

Chino Holding ApS

c/o NN.07 ApS, Galionsvej 35, 1437 København K

Company reg. no. 37 86 42 77

Annual report

1 January - 31 December 2020

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

Ulrik Jürgensen
Chairman of the meeting

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Notes:

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

Management's report

Today, the board of directors and the managing director have presented the annual report of Chino Holding ApS for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the consolidated financial statements and the financial statements provide a fair presentation of the assets, equity and liabilities, and the financial position, consolidated and for the company, respectively, at 31 December 2020, and of the result of the activities, consolidated and of the company, respectively, during the financial year 1 January – 31 December 2020.

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

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

København K, 19 July 2021

Managing Director

Anders Rahr

Board of directors

Måns Fabian Månsson

Carl Andreas Nyberg

Gustav Otto Henrik Thott

Theodor Simon Josef Bonnier

Hans Fredrik Davidsson

Anders Cleemann

Independent auditor's report

To the shareholders of Chino Holding ApS

Opinion

We have audited the consolidated financial statements and the financial statements of Chino Holding ApS for the financial year 1 January to 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes, consolidated and of the company, respectively. The consolidated financial statements and the financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the financial statements present a fair view of the assets, equity and liabilities, and financial position, consolidated and of the company, respectively, at 31 December 2020 and of the results of the company's activities, consolidated and of the company, respectively, for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the consolidated financial statements and the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated annual accounts and the financial statements

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

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the consolidated financial statements and the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and 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 company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure, and contents of the consolidated financial statements and the financial statements, including disclosures in notes, and whether the consolidated financial statements and the financial statements reflect the underlying transactions and events in a manner that presents a fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

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

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

Based on the work we have performed, we believe that the management commentary is consistent with the consolidated financial statements and the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 19 July 2021

Grant Thornton

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

Jacob Helly Juell-Hansen

State Authorised Public Accountant
mne36169

Company information

The company	Chino Holding ApS c/o NN.07 ApS Galionsvej 35 1437 København K
	Company reg. no. 37 86 42 77 Financial year: 1 January 2020 - 31 December 2020
Board of directors	Måns Fabian Månsson Carl Andreas Nyberg Gustav Otto Henrik Thott Theodor Simon Josef Bonnier Hans Fredrik Davidsson Anders Cleemann
Managing Director	Anders Rahr
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
Parent company	Chino BidCo ApS
Subsidiary	NN.07 ApS, København

Consolidated financial highlights

DKK in thousands.	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017/16</u>
Income statement:				
Gross profit	38.252	58.468	54.674	75.048
Profit from operating activities	-5.609	14.349	9.255	20.481
Net financials	-1.588	-4.159	-3.276	-6.247
Net profit or loss for the year	-10.802	2.285	-843	4.447
Statement of financial position:				
Balance sheet total	233.883	254.726	268.007	276.081
Equity	154.118	166.409	163.099	164.409
Employees:				
Average number of full-time employees	24	21	20	15
Key figures in %:				
Acid test ratio	308,8	331,9	231,6	232,4
Solvency ratio	65,9	65,3	60,9	59,4

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

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

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

Solvency ratio
$$\frac{\text{Equity less non-controlling interests, closing balance} \times 100}{\text{Total assets, closing balance}}$$

Management commentary

The principal activities of the group

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

Unusual circumstances

There are no unusual circumstances.

Uncertainties about recognition or measurement

There are no uncertainties about recognition or measurement.

Development in activities and financial matters

The gross profit for the year totals tDKK 2.019 against tDKK 3.571 last year. Income or loss from ordinary activities after tax totals tDKK -1.602 against tDKK 8.699 last year. Management considers the net profit or loss for the year satisfactory.

Special risks

Foreign currency risks

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

Environmental issues

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

Expected developments

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

Events occurring after the end of the financial year

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

Accounting policies

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

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

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

Recognition and measurement in general

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

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

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

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

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

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

Foreign currency translation

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

Accounting policies

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

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

The consolidated financial statements

The consolidated income statements comprise the parent company Chino Holding ApS and those group enterprises of which Chino Holding ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' market value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Non-controlling interests

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

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

Accounting policies

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

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise.

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

Staff costs

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

Depreciation, amortisation, and writedown for impairment

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

Financial income and expenses

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

Results from equity investments in group enterprises

Dividend from equity investments in group enterprises is recognised in the financial year in which the dividend is declared.

Tax on net profit or loss for the year

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

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

Accounting policies

Statement of financial position

Intangible assets

Development projects, patents, and licences

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

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

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

Software

Acquired goodwill is measured at cost less accumulated amortisation.

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

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

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

Software are depreciated lineary over 10 years.

Property, plant, and equipment

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

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

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

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

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

	Useful life
Leasehold improvements	3-5 years

Accounting policies

Other fixtures and fittings, tools and equipment 3-5 years

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

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

Leases

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

Leasehold improvements

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

Investments

Equity investments in group enterprises

Equity investments in group enterprises are measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

Inventories

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

Costs of goods for resale comprise acquisition costs plus delivery costs.

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

Receivables

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

Prepayments and accrued income

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

Cash on hand and demand deposits

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

Accounting policies

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Income tax and deferred tax

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

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Chino Holding ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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

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

Liabilities other than provisions

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

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

Income statement 1 January - 31 December

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

Note	Group		Parent	
	2020	2019	2020	2019
	38.252.441	58.468	2.018.919	3.571
Gross profit				
2 Staff costs	-16.403.195	-16.348	-956.564	-4.077
Depreciation, amortisation, and impairment	-27.458.346	-27.771	0	0
Operating profit	-5.609.100	14.349	1.062.355	-506
Income from equity investments in group enterprises	0	0	0	12.000
Other financial income	5.589.334	2.003	0	-919
3 Other financial costs	-7.177.808	-6.162	-2.821.642	-2.772
Pre-tax net profit or loss	-7.197.574	10.190	-1.759.287	7.803
4 Tax on net profit or loss for the year	-3.604.540	-7.905	157.626	896
5 Net profit or loss for the year	-10.802.114	2.285	-1.601.661	8.699
Break-down of the consolidated profit or loss:				
Shareholders in Chino Holding ApS	-10.802.114	2.285		
Non-controlling interests	0	0		
	-10.802.114	2.285		

Statement of financial position at 31 December

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

Note	Group		Parent		
	2020	2019	2020	2019	
Assets					
Non-current assets					
6	Software	713.932	966	0	0
7	Goodwill	138.762.666	163.147	0	0
8	Development projects in progress and prepayments for intangible assets	1.085.345	0	0	0
	Total intangible assets	140.561.943	164.113	0	0
9	Other fixtures and fittings, tools and equipment	3.781.180	5.935	0	0
	Total property, plant, and equipment	3.781.180	5.935	0	0
10	Equity investments in group enterprises	0	0	267.051.632	267.052
	Total investments	0	0	267.051.632	267.052
	Total non-current assets	144.343.123	170.048	267.051.632	267.052

Statement of financial position at 31 December

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

Note	Group		Parent		
	2020	2019	2020	2019	
Assets					
Current assets					
	Manufactured goods and goods for resale	26.772.578	31.752	0	0
	Total inventories	26.772.578	31.752	0	0
	Trade receivables	28.082.025	36.353	0	0
	Receivables from group enterprises	977.473	0	2.273.242	3.127
11	Deferred tax assets	0	0	225.414	247
	Income tax receivables	0	0	1.691.000	3.790
	Tax receivables from group enterprises	0	0	403.810	935
	Other receivables	599.526	2.690	0	0
12	Prepayments and accrued income	160.358	3.016	0	0
	Total receivables	29.819.382	42.059	4.593.466	8.099
	Cash on hand and demand deposits	32.947.511	10.867	232.738	361
	Total current assets	89.539.471	84.678	4.826.204	8.460
	Total assets	233.882.594	254.726	271.877.836	275.512

Statement of financial position at 31 December

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

Note	Group		Parent	
	2020	2019	2020	2019
Equity and liabilities				
Equity				
Contributed capital	58.808.571	58.808	58.808.571	58.808
Share premium	117.623.526	117.624	117.623.526	117.624
Retained earnings	-22.314.106	-10.023	22.288.416	23.890
Equity before non-controlling interest.	154.117.991	166.409	198.720.513	200.322
Total equity	154.117.991	166.409	198.720.513	200.322
Provisions				
Provisions for deferred tax	578.246	531	0	0
Total provisions	578.246	531	0	0
Liabilities other than provisions				
Bank loans	50.188.738	62.271	50.188.738	62.271
Total long term liabilities other than provisions	50.188.738	62.271	50.188.738	62.271

Statement of financial position at 31 December

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

Note	Group		Parent	
	2020	2019	2020	2019
Equity and liabilities				
Current portion of long term payables	17.559.320	11.820	17.559.320	11.820
Bank loans	0	0	139	0
Trade payables	4.905.909	1.651	0	0
Payables to group enterprises	0	983	4.513.499	0
Income tax payable	1.675.649	3.335	0	0
Other payables	4.856.741	7.726	895.627	1.099
Total short term liabilities other than provisions	28.997.619	25.515	22.968.585	12.919
Total liabilities other than provisions	79.186.357	87.786	73.157.323	75.190
Total equity and liabilities	233.882.594	254.726	271.877.836	275.512

1 Special items

13 Charges and security

14 Contingencies

15 Financial risks

16 Related parties

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Non- controlling interests	Total
Equity 1 January 2020	58.808.571	117.623.526	-10.021.681	0	166.410.416
Profit or loss for the year brought forward	0	0	-10.802.115	0	-10.802.115
Exchange rate adjustment	0	0	-1.490.310	0	-1.490.310
	58.808.571	117.623.526	-22.314.106	0	154.117.991

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2020	58.808.571	117.623.526	23.890.077	200.322.174
Profit or loss for the year brought forward	0	0	-1.601.661	-1.601.661
	58.808.571	117.623.526	22.288.416	198.720.513

Notes

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

1. Special items

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

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

Income:

Covid-19, cost compensation	2.372.640	0
Public payroll compensation	984.509	0
	<u>3.357.149</u>	<u>0</u>

Special items are recognised in the following items in the financial statements:

Gross profit	3.357.149	0
Profit of special items, net	<u>3.357.149</u>	<u>0</u>

	Group		Parent	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
2. Staff costs				
Salaries and wages	15.607.102	15.041	857.244	3.718
Pension costs	933.711	975	91.176	360
Other costs for social security	-435.092	57	1.704	-7
Other staff costs	297.474	275	6.440	6
	<u>16.403.195</u>	<u>16.348</u>	<u>956.564</u>	<u>4.077</u>
Executive board and board of directors	<u>2.508.422</u>	<u>670</u>	<u>1.244.433</u>	<u>4.041</u>
Average number of employees	<u>24</u>	<u>21</u>	<u>1</u>	<u>2</u>

Notes

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

3. Other financial costs

Financial costs, group enterprises	27.069	161	9.949	0
Other financial costs	<u>7.150.739</u>	<u>6.001</u>	<u>2.811.693</u>	<u>2.772</u>
	<u>7.177.808</u>	<u>6.162</u>	<u>2.821.642</u>	<u>2.772</u>

4. Tax on net profit or loss for the year

Tax of the results for the year, parent company	3.331.822	7.013	-403.810	-935
Adjustment for the year of deferred tax	47.636	892	21.102	39
Adjustment of tax for previous years	<u>225.082</u>	<u>0</u>	<u>225.082</u>	<u>0</u>
	<u>3.604.540</u>	<u>7.905</u>	<u>-157.626</u>	<u>-896</u>

5. Proposed appropriation of net profit

		Parent	
		<u>2020</u>	<u>2019</u>
Transferred to retained earnings		0	8.699
Allocated from retained earnings		<u>-1.601.661</u>	<u>0</u>
Total allocations and transfers		<u>-1.601.661</u>	<u>8.699</u>

Notes

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

	Group	
	<u>31/12 2020</u>	<u>31/12 2019</u>
6. Software		
Cost 1 January 2020	1.260.109	1.121
Additions during the year	<u>0</u>	<u>139</u>
Cost 31 December 2020	<u>1.260.109</u>	<u>1.260</u>
Amortisation and writedown 1 January 2020	-294.155	-56
Amortisation for the year	<u>-252.022</u>	<u>-238</u>
Amortisation and writedown 31 December 2020	<u>-546.177</u>	<u>-294</u>
Carrying amount, 31 December 2020	<u>713.932</u>	<u>966</u>
7. Goodwill		
Cost 1 January 2020	<u>243.876.198</u>	<u>243.876</u>
Cost 31 December 2020	<u>243.876.198</u>	<u>243.876</u>
Amortisation and writedown 1 January 2020	-80.728.812	-56.344
Amortisation for the year	<u>-24.384.720</u>	<u>-24.385</u>
Amortisation and writedown 31 December 2020	<u>-105.113.532</u>	<u>-80.729</u>
Carrying amount, 31 December 2020	<u>138.762.666</u>	<u>163.147</u>
8. Development projects in progress and prepayments for intangible assets		
Additions during the year	<u>1.085.345</u>	<u>0</u>
Cost 31 December 2020	<u>1.085.345</u>	<u>0</u>
Carrying amount, 31 December 2020	<u>1.085.345</u>	<u>0</u>

Notes

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

9. Other fixtures and fittings, tools and equipment

Cost 1 January 2020	23.064.437	21.972
Additions during the year	853.988	1.092
Cost 31 December 2020	23.918.425	23.064
Amortisation and writedown 1 January 2020	-17.128.254	-13.981
Depreciation for the year	-3.008.991	-3.148
Amortisation and writedown 31 December 2020	-20.137.245	-17.129
Carrying amount, 31 December 2020	3.781.180	5.935

	Parent	
	31/12 2020	31/12 2019
10. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2020	267.051.632	267.052
Carrying amount, 31 December 2020	267.051.632	267.052

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity DKK	Results for the year DKK
NN.07 ApS, København	100 %	85.168.337	13.850.301
		85.168.337	13.850.301

	Group		Parent	
	31/12 2020	31/12 2019	31/12 2020	31/12 2019
11. Deferred tax assets				
Deferred tax assets 1 January 2020	0	361	246.516	286
Deferred tax of the results for the year	0	-361	-21.102	-39
	0	0	225.414	247

Group	
31/12 2020	31/12 2019

Notes

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

12. Prepayments and accrued income

Other prepayments/deferred income	160.358	3.016
	<u>160.358</u>	<u>3.016</u>

13. Charges and security

For bank loans of tDKK 67.748, Chino Holding ApS has provided security in company assets representing a value of tDKK 267.052. This security comprises the assets below, stating the carrying amounts:

Equity investments in group enterprises (NN.07 ApS):	Tdkk 267.052
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Chino Holding ApS has provided guarantee of payment in place of NN.07 ApS as security for the company's debt to the bank.

Furthermore the subsidiary has provided security in company assets representing a value of tDKK 4.000. This security comprises the asset below, stating the carrying amounts:

	DKK in thousands
Inventories	25.938
Trade receivables	22.802

14. Contingencies

Contingent liabilities

Lease liabilities

The group has a rent commitment totalling tDKK 1.931.

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

Joint taxation

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

Notes

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

15. Financial risks

Exchange rate risks

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

16. Related parties

Controlling interest

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

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