

FEMILET

Femilet A/S

Skanderborgvej 277, st.  
DK-8260 Viby J

CVR no. 37 99 95 12

## Annual report 2022

The annual report was presented and approved at  
the Company's annual general meeting on

17 May 2023

Patrice Jean Francois Kretz  
Chairman of the annual general meeting

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## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report of Femilet A/S for the financial year 1 January – 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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.

Aarhus, 17 May 2023  
Executive Board:

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Guillaume Kretz  
CEO

Board of Directors:

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Patrice Jean Francois Kretz  
Chairman

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Guillaume Kretz

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Bénédicte Marie Fanny  
Huriez

## Independent auditor's report

### To the shareholder of Femilet A/S

#### Opinion

We have audited the financial statements of Femilet A/S for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations 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 financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the company 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.

## Independent auditor's report

- 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 Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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 review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review 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's review.

Aarhus, 17 May 2023

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Katrine Gybel  
State Authorised  
Public Accountant  
mne45848

**Femilet A/S**  
Annual report 2022  
CVR no. 37 99 95 12

## **Management's review**

### **Company details**

Femilet A/S  
Skanderborgvej 277, st.  
8260 Viby J

CVR no.:	37 99 95 12
Established:	27 November 1945
Registered office:	Aarhus
Financial year:	1 January – 31 December

### **Board of Directors**

Patrice Jean Francois Kretz, Chairman  
Guillaume Kretz  
Bénédicte Marie Fanny Huriez

### **Executive Board**

Guillaume Kretz, CEO

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Bredskifte Allé 13  
DK-8210 Aarhus V  
CVR no. 25 57 81 98

## Management's review

### Operating review

#### Principal activities

The Company is engaged in the marketing and sale of lingerie and related products.

The Company's products are distributed through two sales channels. One channel comprises concept stores, which Femilet either owns or runs on a franchise basis. The second channel is through Femilet's online e-commerce website.

#### Development in activities and financial position

The Company reported a loss of DKK 9,001 thousand for 2022 (2021: a loss of DKK 1,918 thousand). The loss is below our expectations for the year and the situation considered, the result is still unacceptable.

In 2010, the French lingerie Group, Chantelle, acquired the Company, and a long-term plan was subsequently prepared for the Company. The implementation of these plans is in process and will continue in the years ahead.

2022 was yet another year with a market under pressure.

The war between Ukraine and Russia officially began on the 24th of February 2022. During the war, prices increased for almost everything. Especially electricity, gas, food and other basic items. Consumers in general now had to rethink their way of living, and most people had to cut in their luxury consumption. The company quickly saw a negative effect of the war, while the sale was decreasing below expectations. Furthermore, the company was likewise affected by increasing prices leading to higher operational expenses and cost price increases.

Nevertheless, Management has chosen to continuously strengthen the organisation and to invest in the market. In 2022, the Company has improved its organisational setup even more. The warehouse supporting the Company's activities for e-commerce was moved from The Netherlands to France. This was done in order to gather all logistic retail activities in the group at one site. This strategic move has created new IT opportunities that will ensure a more efficient flow of goods and improve our stock levels.

The company has during 2022 successfully renovated three stores and will continue the investment of the stores and the brand in the future.

The Company's inventory at the warehouse and in the stores are still owned by its sister company. This also has the implication that the Company runs its stores as an agent with its sister company as the principal. The synergies between the different retail networks in the Chantelle Group have been improved greatly by this.

The shareholder of the Company continues to support this process and will provide financial support to the Company to secure the long-term financial basis for its operations.

#### Outlook

It is the strategy of the Company to further strengthen its business activities going forward and, in this way, foster profitable growth long term. The Company expects improved results for 2023 but will continue to invest.

#### Particular risks

The war is still ongoing, and the influence of this will affect Femilet. Femilet will constantly research the market and develop with the necessary changes. With large development projects on the IT side, there could be some risk linked to implementation.

## **Management's review**

### **Operating review**

#### **Operating risks**

Femilet sells fashion-oriented products and is thereby dependent on current fashion trends.

The company has some risk in regards to sourcing depending on how the war situation develops, but benefits from being part of a larger group with various distribution channels.

#### **Intellectual capital**

Femilet's staff of qualified employees makes up an important asset for the continued development of the Company. The Company's key competences lie within the areas of sales and marketing. As well as a well-documented and tried-and-tested retailers' concept. Furthermore, the company benefits from the collaboration and sharing of best practice with The Chantelle Group.

#### **Loss of more than 50% of contributed capital**

The Company has lost more than 50% of its contributed capital and is thus subject to the provisions on loss of capital under the Danish Companies Act. It is Management's expectation that the capital can be restored over operations going forward. If, contrary to expectations, this will not take place, the Company's owners will contribute new capital to restore contributed capital.



## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2022	2021
<b>Gross profit</b>		20,469	26,104
Staff costs	3	-27,874	-26,911
Depreciation, amortisation and impairment losses		-1,235	-975
Other operating costs		<u>-214</u>	<u>0</u>
<b>Loss before financial income and expenses</b>		-8,854	-1,782
Other financial income		50	18
Other financial expenses	4	<u>-197</u>	<u>-155</u>
<b>Loss before tax</b>		-9,001	-1,919
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
<b>Loss for the year</b>		<u><u>-9,001</u></u>	<u><u>-1,919</u></u>
<b>Proposed distribution of loss</b>			
Retained earnings		<u><u>-9,001</u></u>	<u><u>-1,919</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	5		
Earnest money		420	661
<b>Property, plant and equipment</b>	6		
Property, plant and equipment in progress		227	0
Fixtures and fittings, tools and equipment		280	166
Leasehold improvements		3,165	2,111
		3,672	2,277
<b>Investments</b>			
Deposits		2,284	2,150
<b>Total fixed assets</b>		6,376	5,088
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		35	35
Receivables from group entities		0	426
Other receivables		338	155
Prepayments		246	349
		619	965
<b>Cash at bank and in hand</b>		5,057	6,841
<b>Total current assets</b>		5,676	7,806
<b>TOTAL ASSETS</b>		12,052	12,894

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		12,611	12,609
Retained earnings		-14,096	-9,970
<b>Total equity</b>	2	-1,485	2,639
<b>Liabilities</b>			
<b>Current liabilities</b>			
Prepayments received from customers		1,738	1,893
Trade payables		1,047	1,017
Payables to group entities		5,836	2,770
Other payables		4,916	4,575
		13,537	10,255
<b>Total liabilities</b>		13,537	10,255
<b>TOTAL EQUITY AND LIABILITIES</b>		12,052	12,894

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2022	12,609	-9,970	2,639
Cash capital increase	2	4,875	4,877
Distribution of loss	0	-9,001	-9,001
<b>Equity at 31 December 2022</b>	<b>12,611</b>	<b>-14,096</b>	<b>-1,485</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Femilet A/S for 2022 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Change in comparative figures

A correction has been made to comparative figures in the balance sheet, which have no other effect other than presentational.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

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

### Income statement

#### Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit. Gross profit comprises revenue, cost of sales and other external costs.

#### Revenue

Income from the sale of goods through webshop and commission, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenue is measured at fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

#### Cost of sales

Cost of goods sold comprise direct and indirect costs incurred to generate revenue, including costs for sale and distribution of goods sold.

#### Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

##### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities. Refunds received from public authorities are deducted from staff costs.

##### Other operating costs

Other operating costs comprise items secondary to the activities of the entity, including losses on the disposal of intangible assets and property, plant and equipment.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding payables and transactions denominated in foreign currencies, as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### Balance sheet

#### Intangible assets

Intangible assets are measured at cost less accumulated amortisation.

The basis of amortisation is cost less any residual values, and amortisation is provided on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Earnest money	10 years.
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The amortisation period is determined based on the expected economic life of the strategic investment of earnest money.

Intangible assets are written down to their recoverable amount if this is lower than the carrying amount. Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Property, plant and equipment

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

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

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any residual values, and depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-10 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

##### Leases

Payments relating to operating leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases is disclosed as contractual obligations and contingencies, etc.

##### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised on the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry-forwards, is measured at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

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

Other liabilities are measured at net realisable value.

#### 2 Loss of more than 50% of contributed capital

The Company has lost more than 50% of its contributed capital and is thus subject to the provisions on loss of capital under the Danish Companies Act. It is Management's expectation that the capital can be restored over operations going forward. If, contrary to expectations, this will not take place, the Company's owners will contribute new capital to restore contributed capital.



## Financial statements 1 January – 31 December

### Notes

#### 3 Staff costs

DKK'000	2022	2021
Wages and salaries	25,254	24,458
Pensions	1,951	1,952
Other social security costs	669	501
	<u>27,874</u>	<u>26,911</u>
Average number of full-time employees	<u>58</u>	<u>60</u>

#### 4 Other financial expenses

Interest expense to group entities	113	0
Other financial expenses	78	118
Exchange losses	6	37
	<u>197</u>	<u>155</u>

#### 5 Intangible assets

DKK'000	Earnest money
Cost at 1 January 2022	<u>14,063</u>
Cost at 31 December 2022	<u>14,063</u>
Amortisation and impairment losses at 1 January 2022	-13,402
Amortisation for the year	<u>-241</u>
Amortisation and impairment losses at 31 December 2022	<u>-13,643</u>
<b>Carrying amount at 31 December 2022</b>	<u>420</u>

#### 6 Property, plant and equipment

DKK'000	Property, plant and equipment in progress	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2022	0	11,824	11,042	22,866
Additions for the year	<u>227</u>	<u>255</u>	<u>1,907</u>	<u>2,389</u>
Cost at 31 December 2022	<u>227</u>	<u>12,079</u>	<u>12,949</u>	<u>25,255</u>
Depreciation and impairment losses at 1 January 2022	0	-11,658	-8,931	-20,589
Depreciation for the year	<u>0</u>	<u>-141</u>	<u>-853</u>	<u>-994</u>
Depreciation and impairment losses at 31 December 2022	<u>0</u>	<u>-11,799</u>	<u>-9,784</u>	<u>-21,583</u>
<b>Carrying amount at 31 December 2022</b>	<u>227</u>	<u>280</u>	<u>3,165</u>	<u>3,672</u>

## Financial statements 1 January – 31 December

### Notes

#### 7 Contractual obligations, contingencies, etc.

##### Contingent assets

At 31 December 2022, the Company had a non-recognised tax asset of DKK 27,931 thousand (2021: 25,960).

##### Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 6,037 thousand within four years (2021: DKK 6,991 thousand).

Lease obligations (operating leases) are due at a total of DKK 295 thousand within three years.

#### 8 Mortgages and collateral

A company charge of DKK 21 million has been provided as collateral for amounts owed to credit institutions secured upon fixtures and fittings, tools and equipment, inventories and trade receivables representing a carrying amount of DKK 3 million at 31 December 2022, and a chattel mortgage registered to the owner of DKK 2 million secured upon leasehold improvements and related equipment with a carrying amount of DKK 3 million at 31 December 2022 has been provided.

Through credit institutions, the Company has provided guarantees totalling DKK 922 thousand.

#### 9 Related party disclosures

Femilet A/S' related parties comprise the following:

##### Control

Chantelle SA, 8/10 Rue de Provigny, BP 60137, 94234 Cachan, France.

Chantelle SA holds the majority of the contributed capital in the Company.

Femilet A/S is part of the consolidated financial statements of Chantelle SA, which is the smallest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Chantelle SA can be obtained by contacting the Company.