Kate Acquisition ApS

Ejlersvej 24
6000 Kolding
CVR No. 38424548

Annual report 2022

The Annual General Meeting adopted the annual report on 30.01.2023

Kim Hyldahl
Chairman of the General Meeting

Contents

Entity details

Entity

Kate Acquisition ApS

Ejlersvej 24

6000 Kolding

Business Registration No.: 38424548

Registered office: Kolding

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Hans-Christian Ohrt

David Skjødt

Kim Hyldahl

Executive Board

Kim Hyldahl

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Kate Acquisition ApS for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Kolding, 30.01.2023

Executive Board

Kim Hyldahl

Board of Directors

Hans-Christian Ohrt

David Skjødt

Kim Hyldahl

Independent auditor's report

To the shareholders of Kate Acquisition ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Kate Acquisition ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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. 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the 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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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.

Kolding, 30.01.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Morten Gade Steinmetz
State Authorised Public Accountant
Identification No (MNE) mne34145

Morten Almtoft Lund
State Authorised Public Accountant
Identification No (MNE) mne41365

Management commentary

Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
Key figures					
Revenue	598,104	466,414	412,521	448,756	390,663
Gross profit/loss	146,275	124,796	109,100	128,241	115,691
Operating profit/loss	84,250	68,422	55,660	79,076	68,169
Net financials	(279)	121	(3,149)	(3,673)	(4,078)
Profit/loss for the year	58,635	46,871	34,401	51,538	43,391
Balance sheet total	408,848	324,388	269,574	295,507	317,564
Investments in property, plant and equipment	2,546	1,912	1,398	1,699	1,597
Equity	329,371	270,736	223,865	189,464	137,926
Ratios					
Gross margin (%)	24.46	26.76	26.45	28.58	29.61
Net margin (%)	9.80	10.05	8.34	11.48	11.11
Equity ratio (%)	80.56	83.46	83.04	64.11	43.43

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):
Gross profit/loss * 100
Revenue

Net margin (%):
Profit/loss for the year * 100
Revenue

Equity ratio (%):
Equity * 100
Balance sheet total

Primary activities
The group's activity consists in development, manufacturing, sale, and distribution of fashion clothing.

Development in activities and finances
The net revenue is DKK 598,104k, which is a growth of 28 % from 2021. The revenue exceeds the managements initial expectations and is a result of growth in all markets of both brands MOS MOSH and MOS MOSH GALLERY.

The profit after tax for the year amounted to DKK 89,702k.

Profit/loss for the year in relation to expected developments
The management is overall satisfied with the results of 2022. The level of demand among consumers and retailers in particular second half of 2022 has been unpredictable. In this uncertain market situation, we are pleased to see that our brands continue to strengthen their positions and attractiveness at both retailers and consumers.

The management is also conscious that the results in 2022 has only been possible due to a dedicated and highly skilled performance by all members of the staff, and the group will continue its efforts to remain an attractive workplace.

Outlook
Uncertainty and variability seem to be the new normal and 2023 is no different.

The management expects 2023 to show a similar revenue level as 2022. It is difficult to predict the extent of the macro-economic and political situation but our internal data and the indication from our key accounts leads us to believe that the revenue will be at 2022 level or slightly higher.

The group will in 2023 continue the substantial investment program in digitalization. The fundamental core value of the group regarding responsible behavior towards whoever we meet in our daily activity, will also in 2023 be backed by considerable investments in ESG initiatives. The main initiatives will be about the products itself, the packaging, and CO2 emission.

Statutory report on corporate social responsibility
Introduction
At Mos Mosh we take our social responsibility seriously. It is an integrated part of how we are doing business from our headquarters in Kolding, and towards suppliers and business partners, who reside mainly in Europe. Our main business activities consist of development, manufacturing, sale and distribution of fashion clothing. The group had 54 dedicated employees in 2022.

We have established four principles guiding our work.

<u>Fairness</u>
The love for what we do and the respect for the people who are involved in our organization, is what makes Mos Mosh truly unique - all the way from production to final product. Our factories adhere to an ethical Code of Conduct, that ensures fair wages and working conditions for anyone involved in the production of our collections

<u>Responsibility</u>
We source and use high quality fabrics and fibers including those which are considered to be less impactful on our environment. We do our best to stay in the loop regarding new, responsible initiatives and opportunities and

we understand the importance of being innovative and acting regarding a less impactful fashion future.

Lasting quality
We believe in good craftsmanship, lasting quality, and innovative designs that our customers can love for years to come. Perfect fits, luxurious fabrics and a love for the small details are what define our collections.

How we care, our road to responsibility
About 68 % of our garments are produced within Europe. This means we are able to meet high quality standards and legislation within the field of responsibility and ethics in the production compared to conventional means. Keeping our production close to us also means less resources spent in transportation context.

Principal risks and their management
Our group is committed to avoiding and addressing adverse impacts on the basic principles for social, environmental, and economic development that we cause, contribute to, or are linked to via our business relationships. As the principal risk areas, we have identified:
- the risk of human and labor rights not being fully protected in our supply chain,
- the risk of physical and/ mental disabilities or failure to thrives among the employees.
- the risk of a negative impact on the environment and climate especially in relation to our sourcing of cotton, which is our main resource material for our production,
- the risk of our business partners not acting with sufficient integrity and avoiding contributing to bribery,
- the risk of our contribution to negative impact on animal welfare in the materials which we source.

In the sections below, we have outlined how we work to avoid and mitigate these risks.

Policies
Code of Conduct (hereafter COC) and policies which was written in February 2019. The policies are embedded in the way we work at Mos Mosh and apply to our suppliers through the COC.

Our COC and policies are based on the ten principles of the UN Global Compact and is aligned with the UN Guiding Principles of Business and Human Rights. The Code encompasses
- human rights/labor rights
- Employee welfare and rights
- environment
- anti-corruption
- animal welfare

The main requirements to our suppliers in our COC is to
1) Establish a policy covering the policy topics, integrate it in business processes and towards sub-suppliers,
2) Perform due diligence processes to prevent and mitigate possible adverse impacts, and
3) Provide access to remedy.

We see the COC as a tool for cooperation and dialogue about improving systems to manage adverse impacts on the topics covered. We know that establishing the required processes outlined in our COC requires both time and resources; both in our own operations and with our suppliers. However, we expect our suppliers to follow the code, and we have reserved the right to monitor and audit compliance.

COC and policies implemented in the supplier relation
Our collaboration with suppliers of fabric, garments etc. to our clothing is characterized by long term relationships in which we rely on carefully selected suppliers. This means that the suppliers know our values well. By 2021 69% of our suppliers have signed our Mos Mosh COC and our policies. Our Chemical Policy was introduced by 2021 and of today 59% of our suppliers have signed.

Responsible fibers, our Fibre Tool
First, we believe that good quality and timeless garments are the baseline for responsible fashion. At Mos Mosh we create products that lives up to our customers' requirements regarding quality and responsibility, while still meeting their need for fashionable items.

We have for a long time been using responsible materials, and we are constantly searching for new more responsible fabric solutions when setting up our next collections. By 2022 we developed a new Mos Mosh fibre tool. The tool support our 2030 Roadmap enclosed in our 2021 ESG report. The ESG report frames our vision and strategy for becoming more responsible. This means that we are using an increasingly number of certified fibers such as organic virgin cotton certified by the GOTS (Global Organic Textile Standard) or OCS (Organic Content Standard). Secondly, we are using recycled fibers such as recycled polyester, recycled polyamide, recycled cotton certified by GRS (Global Recycled Standard). Thirdly we have signed certificates including animal fibers such as down/feathers certified by RDS (Responsible Down Standard) or woolen fibers certified by RAF (Responsible Animal Fiber) including RWS, RAS and RMS covering sheep wool, alpaca, and mohair fibers. Alongside we have signed agreements with EcoVero (responsible viscose) and GCS (Good Cashmere Standard) all those fibers are represented in our 2021 collections. Finally, we have increased the share of 'more sustainable cotton' including BCI (Better Cotton Initiative).

Hence we are increasing the number of styles containing better and more responsible fibers. This year up to 51% of all styles are designed to include more responsible yarn fibers.

Today our responsible fibers are categorized into 3 categories. 1. Fibers we prefer, 2. Fibers we like, 3.Fibers we try to minimize. The categorization of the fibers is based on animal welfare and environmental concerns. Our aim in the 2030 Roadmap is that in 2023 60% of all fibers is placed in group 1+2, by 2025 the aim is still 60% hence we are removing BCI from the 2025 goal, BCI today holds a 30% share of the responsible fibers we use. By 2030 80% of all fibers, we use must be fully traceable and certified. We will keep on implementing and develop this goal in the years to come.

We want our customers to make responsible choices. To make that easier for them, therefor we have added hangtags on all certified garments. The hangtags include short information about the responsible initiatives taken for that specific garment. We believe that by contributing with information to buyers and consumers, our initiatives will have a larger impact.

Employees at MOS MOSH
At MOS MOSH, we care about the health of our employees. We have initiatives to maintain a good state of health such as free massage during working hour, supported membership of fitness activities and individual ergonomic design of workstation.
We also have focus on work balance with flexible arrangements of working hours.
During the COVID-19 pandemic, all offices were equipped with hand sanitizer and test equipment and a protocol was made to minimize the risk of spread of disease among employees.
All employees are invited yearly to a development interview where individual request and considerations is discussed.

Results in 2022
We believe that the efforts done in 2022 has contributed to strengthening our work and profile as a responsible group and supported our ongoing work to minimize the risk identified. Examples of what we have accomplished in 2022 are:

• Publishing our first ESG report, a 49 pages report cover environmental, social and governance aspect seen in a 360 degrees angle around Mos Mosh. The ESG report includes our "2030 Roadmap", which capsulizes our responsible journeys goals and strategy. We see the ESG report as a crucial instrument in our work.

• Mos Mosh obtained our yearly re-certification of GOTS (Global Organic Textile Standard), RWS (Responsible Wool Standard) and GRS (Global Recycling Standard). GOTS certification is focusing on reducing risks on many areas. It has a complete chapter regarding employee relations with physical workspace conditions, healthcare, whistleblower set-up etc. It has been a valuable instrument to secure good conditions for our employees in a more formal way.

• As a result of our efforts to work again violation of human rights and potential bribery, a whistleblower arrangement was introduced in 2022. The anonymous arrangement is described in the Employee Handbook, which is handed out to the employees.

• In 2022, a new and flexible working hour system was introduced. The employees have now a possibility to plan their working hours with a weekly day at home and flexibility around start and end of the working day.

• Mos Mosh obtained 5 new certificates, RDS (Responsible Down Standard), RAS (Responsible Alpaca Standard), RMS (Responsible Mohair Standard), OCS (Organic Content Standard) and GCS (Good Cashmere Standard). All certificates are supporting our work with reducing negative environment impact and better animal welfare.

• In 2022, we increased our total consumption of BCI cotton (Better Cotton Initiative) to 270.871 kilos purchased from our suppliers. Compared to last year this is an increase of 93.033 kilos.

• Our “Procedure Manual” is implemented, it maps the journey of certified garments. The “Procedure Manual” helps employees understand what’s required from them, to ensure the garments are compliant to our Scope Certificate’s.

• Our Chemical Policy have been initiated. The policy applies to both SVHC “substances of very high concern” list and to the European Union REACH Regulation. When suppliers sign it means that they agree to test garments before shipment. Test must be performed by a 3rd. party test lab appointed by Mos Mosh. The Chemical Policy was distributed and signed by our suppliers. The policy commits us to test 4-5% of all styles, styles are selected based on a risk assessment.

• In spring 2022 we implemented waste sorting, yearly fire drill and education towards working with certified goods.

• Sectoral cooperation on textiles, along with approx. 50 other Danish textile companies Mos Mosh have signed up for the Danish Ministry of the Environment and the textile industry's "Sectoral cooperation on textiles" working on responsible goals for the next 7-8 years till 2030.

Expectations for 2023

In general, we will strive to further develop, implement, and professionalize our work in the field around CSR and Responsible fiber strategi, within our own group, towards sales agents and suppliers. More specifically, we have set the following goals for 2023:

• In 2023 we will persistently work on the goals set in our ESG report. In total the report includes 13 goals addressing packing, raw fibers, certification, certification, longevity, design for recyclability, remake & repair, responsible denim approach, circular partnerships, etc.

• We will continue preparing towards all the new directives and regulations coming from EU regulations. All to be implemented from 2024 ongoing.

• We will start up the process of mapping our CO2 emissions. CO2 emission is a very high priority area in our effort to minimize our environmental impact.

• By 2023 it is our aim that all suppliers have signed all policies as well as our Code of Conduct. We see this as an important step in our effort to secure human rights. As part of both COC and maintain certificates, we will develop the use of audits.

• We will introduce more systematical ways to measure employee satisfactory and wellbeing to take precautionary measures against particular stress.

• We will establish our "How we care – changemakers board" which is a group of colleagues across the company, working on continuously increasing the awareness of green transition initiatives across the organization.

• We will increase focus on internal training to strengthen the knowledge of the sustainable parameters, such as fiber properties and environmental issues.

• We will further increase our responsibility storytelling towards end-consumer

• Mos Mosh has strict policies about gifts and entertainment. We will continue to educate our staff in our policy about neither to receive or give personal gifts related to business partners and to keep company entertainment at a humble and entirely professional level.

• We will continue ask our suppliers to work with us, to increase focus on responsible parameters, ex. will we ask them to obtain their own Scope Certificates of various standards for us the obtain full "chain of custody". Audits are an important part of maintain and obtaining certificates and we see this as a way to work actively with the human rights, environment and anti-corruption.

Statutory report on the underrepresented gender

The company's Board of Directors consisted of 3 members, all male, in 2022. The board has set a target of having at least one female member of the board by end 2022 which has not been accomplished. There have been no changes in the board of Directors. The wish to have both genders represented in the Board of Directors is however still relevant. The board therefor intend to enlarge the numbers of members by at least one female board member in 2023 with relevant strategic competencies.

In Mos Mosh, we wish to advance diversity in the management and in general in all departments, to ensure a diverse company. To ensure this, we work actively in our recruitment processes to limit bias behavior. When using external recruitment agencies, it is a request from the company to introduce candidates of both genders. In 2022, C-level management consist of 3 persons, all men. There has not been any replacements or new recruitments on C-level in the last 5 years.

Mos Mosh has currently 7 mid-level managers of which 3 are women and 4 men. It is an ambition to maintain is diversity if/when recruiting to the mid-level manager group.

Statutory report on data ethics policy

At Mos Mosh, we are conscious and aware of the many opportunities and uncertainties that come with the digital transformation. As part of our work to ensure best practice in handling data responsibly and in accordance with the General Data Protection Regulation (GDPR), we have articulated our requirements and expectations to our employees around GDPR in a policy and procedures.

At Mos Mosh, we do not use complex technology such as artificial intelligence (AI) or machine learning in any ways where we consider risk of discriminating bias, as our data landscape is simple at the moment.

Based on the above, we have not found it necessary to develop a specific policy around data ethics. However, at Mos Mosh, we continuously consider ethical matters, in the way we handle and use data to ensure the rights and expectations of our employees and our customers.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2022

	Notes	2022 DKK	2021 DKK
Revenue	1	598,103,612	466,414,301
Cost of sales		(417,595,253)	(319,527,072)
Other external expenses	2	(34,233,105)	(22,091,507)
Gross profit/loss		**146,275,254**	**124,795,722**
Staff costs	3	(30,508,853)	(24,661,744)
Depreciation, amortisation and impairment losses	4	(31,516,716)	(31,712,434)
Operating profit/loss		**84,249,685**	**68,421,544**
Other financial income		976,558	2,316,974
Other financial expenses		(1,255,491)	(2,195,716)
Profit/loss before tax		**83,970,752**	**68,542,802**
Tax on profit/loss for the year	5	(25,335,829)	(21,671,987)
Profit/loss for the year	6	**58,634,923**	**46,870,815**

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		304,546	551,785
Goodwill		34,609,787	64,275,321
Intangible assets	7	**34,914,333**	**64,827,106**
Other fixtures and fittings, tools and equipment		2,007,300	2,028,316
Leasehold improvements		1,716,683	683,326
Property, plant and equipment	8	**3,723,983**	**2,711,642**
Other investments		1,050	1,050
Deposits		1,229,641	635,581
Financial assets	9	**1,230,691**	**636,631**
Fixed assets		**39,869,007**	**68,175,379**
Manufactured goods and goods for resale		100,960,959	52,635,536
Prepayments for goods		36,874,453	24,201,572
Inventories		**137,835,412**	**76,837,108**
Trade receivables		42,753,676	22,288,702
Deferred tax	11	232,830	270,484
Other receivables		496,690	3,867
Tax receivable		2,345,825	0
Prepayments	12	3,976,607	623,685
Receivables		**49,805,628**	**23,186,738**
Cash		**181,337,612**	**156,188,424**
Current assets		**368,978,652**	**256,212,270**
Assets		**408,847,659**	**324,387,649**

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital	13	72,464	72,464
Retained earnings		329,298,646	270,663,723
Equity		**329,371,110**	**270,736,187**
Prepayments received from customers		4,472,756	100,000
Trade payables		69,912,485	48,614,775
Payables to owners and management		1,574,000	1,573,999
Tax payable		0	312,762
Other payables		3,517,308	3,049,926
Current liabilities other than provisions		**79,476,549**	**53,651,462**
Liabilities other than provisions		**79,476,549**	**53,651,462**
Equity and liabilities		**408,847,659**	**324,387,649**
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
Assets charged and collateral	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	72,464	270,663,723	270,736,187
Profit/loss for the year	0	58,634,923	58,634,923
Equity end of year	**72,464**	**329,298,646**	**329,371,110**

Consolidated cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		84,249,685	68,421,544
Amortisation, depreciation and impairment losses		31,516,716	31,712,434
Working capital changes	14	(59,171,165)	(14,220,520)
Cash flow from ordinary operating activities		**56,595,236**	**85,913,458**
Financial income received		976,558	2,316,974
Financial expenses paid		(1,255,491)	(2,195,716)
Taxes refunded/(paid)		(27,956,762)	(18,999,779)
Cash flows from operating activities		**28,359,541**	**67,034,937**
Acquisition etc. of property, plant and equipment		(2,759,684)	(1,911,842)
Sale of property, plant and equipment		143,400	21,019
Acquisition of fixed asset investments		(594,069)	(110,873)
Cash flows from investing activities		**(3,210,353)**	**(2,001,696)**
Free cash flows generated from operations and investments before financing		**25,149,188**	**65,033,241**
Increase/decrease in cash and cash equivalents		**25,149,188**	**65,033,241**
Cash and cash equivalents beginning of year		156,188,424	91,155,183
Cash and cash equivalents end of year		**181,337,612**	**156,188,424**
Cash and cash equivalents at year-end are composed of:			
Cash		181,337,612	156,188,424
Cash and cash equivalents end of year		**181,337,612**	**156,188,424**

Notes to consolidated financial statements

1 Revenue

	2022 DKK	2021 DKK
DACH area	253,924,173	193,170,891
Scandinavia area	196,615,119	159,624,686
Benelux area	54,320,260	44,092,974
Other countries	93,244,060	69,525,750
Total revenue by geographical market	**598,103,612**	**466,414,301**

The Company only have one activity from sale of clothes.

2 Fees to the auditor appointed by the Annual General Meeting

	2022 DKK	2021 DKK
Statutory audit services	175,000	166,500
Other assurance engagements	26,250	25,000
Tax services	45,000	0
Other services	1,684,554	28,250
	1,930,804	**219,750**

3 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	25,586,624	21,105,156
Pension costs	2,888,475	2,416,951
Other social security costs	644,352	390,630
Other staff costs	1,389,402	749,007
	30,508,853	**24,661,744**

Average number of full-time employees	47	39

	Remuneration of management 2022 DKK	Remuneration of management 2021 DKK
Total amount for management categories	1,879,122	1,876,580
	1,879,122	**1,876,580**

4 Depreciation, amortisation and impairment losses

	2022 DKK	2021 DKK
Amortisation of intangible assets	30,126,518	30,105,001
Depreciation on property, plant and equipment	1,388,194	1,610,451
Profit/loss from sale of intangible assets and property, plant and equipment	2,004	(3,018)
	31,516,716	**31,712,434**

5 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	25,298,175	21,816,776
Change in deferred tax	37,654	(144,789)
	25,335,829	**21,671,987**

6 Proposed distribution of profit/loss

	2022 DKK	2021 DKK
Retained earnings	58,634,923	46,870,815
	58,634,923	**46,870,815**

7 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK
Cost beginning of year	1,329,719	207,618,735
Additions	213,745	0
Cost end of year	**1,543,464**	**207,618,735**
Amortisation and impairment losses beginning of year	(777,934)	(143,343,414)
Amortisation for the year	(460,984)	(29,665,534)
Amortisation and impairment losses end of year	**(1,238,918)**	**(173,008,948)**
Carrying amount end of year	**304,546**	**34,609,787**

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	7,097,915	3,012,023
Additions	1,190,120	1,355,819
Disposals	(313,211)	0
Cost end of year	**7,974,824**	**4,367,842**
Depreciation and impairment losses beginning of year	(5,069,599)	(2,328,697)
Depreciation for the year	(1,065,732)	(322,462)
Reversal regarding disposals	167,807	0
Depreciation and impairment losses end of year	**(5,967,524)**	**(2,651,159)**
Carrying amount end of year	**2,007,300**	**1,716,683**

9 Financial assets

	Other investments DKK	Deposits DKK
Cost beginning of year	1,050	635,581
Additions	0	594,060
Cost end of year	**1,050**	**1,229,641**
Carrying amount end of year	**1,050**	**1,229,641**

10 Inventories

	2022 DKK	2021 DKK
Manufactured goods and goods for resale	63.925.407	22.370.497
Manufactured goods along the way	37.035.552	30.265.039
Prepayments for goods	36.874.453	24.201.572
Total	**137.835.412**	**76.837.108**

11 Deferred tax

	2022 DKK	2021 DKK
Intangible assets	(67,000)	(118,827)
Property, plant and equipment	276,365	365,846
Fixed asset investments	23,465	23,465
Deferred tax	**232,830**	**270,484**

Changes during the year	2022 DKK	2021 DKK
Beginning of year	270,484	125,695
Recognised in the income statement	(37,654)	144,789
End of year	**232,830**	**270,484**

Deferred tax assets
Deferred tax consists of differences between accounting and tax values.

12 Prepayments

Prepayments relate to various prepaid items.

13 Contributed capital

	Number	Par value DKK	Nominal value DKK
A Shares	22,461	22,461	22,461
B Shares	50,001	50,001	50,001
C Shares	2	2	2
	72,464		**72,464**

14 Changes in working capital

	2022 DKK	2021 DKK
Increase/decrease in inventories	(60,998,304)	(21,461,255)
Increase/decrease in receivables	(24,310,709)	(389,430)
Increase/decrease in trade payables etc.	26,137,848	7,630,165
	(59,171,165)	**(14,220,520)**

15 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Total liabilities under rental or lease agreements until maturity	3,460,741	4,804,297

16 Contingent liabilities

	2022 DKK	2021 DKK
Other contingent liabilities	2,974,657	3,827,706
Contingent liabilities	**2,974,657**	**3,827,706**

Other contingent liabilities consists of letters of credit in Sydbank A/S.

17 Assets charged and collateral

The Entity's bank has a company mortgage on DKK 8.000k nominal. The mortgage are secured by inventories and trade receivables. Carrying amount of mortgaged assets are DKK 174,274 k.

18 Subsidiaries

	Registered in	Corporate form	Ownership %
MM & ten A/S	Kolding	A/S	100
Mos Mosh A/S	Kolding	A/S	100
Mos Mosh UK Ltd.	London	Ltd	100.00

Parent income statement for 2022

	Notes	2022 DKK	2021 DKK
Revenue		2,023,200	1,946,400
Other external expenses		(1,682,100)	(741,364)
Gross profit/loss		**341,100**	**1,205,036**
Staff costs	1	(1,658,077)	(2,228,501)
Operating profit/loss		**(1,316,977)**	**(1,023,465)**
Income from investments in group enterprises		60,036,014	47,697,668
Other financial income		499	889
Other financial expenses	2	(90,116)	(22,493)
Profit/loss before tax		**58,629,420**	**46,652,599**
Tax on profit/loss for the year	3	17,193	228,423
Profit/loss for the year	4	**58,646,613**	**46,881,022**

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Investments in group enterprises		298,837,787	268,801,773
Financial assets	5	**298,837,787**	**268,801,773**
Fixed assets		**298,837,787**	**268,801,773**
Receivables from group enterprises		4,293,082	0
Tax receivable		2,345,825	0
Joint taxation contribution receivable		25,315,368	22,045,191
Receivables		**31,954,275**	**22,045,191**
Cash		**2,129,099**	**13,620,972**
Current assets		**34,083,374**	**35,666,163**
Assets		**332,921,161**	**304,467,936**

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		72,464	72,464
Reserve for net revaluation according to equity method		68,922,998	38,886,984
Retained earnings		261,731,618	233,121,019
Equity		**330,727,080**	**272,080,467**
Trade payables		1,352,934	453,724
Payables to group enterprises		222,354	30,774,471
Tax payable		0	312,762
Other payables		618,793	846,512
Current liabilities other than provisions		**2,194,081**	**32,387,469**
Liabilities other than provisions		**2,194,081**	**32,387,469**
Equity and liabilities		**332,921,161**	**304,467,936**
Contingent liabilities	6		
Related parties with controlling interest	7		
Transactions with related parties	8		

Parent statement of changes in equity for 2022

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	72,464	38,886,984	233,121,019	272,080,467
Profit/loss for the year	0	30,036,014	28,610,599	58,646,613
Equity end of year	**72,464**	**68,922,998**	**261,731,618**	**330,727,080**

Notes to parent financial statements

1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	1,509,726	2,080,613
Pension costs	142,560	142,560
Other social security costs	5,791	5,328
	1,658,077	**2,228,501**

Average number of full-time employees	1	1

2 Other financial expenses

	2022 DKK	2021 DKK
Other interest expenses	90,116	22,493
	90,116	**22,493**

3 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Refund in joint taxation arrangement	(17,193)	(228,423)
	(17,193)	**(228,423)**

4 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Retained earnings	58,646,613	46,881,022
	58,646,613	**46,881,022**

5 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	229,914,789
Cost end of year	**229,914,789**
Revaluations beginning of year	38,886,984
Amortisation of goodwill	(29,665,534)
Share of profit/loss for the year	89,701,548
Dividend	(30,000,000)
Revaluations end of year	**68,922,998**
Carrying amount end of year	**298,837,787**

Carrying amount of goodwill included in investments in group enterprises DKK 34,610 k

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

6 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

7 Related parties with controlling interest

TopCo Neun Holding GmbH, HRB 231432, AG München holds 69% of the shares in the Company.

8 Transactions with related parties

The annual report discloses only transactions with related parties that have not been conducted on arms length terms. No such transactions have been carried out during the financial year.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group’s accounting policies.

Subsidiaries’ financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries’ net assets at the takeover date, with net assets having been calculated at fair value.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Goodwill

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part

of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed on an annual basis. The amortisation periods used
are 4 to 7 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.
Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	2-5 years
Leasehold improvements	2-5 years

Estimated useful lives and residual values are reassessed annually.

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straigth-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets.
Useful lives are reassessed annually. The amortisation periods used are 7 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Other investments
Other investments comprise unlisted equity instruments measured at cost. Unlisted equity instruments are written down to any lower net realisable value.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions payable or receivable
Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.