

# Prada Denmark ApS

Østergade 60, DK-1100 Copenhagen K

CVR no. 36 73 33 14

## Annual report

for the period 1 January - 31 December 2023

Approved at the Company's annual general meeting on 20 June 2024.  
The Chairman of the meeting

  
.....  
Francesca Bertoni (General Manager)

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**Statement by the Executive Board**

Today, the Executive Board has discussed and approved the annual report of Prada Denmark ApS for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act.

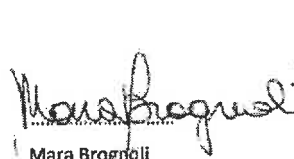
In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 20 June 2024  
Executive Board:

  
.....  
Francesca Bertoincini  
General Manager

  
.....  
Mara Brognoli  
Director

  
.....  
Gianluca Andriani  
Director

## Independent auditor's report

### To the shareholders of Prada Denmark ApS

#### Opinion

We have audited the financial statements of Prada Denmark ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, Statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

### Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 20 June 2024  
Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 96 35 56



Jan Larsen  
State Authorised Public Accountant  
Identification No (MNE) mne16541

## Management's review

### Company details

Name	Prada Denmark ApS
Address, Postal code, City	Østergade 60, DK-1100 Copenhagen K
CVR no.	36 73 33 14
Established	1 May 2015
Registered office	Copenhagen
Financial year	1 January - 31 December
Executive Board	Francesca Bertoncini, General Manager Mara Brognoli, Director Gianluca Andriani, Director
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6, DK-2300 Copenhagen

### Management commentary

#### Business review

Principal activities of the Company comprise import, distribution and sales of Prada products in Denmark. The company runs two channels for the distribution and sales activities: the retail, through the concession into Illum mall, and the e-commerce, through its own website.

The company has merged with retroactive effect date 1 January 2023 for accounting purposes the former existing Church Denmark APS ("the discontinued company"), as a result of a project of reorganization and simplification of retail business Church's around the globe.

The effect for the merger was an importation of a set of balances in the financial statements of the company, the merger opted for was tax exempt in accordance with the Danish Merger Tax Act and no other strategic impact arose. In fact the merged entity imported was already not an operating business at the date the merger project was approved (1 July 2023, extraordinary shareholders general meeting of the continuing Company). The merger was approved after the legal term of four weeks had elapsed, since the publication into Danish business authority of the intention to merge (9 May 2023).

The merger has been accounted with the Book Value Method, and the discontinuing company was dissolved without liquidation by transferring its assets and liabilities as a whole to the continuing company.

Year 2023 was characterised from the resurgence of severe geopolitical tensions, especially in Middle East, and uncertainty in terms of economic outlook. However, the luxury sector proved its resilience and the Group continuous creative momentum mirrored into the Company's achievements in the paths of strategic, organisational and digital evolution.

At Group level, PRADA's year was characterised by continuous desirability, sustained by an evolved organisation and rigorous execution. The excellent reception of both Menswear and Womenswear fashion shows and collections confirms the enduring success of the brand's creative codes, with impactful campaigns and talent strategy boosting visibility and interest globally. A well-balanced product category mix drove growth and resilience, thanks to the ability to continuously innovate and to successfully interpret contemporaneity.

Some examples are represented by the unveiling of exclusive collaborations, like "Adidas Football for Prada", which showed a relentless commitment to environmentally-conscious innovation with a selection of clean and sharp silhouettes, meticulously crafted in Italy by PRADA artisans. Another important development is the launch of partnership with L'Oreal that signed the entrance of the Group in the makeup and skincare businesses.

In the digital arena, efforts were concentrated on a multiyear transformation program aimed at enhancing the entire technology infrastructure to support operational efficiency and revenue growth. The program includes initiatives encompassing omnichannel capabilities, product lifecycle, finance and retail ERP, reporting, and planning processes integration.

## Management's review

Finally, the year marked the onboarding of Andrea Guerra as PRADA Group CEO in January, as well as other strategic appointments: the result is a strengthened organization, well equipped to drive the evolution of the Group while delivering on its growth ambition.

### Financial review

In 2023, the Company's revenue amounted to DKK 64,486 thousand against DKK 55,666 thousand of last year registering a sharp increase of 16%

The development in sales has been possible thanks to a significant development of retail channel, which reported a +27.3% from 2022 already good levels, while e-commerce channel shrank with a decrease on 2022 sales by -11.5%. Pop-up missing initiatives, determined an estimated loss of 5.1% of turnover, based on results reported last year. The split between the two channels gives further evidence of a continuing rebalancing effect towards traditional channel of sales: retail channel rose to 85.7% (last year 83.1%), while e-commerce settled down to 14.3% (last year 16.9%)

In terms of customers' nationality, as per 2023 figures, the Company's ratio can be split into 55% local customers and 45% travellers, thus denoting some good attraction in the tourism and travellers flows with a +31% on same customer typology on last year.

Coming to cost side of operations, the company has reported an improvement on cost of goods sold absorption on sales and this has had some impact on the transfer price adjustment received from controlling company (-750 DKK thousand).

This has been both an effect from the missing initiatives on pop-up, therefore less specific product purchased on them for some 5,600 DKK thousand, but also the consequence of some significant ship-backs of overstocking of products cumulated during previous financial years, impacting favourably year 2023 for some 13,100 DKK thousand. Also, the absence of pop-up initiatives determined a lessening volume of set-up, purchase of furniture and catering costs of about 1,400 thousand DKK

Contrary to these positive effects, the increased commercial square meters from the renovation plan on the concession caused some higher opex in the recharges from the controlling company for procurement and retail consultancies (+1300 DKK thousand); other increases coming on the rental costs for some 1,100 DKK thousand due to step-plan contract formalized; higher wages from payslips to an increased number of employees (+1885 thousand DKK); lastly higher depreciation on the capital expenditures from mid-year onwards (+2100 DKK thousand).

The income statement for 2023 shows a loss of DKK 109 thousand against a profit of DKK 579 thousand last year, and the balance sheet at 31 December 2023 shows an equity of DKK 27,836 thousand.

The directors are convinced that continuous investments in people, products and relationships with all stakeholders will deliver resilience and will allow further growth in the future.

### Outlook and events after the balance sheet date

The Company keeps going well and is currently bearing a significant renovation project on its existing location, which has enlarged the retail square meters available for its commercial activities and thus produced an enlargement into store personnel.

The company has reported a -6.1 % decrease in sales in first quarter of 2024, compared to same period of 2023.

General performance historically reported anyway, gives the Company confidence to achieve its medium-term targets and to continue its actions to evolve the business and navigate the changing luxury market.

Furthermore, from a financial point of view, the company can rely on prompt financing from its controlling company, which covers the financial cash flow needs during the year.

Financial statements 1 January - 31 December 2023

Income statement

		2023	2022
<b>Note</b>	<b>DKK'000</b>		
	Net revenue	64,486	55,666
	Other operating income	412	315
	Cost of goods sold	-20,112	-15,794
	Other external expenses	<u>-27,563</u>	<u>-27,476</u>
	<b>Gross margin</b>	<b>17,223</b>	<b>12,711</b>
2	Staff costs	-10,396	-8,156
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	<u>-5,186</u>	<u>-3,143</u>
	<b>Profit/(loss) before net financials</b>	<b>1,640</b>	<b>1,412</b>
3	Financial income	850	40
3	Financial expenses	<u>-2,605</u>	<u>-699</u>
	<b>Profit/(loss) before tax</b>	<b>-115</b>	<b>753</b>
4	Tax for the year	<u>7</u>	<u>-174</u>
	<b>Profit/loss for the year</b>	<b><u>-108</u></b>	<b><u>579</u></b>
	<b>Recommended appropriation of profit/loss</b>		
	Retained earnings	<u>-108</u>	<u>579</u>
		<u>-108</u>	<u>579</u>



Financial statements 1 January - 31 December 2023

Balance sheet

Note	DKK'000	2023	2022
	<b>ASSETS</b>		
5	<b>Fixed assets</b>		
	Intangible assets		
	Software and licenses	138	0
	<b>Property, plant and equipment</b>		
	Fixtures and fittings, other plant and equipment	23,264	7,182
	Leasehold improvements	37,842	16,604
	Tangible asset under construction	0	160
		<u>61,106</u>	<u>23,946</u>
	<b>Fixed assets investments</b>		
	Deposits	<u>37</u>	<u>37</u>
	<b>Total fixed assets</b>	<u>61,281</u>	<u>23,983</u>
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Finished goods and goods for resale	<u>22,096</u>	<u>28,449</u>
		<u>22,096</u>	<u>28,449</u>
	<b>Receivables</b>		
	Trade receivables	13,130	12,893
	Receivables from group enterprises	7,505	10,642
	Other receivables	74	13
	Prepayments	<u>49</u>	<u>58</u>
		<u>20,758</u>	<u>23,606</u>
	<b>Cash</b>	<u>3,666</u>	<u>5,125</u>
	<b>Total non-fixed assets</b>	<u>46,520</u>	<u>57,180</u>
	<b>TOTAL ASSETS</b>	<u>107,801</u>	<u>81,163</u>

Financial statements 1 January - 31 December 2023

Balance sheet

Note	DKK'000	2023	2022
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
6	Share capital	7,500	7,500
	Retained earnings	<u>20,336</u>	<u>20,445</u>
	<b>Total equity</b>	<u>27,836</u>	<u>27,945</u>
	<b>Provisions</b>		
	Deferred tax	184	690
	Other provisions	<u>119</u>	<u>355</u>
	<b>Total provisions</b>	<u>303</u>	<u>1,045</u>
	<b>Liabilities other than provisions</b>		
7	<b>Non-current liabilities other than provisions</b>		
	Other payables	<u>625</u>	<u>938</u>
	<b>Current liabilities other than provisions</b>		
	Trade payables	8,039	7,451
	Payables to group enterprises	64,146	38,171
	Other payables	<u>6,852</u>	<u>5,613</u>
		<u>79,037</u>	<u>51,235</u>
	<b>Total liabilities other than provisions</b>	<u>79,662</u>	<u>52,173</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>107,801</u>	<u>81,163</u>

- 1 Accounting policies
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral
- 10 Related parties

**Financial statements 1 January - 31 December 2023**

<b>Statement of changes in equity</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
<b>DKK'000</b>			
Equity at 1 January 2023	7,500	20,445	27,945
Transfer through appropriation of profit	0	-109	-109
<b>Equity at 31 December 2023</b>	<b>7,500</b>	<b>20,336</b>	<b>27,836</b>

## Financial statements 1 January - 31 December 2023

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Prada Denmark ApS for the period 1 January - 31 December 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

#### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables, and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

#### Income statement

#### Merged balances

The book value as a method for accounting the effects of extraordinary transactions, like merger plans, has been adopted

#### Revenue

Income from the sale of goods for resale, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

#### Other operating income

It includes income still part of the ordinary course of business, but that does not qualify as revenues from direct operations. The main item inside the area, for this year, is the goodwill generated from merger of Church's Denmark ApS inside the accounts of the Company, effective from Jul 1, 2023.

A cost valuation based on financial statements set of accounts as of 30 April 2023 was performed in order to compensate Church&Co Ltd. (previous sole shareholder) for the sale of the asset.

This valuation was updated with financial statements set of accounts as of 30 Jun 2023, in order to import the specific accounts of Church's Denmark at the merger effective date.

Difference into the two net equity values at different dates resulted into a goodwill, meaning that net assets imported at the merger date resulted higher than their valuation as of 30 April.

#### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

## Financial statements 1 January - 31 December 2023

### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc.

### Depreciation

The item comprises depreciation of property, plant and equipment and scrap of fixed assets.

The basis of depreciation, which is calculated as cost less any residual value, is on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

Software and licences	5 years
Fixtures and fittings, other plant and equipment	5-15 years
Leasehold improvements	15 years

Specifically for leaseholds and assets subject to finance leases the depreciation horizon cannot exceed the contract period. Estimated useful lives and residual values are reassessed annually.

In case applicable, items of property, plant and equipment are written down to the lower between recoverable value and carrying amount (as per above calculations)

### Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is no more jointly taxed with the former company Church's Denmark, as effect of the merger dated July 1<sup>st</sup> in the current year.

### Balance sheet

#### Merged balances

The book value as a method for accounting the effects of extraordinary transactions, like merger plans, has been adopted.

## Financial statements 1 January - 31 December 2023

### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

### Inventories

Inventories are measured at cost in accordance with the weighted average cost method, due to the fact that the composition of the stock is only related to finished goods held for sale in the ordinary course of the business. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to complete the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years. Prepayments are measured at cost.

## Financial statements 1 January - 31 December 2023

### Other Receivables

Other receivables recognised under "Assets" correspond to the accrual of active financial interests on the liquidity in stock at the end of year. Other receivables are measured at cost.

### Equity

#### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's Intended use of the asset or settlement of the liability, respectively.

### Provisions

The Company was involved in civil disputes and the related provisions for risks and charges booked in the previous financial year, based on the basis of historical experience and on the basis of assumptions concerning future events, has been settled and generated a further amount in the windfall loss area, due to the difficulty in forecasting effective amount of compensation to recognize to the other party.

### Liabilities

Financial liabilities comprising amounts owed to credit institutions, trade payables and payables to group enterprises are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Financial liabilities also include the capitalised residual obligation on finance leases.  
Other liabilities are measured at net realisable value

**Financial statements 1 January - 31 December 2023**

**Notes to the financial statements**

	2023	2022
<b>DKK'000</b>		
<b>2 Staff costs</b>		
Wages/salaries	10,277	8,082
Other social security costs	<u>119</u>	<u>74</u>
	<u>10,396</u>	<u>8,156</u>
Average number of full-time employees	<u>21</u>	<u>17</u>
	2023	2022
<b>DKK'000</b>		
<b>3 Financial income and expenses</b>		
Interest income, third parties	282	12
Interest expenses, group entities	(1,485)	(465)
Other financial expenses	<u>(553)</u>	<u>(206)</u>
	<u>(1,756)</u>	<u>(659)</u>
	2023	2022
<b>DKK'000</b>		
<b>4 Tax for the year</b>		
Deferred tax adjustments in the year	<u>-7</u>	<u>174</u>
	<u>-7</u>	<u>174</u>



## Financial statements 1 January - 31 December 2023

### Notes to the financial statements

5 Fixed assets DKK'000	Fixt. & fittings, other plant and equipment	Leasehold improvements	Tangible Asset under Construction	Software & licenses	Deposits	Total
Cost at 1 January 2023	12,747	27,440	160	0	37	40,384
Additions/Decreases	18,187	24,155	0	142	0	42,484
Reversal to finished assets	0	160	-160	0	0	0
Write-off	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cost at 31 December 2023</b>	<u>30,934</u>	<u>51,755</u>	<u>0</u>	<u>142</u>	<u>37</u>	<u>82,868</u>
Impairment losses and depr. fund at 1 January 2023	5,565	10,836	0	0	0	16,401
Depreciation	2,105	3,077	0	4	0	5,186
Write-off	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Impairment losses and depr. fund at 31 December 2023	<u>7,670</u>	<u>13,913</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>21,587</u>
<b>Carrying amount at 31 December 2023</b>	<u>23,264</u>	<u>37,842</u>	<u>0</u>	<u>138</u>	<u>37</u>	<u>61,281</u>
Depreciated over	5-15 years	15 years	N/A	5 years	N/A	

### 6 Share capital

Analysis of changes in the share capital over the past 3 years:

DKK'000	2023	2022	2021
Opening balance	7,500	7,500	7,500
Capital increase	<u>0</u>	<u>0</u>	<u>0</u>
	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>

### 7 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12/2023	Current portion of non-current liabilities other than provision	Long-term portion	Outstanding debt after 5 years
Other payables to third parties	<u>1,094</u>	<u>469</u>	<u>625</u>	<u>0</u>
	<u>1,094</u>	<u>469</u>	<u>625</u>	<u>0</u>

## Financial statements 1 January - 31 December 2023

### Notes to the financial statements

The other payables long-term represent the deferred rent accrual towards the landlord as per the renegotiation in lease agreement signed in the course of year 2022. The company is currently in a decrease phase, therefore the quota has been split between long term effect and the reversal forecasted in the next 12 financial months

#### 8 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company has ceased the regime of joint taxation with Church Denmark ApS, as an effect of merger and with effect since 1 July 2023. The Company has now solely and unlimited liability for Danish corporation taxes.

##### Other financial obligations

DKK'000

Rent and lease liabilities	<u>17,500</u>	<u>24,375</u>
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#### 9 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2023.

#### 10 Related parties

##### Information about consolidated financial statements

<b>Parent</b>	<b>Domicile</b>	<b>Requisitioning of the parent company's consolidated financial statements</b>
Prada S.p.A	Via Fogazzaro 28, 20135 Milano, Italy	<a href="https://www.pradagroup.com/content/dam/pradagroup/documents/Shareholderinformation/2024/Inglese/E1913_AR.pdf">https://www.pradagroup.com/content/dam/pradagroup/documents/Shareholderinformation/2024/Inglese/E1913_AR.pdf</a>

##### Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

#### 11 Accounting effects of the merger

##### DKK values

Balance sheet line item	Balance as at 30/06 ("pre-merger")	Imported balances	Balances as at 01/07 ("post-merger")
Assets	79,960,776	(725,072)	79,235,704
Liabilities	52,019,924	(715,146)	51,304,778
Equity	27,940,852	-	27,940,852
<b>Total</b>	-	(9,926)	(9,926)

**Financial statements 1 January - 31 December 2023**

**Notes to the financial statements**

**DKK values (+ revenues, - costs)**

<b>Profit &amp; Loss line item</b>	<b>Balance as at 30/06 ("pre-merger")</b>	<b>Imported balances</b>	<b>Balances as at 01/07 ("post-merger")</b>
Revenues	30,641,254	138,353	30,779,607
Operating costs	(29,911,646)	(174,683)	(30,086,329)
Financial costs	(742,933)	(1,056)	(743,989)
Taxation	9,566	-	9,566
<b>Net result</b>	<b>3,759</b>	<b>(37,386)</b>	<b>(33,627)</b>

Therefore, the net effect of importation of Balance sheet line items and all the Profit & loss line item resulted in the inscription of a revenue of + 27,461 in the other operating income, balancing the whole merger transaction.