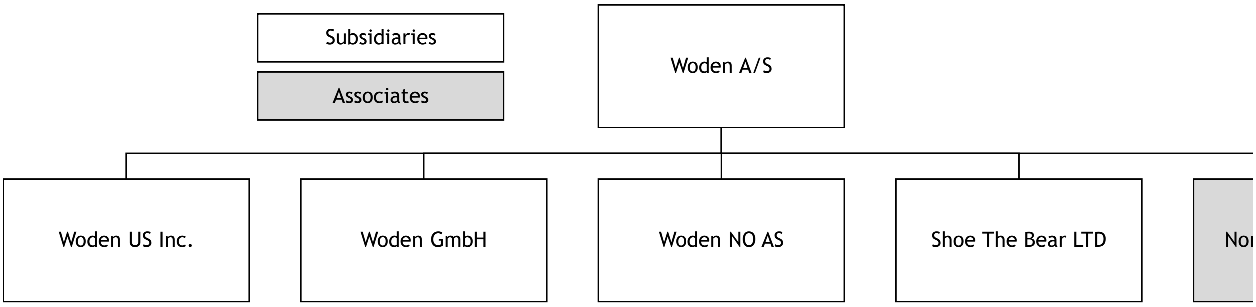
CVR NO. 35 24 03 49

CONTENTS

COMPANY DETAILS

Company	Woden A/S Balticagade 12 A 8000 Aarhus C
	CVR No.: 35 24 03 49 Established: 1 May 2013 Municipality: Aarhus Financial Year: 1 January - 31 December
Board of Directors	Carl Erik Skovgaard, chairman Kathrine Merete Vester Holm Thomas Tygesen Claus Tygesen Carsten Vester Holm
Executive Board	Carsten Vester Holm
Auditor	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C
Bank	Sydbank Peberlyk 4 6200 Aabenraa
Law Firm	DLA Piper Denmark Advokatpartnerselskab Hack Kampmanns Plads 2 8000 Aarhus C

GROUP STRUCTURE



MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Woden A/S for the financial year 1 January - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Aarhus C, 25 May 2023

Executive Board

____
Carsten Vester Holm

Board of Directors

Carl Erik Skovgaard Chairman	Kathrine Merete Vester Holm	Thomas Tygesen
Claus Tygesen	Carsten Vester Holm	

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Woden A/S

Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Woden A/S for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2022 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 Consolidated Financial Statements and the Annual Financial Statements of the Company” 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company

Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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.

Statement on Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

INDEPENDENT AUDITOR'S REPORT

Aarhus, 25 May 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Trap Olesen
State Authorised Public Accountant
MNE no. mne35625

FINANCIAL HIGHLIGHTS OF THE GROUP

	2022 DKK	2021 DKK
Income statement		
Gross profit/loss	20.577.312	22.977.383
EBITDA	-1.862.082	3.564.948
Operating profit/loss of main activities	-3.432.376	2.552.553
Financial income and expenses, net	724.601	-870.992
Profit/loss for the year before tax	-2.707.775	1.613.823
Profit/loss for the year	-2.130.272	1.268.173
Balance sheet		
Total assets	64.936.838	57.640.047
Equity	6.058.697	9.009.847
Cash flows		
Cash flows from operating activities	-21.451.649	1.883.066
Cash flows from investing activities	-1.039.701	-2.450.269
Cash flows from financing activities	16.474.662	6.132.735
Total cash flows	-6.016.688	5.565.532
Investment in property, plant and equipment	-688.348	-1.643.966
Key ratios		
Equity ratio	9,3	15,6
Return on equity	-28,3	15,8

The comparative figures for the period 2018-2020 have not been disclosed because it is the first financial year with consolidated accounts.

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio: $\frac{\text{Equity (ex. minorities), at year-end x 100}}{\text{Total assets, at year-end}}$

Return on equity: $\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities
WODEN is headquartered in Aarhus, Denmark, where 35 employees handle sales, logistics, customer service, design, marketing, finance, and digital activities. WODEN operates in thirty markets, including a sourcing setup in Asia and South Europe, from where sourcing, production flows and quality control is handled. WODEN shoes can be found in more than 1.000 stores worldwide as well as in multiple digital channels.

Development in activities and financial and economic position
2022 proved to be a difficult year for Woden. Even though Woden managed continued revenue growth of 13% compared to 2021, macro factors such as the war in Ukraine, fears of recession and inflation caused consumers to spend less on shoes and fashion. At the same time Woden experienced pressure on the profitability due to increased costs and in particular increased freight costs.
Going into 2022 Woden expected an even higher growth and already invested to reach these goals. Unfortunately, the slowing down of consumer confidence in many of our main markets caused significantly lower demand from the market.

Woden initiated a strategic focus on restructuring and reducing costs in 2022. This strategic focus on cost management will continue to be key in 2023.

It is our opinion that the organizational platform at HQ as well as in our subsidiaries is strong. The main focus in 2023 will be driving sales through developing our primary markets together with our sales staff and partners. We will also in 2023 continue to grow our online presence and digital business.

The result is by the management categorized as not satisfactory.

Profit/loss for the year compared to the expected development
The income statement for the period 01.01.22 - 31.12.22 shows a result of tDKK -2.130 against tDKK 1.268 for the period 01.01.21 - 31.12.21. The year's result is lower than expected.

The combination of higher costs, pressure on margins and lower demand is the main reasons for Woden not achieving the financial goals for 2022.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

Future expectations
During the year strategic actions leading to restructuring and solid cost reductions was initiated. With a strategic focus on continued cost management, strong supply chain, and organizational focus, it is the ambition to continuously work on making Woden an international scalable business.
We will keep pushing the barrier for sustainable footwear and keep building a stronger presence in our main markets.

It is the expectation that Woden’s EBIT in 2023 will be 2-5 mill. DKK.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

		Group		Parent Company	
	Note	2022 DKK	2021 DKK	2022 DKK	2021 DKK
GROSS PROFIT		**20.577.312**	**22.977.383**	**17.041.621**	**18.327.033**
Staff costs	1	-22.439.394	-19.412.435	-16.288.190	-16.085.196
Depreciation, amortisation and impairment losses		-1.570.294	-1.012.395	-796.488	-778.207
OPERATING PROFIT/LOSS		**-3.432.376**	**2.552.553**	**-43.057**	**1.463.630**
Income from investments in subsidiaries and associates		0	-67.738	532.880	782.423
Other financial income	2	2.081.908	0	2.117.246	18.510
Other financial expenses		-1.357.307	-870.992	-1.334.500	-845.856
PROFIT/LOSS BEFORE TAX		**-2.707.775**	**1.613.823**	**1.272.569**	**1.418.707**
Tax on profit/loss for the year	3	577.503	-345.650	-177.584	-150.534
PROFIT/LOSS FOR THE YEAR	4	**-2.130.272**	**1.268.173**	**1.094.985**	**1.268.173**

BALANCE SHEET AT 31 DECEMBER

		Group		Parent Company	
ASSETS	**Note**	**2022**	**2021**	**2022**	**2021**
		DKK	DKK	DKK	DKK
Intangible fixed assets acquired		377.142	365.517	377.142	365.517
Goodwill		540.182	654.160	0	0
Intangible assets	5	**917.324**	**1.019.677**	**377.142**	**365.517**
Other plant, machinery tools and equipment		1.663.506	1.532.330	1.442.651	1.184.797
Leasehold improvements		1.175.562	1.978.558	1.070.022	1.363.908
Property, plant and equipment	6	**2.839.068**	**3.510.888**	**2.512.673**	**2.548.705**
Investments in subsidiaries		0	0	5.294.353	4.939.824
Investments in associates		0	0	0	0
Receivables from Group companies		0	0	4.600.000	0
Rent deposit and other receivables		1.650.782	1.592.256	1.639.940	1.572.116
Financial non-current assets	7	**1.650.782**	**1.592.256**	**11.534.293**	**6.511.940**
NON-CURRENT ASSETS		**5.407.174**	**6.122.821**	**14.424.108**	**9.426.162**
Finished goods and goods for resale		42.055.470	19.755.493	41.295.035	19.461.450
Prepayments		3.571.982	11.256.499	3.571.982	11.256.499
Inventories		**45.627.452**	**31.011.992**	**44.867.017**	**30.717.949**
Trade receivables		10.165.634	10.873.134	7.901.674	5.992.294
Receivables from group enterprises		0	0	16.051	2.622.571
Receivables from associated enterprises		442.655	446.373	442.655	446.373
Deferred tax assets	8	840.650	0	0	0
Derivative financial instruments	9	0	815.149	0	815.149
Other receivables		133.362	606.029	131.982	85.615
Corporation tax receivable		0	20.778	0	20.778
Prepayments	10	1.674.676	1.081.848	1.390.431	766.328
Receivables		**13.256.977**	**13.843.311**	**9.882.793**	**10.749.108**
Cash and cash equivalents		**645.235**	**6.661.923**	**672.021**	**4.045.706**
CURRENT ASSETS		**59.529.664**	**51.517.226**	**55.421.831**	**45.512.763**
ASSETS		**64.936.838**	**57.640.047**	**69.845.939**	**54.938.925**

BALANCE SHEET AT 31 DECEMBER

		Group		Parent Company	
EQUITY AND LIABILITIES	**Note**	**2022** DKK	**2021** DKK	**2022** DKK	**2021** DKK
Share capital	11	501.000	501.000	501.000	501.000
Reserve for net revaluation under the equity method		0	0	649.561	159.276
Retained earnings		5.557.697	8.508.847	8.133.393	8.349.571
EQUITY		**6.058.697**	**9.009.847**	**9.283.954**	**9.009.847**
Provision for deferred tax	12	0	152.143	97.400	152.143
PROVISIONS		**0**	**152.143**	**97.400**	**152.143**
Subordinate loan capital		6.000.000	6.000.000	6.000.000	6.000.000
Bank loan		19.000.000	0	19.000.000	0
Rent deposita		109.500	79.500	109.500	79.500
Non-current liabilities	13	**25.109.500**	**6.079.500**	**25.109.500**	**6.079.500**
Bank debt		19.529.829	22.085.167	19.068.529	22.085.167
Prepayments from customers		930.912	617.104	49.497	0
Trade payables		10.699.131	14.608.447	10.251.030	13.455.708
Debt to Group companies		0	0	3.728.141	129.574
Corporation tax payable		352.196	287.227	0	0
Joint tax contribution payable		0	0	45.914	104.709
Other liabilities		2.256.573	4.800.612	2.211.974	3.922.277
Current liabilities		**33.768.641**	**42.398.557**	**35.355.085**	**39.697.435**
LIABILITIES		**58.878.141**	**48.478.057**	**60.464.585**	**45.776.935**
EQUITY AND LIABILITIES		**64.936.838**	**57.640.047**	**69.845.939**	**54.938.925**

Contingencies etc.	14
Charges and securities	15
Related parties	16

EQUITY

	Group		
	Share capital	Retained earnings	Total
Equity at 1 January 2022	501.000	8.508.836	9.009.836
Proposed profit allocation, see note 4		-2.130.272	-2.130.272
Other legal bindings			
Foreign exchange adjustments		-185.051	-185.051
Revaluations in the year		-635.816	-635.816
Equity at 31 December 2022	**501.000**	**5.557.697**	**6.058.697**

	Parent Company			
	Share capital	Reserve for net revaluati-on under the equity method	Retained earnings	Total
Equity at 1 January 2022	501.000	159.276	8.349.560	9.009.836
Proposed profit allocation, jf. note 4		675.336	419.649	1.094.985
Other legal bindings				
Foreign exchange adjustments		-185.051		-185.051
Revaluations in the year			-635.816	-635.816
Equity at 31 December 2022	**501.000**	**649.561**	**8.133.393**	**9.283.954**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2022 DKK	**2021** DKK
Profit/loss for the year	-2.130.272	1.268.173
Depreciation and amortisation, reversed	1.570.294	1.012.395
Reversed realization gains	0	-53.636
Profit/loss from associates	0	67.738
Tax on profit/loss, reversed	-577.503	345.650
Other adjustments	-635.824	991.656
Corporation tax paid	-329.543	-1.019.509
Change in inventories	-14.615.460	-9.458.723
Change in receivables (ex tax)	1.406.206	-2.863.787
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	-6.139.547	11.593.109
CASH FLOWS FROM OPERATING ACTIVITY	**-21.451.649**	**1.883.066**
Purchase of intangible assets	-107.775	-200.875
Purchase of property, plant and equipment	-688.348	-1.643.966
Sale of property, plant and equipment	0	100.000
Purchase of financial assets	-71.325	-864.704
Sale of financial assets	12.798	0
Other cash flows from investing activities	-185.051	159.276
CASH FLOWS FROM INVESTING ACTIVITY	**-1.039.701**	**-2.450.269**
Proceeds from non-current borrowing	19.000.000	0
Other changes in non-current debt	30.000	79.500
Change in operating credit	-2.555.338	6.553.235
Dividends paid in the financial year	0	-500.000
CASH FLOWS FROM FINANCING ACTIVITY	**16.474.662**	**6.132.735**
CHANGE IN CASH AND CASH EQUIVALENTS	**-6.016.688**	**5.565.532**
Cash and cash equivalents at 1. januar	6.661.923	1.096.391
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**645.235**	**6.661.923**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	645.235	6.661.923
CASH AND CASH EQUIVALENTS	**645.235**	**6.661.923**

NOTES

	Group		Parent Company		Note
	2022 DKK	2021 DKK	2022 DKK	2021 DKK	
Staff costs					1
Average number of employees	55	44	34	33	
Wages and salaries	19.557.979	16.856.678	14.138.251	13.787.430	
Pensions	2.162.060	1.939.993	1.865.513	1.744.940	
Social security costs	696.403	299.701	286.302	266.163	
Other staff costs	22.952	316.063	-1.876	286.663	
	22.439.394	**19.412.435**	**16.288.190**	**16.085.196**	

Information on management remuneration has been omitted in accordance with the exception provision in the Annual Accounts Act § 98 b, subsection 3 No. 2.

	Group		Parent Company		Note
	2022 DKK	2021 DKK	2022 DKK	2021 DKK	
Other financial income					2
Group enterprises	0	0	124.288	18.510	
Other interest income	2.081.908	0	1.992.958	0	
	2.081.908	**0**	**2.117.246**	**18.510**	
Tax on profit/loss for the year					3
Calculated tax on taxable income of the year	434.258	501.818	45.914	194.931	
Adjustment of tax in previous years	7.080	0	7.080	0	
Adjustment of deferred tax	-1.018.841	-156.168	124.590	-44.397	
	-577.503	**345.650**	**177.584**	**150.534**	
Proposed distribution of profit					4
Allocation to reserve for net revaluation under the equity method	0	0	675.336	782.423	
Retained earnings	-2.130.272	1.268.173	419.649	485.750	
	-2.130.272	**1.268.173**	**1.094.985**	**1.268.173**	

NOTES

Note

Intangible assets 5

	Group	
	Intangible fixed assets acquired	Goodwill
Cost at 1 January 2022	608.443	783.950
Additions	107.775	0
Cost at 31 December 2022	**716.218**	**783.950**
Amortisation at 1 January 2022	242.927	129.790
Amortisation for the year	96.149	113.978
Amortisation at 31 December 2022	**339.076**	**243.768**
Carrying amount at 31 December 2022	**377.142**	**540.182**

	Parent Company
	Intangible fixed assets acquired
Cost at 1 January 2022	608.443
Additions	107.775
Cost at 31 December 2022	**716.218**
Amortisation at 1 January 2022	242.927
Amortisation for the year	96.149
Amortisation at 31 December 2022	**339.076**
Carrying amount at 31 December 2022	**377.142**

Property, plant and equipment 6

	Group	
	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2022	2.135.429	3.080.363
Additions	676.924	11.424
Cost at 31 December 2022	**2.812.353**	**3.091.787**
Depreciation and impairment losses at 1 January 2022	603.100	1.101.805
Depreciation for the year	545.747	814.420
Depreciation and impairment losses at 31 December 2022	**1.148.847**	**1.916.225**
Carrying amount at 31 December 2022	**1.663.506**	**1.175.562**

NOTES

Note

Tangible fixed assets (continued) 6

	Parent Company	
	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2022	1.737.967	2.457.056
Additions	664.308	0
Cost at 31 December 2022	**2.402.275**	**2.457.056**
Depreciation and impairment losses at 1 January 2022	553.171	1.093.148
Depreciation for the year	406.453	293.886
Depreciation and impairment losses at 31 December 2022	**959.624**	**1.387.034**
Carrying amount at 31 December 2022	**1.442.651**	**1.070.022**

Financial non-current assets 7

	Group
	Rent deposit and other receivables
Cost at 1 January 2022	1.592.256
Additions	71.324
Disposals	-12.798
Cost at 31 December 2022	**1.650.782**
Carrying amount at 31 December 2022	**1.650.782**

	Parent Company	
	Investments in subsidiaries	Investments in associates
Cost at 1 January 2022	4.303.108	149.394
Additions	6.700	0
Cost at 31 December 2022	**4.309.808**	**149.394**
Revaluation at 1 January 2022	765.189	-149.394
Exchange adjustment	-185.051	0
Revaluation and impairment losses for the year	648.186	0
Revaluation at 31 December 2022	**1.228.324**	**-149.394**
Impairment losses and amortisation of goodwill at 1 January 2022	129.790	0
Amortisation of goodwill	113.989	0
Impairment losses and amortisation of goodwill at 31 December 2022	**243.779**	**0**
Carrying amount at 31 December 2022	**5.294.353**	**0**

NOTES

Note

Fixed asset investments (continued) 7

	Parent Company	
	Receivables from Group companies	Rent deposit and other receivables
Cost at 1 January 2022	0	1.572.114
Additions	4.600.000	80.624
Disposals	0	-12.798
Cost at 31 December 2022	**4.600.000**	**1.639.940**
Carrying amount at 31 December 2022	**4.600.000**	**1.639.940**

Investments in subsidiaries (DKK)

Name and domicil	Equity	Profit/loss for the year	Ownership
Woden US Inc., Delaware	9.817	2.845	100 %
Woden GmbH, Flensburg	166.975	-614.455	100 %
Woden NO AS, Olso	-3.225.237	-3.325.811	100 %
Shoe The Bear LTD, London	4.577.350	1.317.389	100 %

Investments in associates (DKK)

Name and domicil	Equity	Profit for the year	Ownership
Nordic Fish Leather, Sauðárkróki	-195.640	139.138	25 %

Deferred tax assets 8

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts and unutilised tax losses.

	Group		Parent Company	
	2022 DKK	**2021** DKK	**2022** DKK	**2021** DKK
Deferred tax, beginning of year	-152.143	0	0	0
Deferred tax of the year, income statement	992.793	0	0	0
Deferred tax 31 December 2022	**840.650**	**0**	**0**	**0**

NOTES

Note

The Company's deferred tax assets are recognised in the Balance Sheet at DKK ('000) 840. The tax asset relates primarily to unutilised tax losses. The tax asset is recognised on the basis of the expectations for tax profits for the next 3-5 years, and the tax losses are then expected to be fully utilised. The assessments are based on the Company's budgets for the next 5 years and forecasts for the subsequent 5 years. The budgets have been prepared according to the Company's usual budget procedure. Through various launched efficiency measures and increase in market share, the Company expects improved earnings in the years to come.

Derivative financial instruments 9

As part of hedging recognized and unrecognized transactions, the company uses hedging instruments such as forward foreign exchange contracts. The company has entered into forward exchange contracts for hedging future purchases in USD for a total of tDKK 10.577. The forward exchange contracts expires within 2 months from the balance sheet date. It is hedging of future cash flows.

	Group		Parent Company		
	2022	**2021**	**2022**	**2021**	
	DKK	DKK	DKK	DKK	
Prepayments					10
Costs	1.674.676	1.081.848	1.390.431	766.328	
	1.674.676	**1.081.848**	**1.390.431**	**766.328**	

Prepayments and accrued income include prepaid expenses, primarily lease payments and membership fees relating to the following financial year.

	2022	**2021**	
	DKK	DKK	
Share capital			11
Allocation of share capital:			
A-stock, 501 unit in the denomination of 1.000 DKK	501.000	501.000	
	501.000	**501.000**	

Provision for deferred tax 12

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts and unutilised tax losses.

NOTES

Note

	Group		Parent Company	
	2022 DKK	2021 DKK	2022 DKK	2021 DKK
Deferred tax, beginning of year	54.743	-101.887	152.143	-101.887
Deferred tax of the year, income statement	-54.743	-44.397	124.590	-44.397
Deferred tax of the year, equity	0	298.427	-179.333	298.427
Deferred tax at 31 December 2022	**0**	**152.143**	**97.400**	**152.143**

Long-term liabilities 13

Group

	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Subordinate loan capital	6.000.000	0	6.000.000	6.000.000
Bank loan	19.000.000	0	19.000.000	0
Rent deposita	109.500	0	109.500	79.500
	25.109.500	**0**	**25.109.500**	**6.079.500**

Parent Company

	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Subordinate loan capital	6.000.000	0	6.000.000	6.000.000
Bank loan	19.000.000	0	19.000.000	0
Rent deposita	109.500	0	0	79.500
	25.109.500	**0**	**25.000.000**	**6.079.500**

NOTES

Note

Contingencies etc. **14**

Contingent liabilities
Operational lease
The company has entered into lease contracts with a residual term of up to 9 months with a total tesidual lease payment of tDKK 206.

Rent obligations
The company has entered into rent commitments, which at the balance sheet date amount to tDKK 3.059 during the period of notice, which latest expires on april 31ht 2026

Joint liabilities
The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to DKK ('000) 46 at the Balance Sheet date.

Charges and securities **15**
The company has provided security for subsidiary Woden GmbH. The company has tDKK 1.107 bank debt on 31 December 2022.

The company has provided security for Woden logistics ApS. The company has tDKK 0 bank debt on 31 December 2022.

As security for the bank debt at tDKK 38.530 the company has provided a floating charge af a nominal amount af tDKK 12.000 with security in inventory and trade receivables with a booked amount 31rd December 2022 on tDKK 52.221.

Related parties **16**
The company's related parties having a significant influence include subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and their relatives. Related parties also include companies in which the above mentioned group of person has material interests.

Transactions with related parties
The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

ACCOUNTING POLICIES

The Annual Report of Woden A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements
The Consolidated Financial Statements include the Parent Company Woden A/S and the subsidiaries in which Woden A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Sold or wound up enterprises are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not adjusted for newly acquired, sold or wound up enterprises.

The date of acquisition is the date at which the Group gains actual control over the acquired enterprises.

Acquired enterprises are recognised in the Consolidated Financial Statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Deferred tax on the taken over reassessments is recognised with the exception of goodwill.

At calculation of the fair value of investment properties, a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, using an overall assessment of the production equipment.

Positive differences (goodwill) between the acquisition value and fair value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the Income Statement under an individual assessment of the useful life.

Transaction costs, incurred in connection with acquisition of enterprises, are recognised in the Income Statement in the year in which the costs are incurred.

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

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

ACCOUNTING POLICIES

INCOME STATEMENT

Net revenue
Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses
Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees.

Income from investments in subsidiaries and associates
The proportional share of the results of subsidiaries and associates, stated according to the Parent Company’s accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company’s Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold subsidiaries and associates are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets
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 to 7 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets
Machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment..	3-5 years	0 %
Leasehold improvements..	5-10 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets
Investments in subsidiaries and associates are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Investments in subsidiaries and associates are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Net revaluation of investments in subsidiaries and associates is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries and associates with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries and associates deficit.

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

ACCOUNTING POLICIES

Other receivables are measured at amortised cost which usually corresponds to the nominal amount. The amount is written down to meet expected losses.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Tax payable and deferred tax
Current tax liabilities and receivable current tax 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.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

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

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Derivative financial instruments
Derivative financial instruments are initially recognised in the Balance Sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised under receivables and payables, respectively.

Change in the fair value of derivative financial instruments related to hedging of future cash flows are recognised in Equity to the extent, that the conditions for this purpose are fulfilled. The value adjustments are recognised in a fair value reserve for hedging for accounting purposes until the hedged transaction is realised or the hedging ceases is adjusted downward. Upon realisation the accumulated value of the hedging instrument together with the hedged transaction is recognised in the Income Statement, unless the hedging transaction results in recognition of a non-financial asset or a non-financial liability. In this case, the amount is transferred from Equity to the cost price or carrying amount of this asset or liability.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

ACCOUNTING POLICIES

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

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

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.