

# **Wolford Scandinavia ApS**

Gåskærgade 32, 6100 Haderslev  
CVR no. 40 99 13 28

## **Annual report for the financial year 01.05.20 - 31.12.20**

Årsrapporten er godkendt på den  
ordinære generalforsamling, d. 05.07.21

Micelle Hegner  
Dirigent

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**The company**

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Wolford Scandinavia ApS  
c/o Beierholm, Haderslev  
Gåskærgade 32  
6100 Haderslev  
Registered office: Haderslev  
CVR no.: 40 99 13 28  
Financial year: 01.01 - 31.12

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**Executive Board**

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Silvia Azzali  
Andrew Thorndike

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**Auditors**

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KPMG  
Statsautoriseret Revisionspartnerselskab

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**Parent company**

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Wolford Beteiligungs GmbH, Bregenz, Østrig

## **Statement by the Executive Board on the annual report**

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We have on this day presented the annual report for the financial year 01.05.20 - 31.12.20 for Wolford Scandinavia ApS.

The annual report is presented in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.20 and of the results of the company's activities for the financial year 01.05.20 - 31.12.20.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Bregenz, July 5, 2021

### **Executive Board**

Silvia Azzali

Andrew Thorndike

**To the capital owner of Wolford Scandinavia ApS**

**Opinion**

We have audited the financial statements of Wolford Scandinavia ApS for the financial year 01.05.20 - 31.12.20, which comprise the income statement, balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.20 and of the results of the company's operations for the financial year 01.05.20 - 31.12.20 in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

**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 "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' 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.

**Statement regarding the management's review**

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

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

**Management's responsibility for the financial statements**

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expres-

sing 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.

Copenhagen, July 5, 2021

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25578198

Carsten Nielsen

State Authorized Public Accountant  
MNE-no. mne30212

### **Primary activities**

The company sells stockings, ladies underwear and fashion wear produced by the parent's manufacturing in Austria.

Some of the company's activities are carried out by its branches in Norway (Oslo), Sweden (Stockholm) and Finland (Helsinki), respectively.

Sales to customers take place partly as whole-sale to a number of distributors in the respective countries and partly as sales through own concept stores (flagships) in each nordic country. In the domestic market, the company thus has its own stores in Lyngby, Hellerup, Copenhagen and an outlet in Ringsted, and in the nordic market in Helsinki and one store in Oslo. There are five SIS concessions and three SIS on consignment in Denmark and additional one SIS in Norway. In addition, the company has three Wolford partner stores which are operated according to a concept similar to franchising of which two are located in Denmark and one in Sweden.

### **Development in activities and financial affairs**

The income statement for the period 01.05.20 - 31.12.20 shows a profit/loss of DKK 608,158 against DKK 235,269 for the period 04.12.19 - 30.04.20. The balance sheet shows equity of DKK 7,842,534.

The management considers the net profit for the year to be satisfactory.

The contribution made by the company's foreign branches to the overall earnings of the company is not yet at its maximum. Consequently, the total gross profit realised by the company is DKK 9,949.585.

In early 2020, an outbreak of Covid-19 has affected large parts and the world. As a result of the outbreak of Covid-19 and the measure taken across the world and in Denmark the company's activities have been affected due to forced closure of stores.

### **Subsequent events**

No important events have occurred after the end of the financial year.

The company's financial year has been reorganized into the calendar year with the next period from 01.01.21 - 31.12.21.



## Income statement

	01.05.20 31.12.20	04.12.19 30.04.20
Note	DKK	DKK
<b>Gross profit</b>	<b>9,949,585</b>	<b>8,008,824</b>
1 Staff costs	-9,413,149	-5,805,560
<b>Profit before depreciation, amortisation, write-downs and impairment losses</b>	<b>536,436</b>	<b>2,203,264</b>
Depreciation and impairments losses of property, plant and equipment	-701,162	-389,563
<b>Profit/loss before net financials</b>	<b>-164,726</b>	<b>1,813,701</b>
Financial income	1,375,701	1,266
2 Financial expenses	-174,890	-1,374,006
<b>Profit before tax</b>	<b>1,036,085</b>	<b>440,961</b>
Tax on profit for the year	-427,927	-205,692
<b>Profit for the year</b>	<b>608,158</b>	<b>235,269</b>
<b>Proposed appropriation account</b>		
Retained earnings	608,158	235,269
<b>Total</b>	<b>608,158</b>	<b>235,269</b>

**Balance sheet**

<b>ASSETS</b>		31.12.20	30.04.20
		DKK	DKK
Note			
	Leasehold improvements	328,593	431,429
	Other fixtures and fittings, tools and equipment	1,188,157	1,805,166
	<b>Total property, plant and equipment</b>	<b>1,516,750</b>	<b>2,236,595</b>
	<b>Total non-current assets</b>	<b>1,516,750</b>	<b>2,236,595</b>
	Manufactured goods and goods for resale	8,202,490	9,485,666
	<b>Total inventories</b>	<b>8,202,490</b>	<b>9,485,666</b>
	Trade receivables	9,915,803	8,344,309
	Other receivables	656,341	2,570,742
	Prepayments	306,560	672,018
	<b>Total receivables</b>	<b>10,878,704</b>	<b>11,587,069</b>
3	<b>Cash</b>	<b>12,970,252</b>	<b>8,120,352</b>
	<b>Total current assets</b>	<b>32,051,446</b>	<b>29,193,087</b>
	<b>Total assets</b>	<b>33,568,196</b>	<b>31,429,682</b>

<b>EQUITY AND LIABILITIES</b>		31.12.20	30.04.20
		DKK	DKK
Note			
	Share capital	100,000	100,000
	Retained earnings	7,742,534	7,668,999
	<b>Total equity</b>	<b>7,842,534</b>	<b>7,768,999</b>
	Provisions for deferred tax	0	212,428
	<b>Total provisions</b>	<b>0</b>	<b>212,428</b>
4	Payables to group enterprises	11,750,000	11,750,000
	<b>Total long-term payables</b>	<b>11,750,000</b>	<b>11,750,000</b>
	Trade payables	1,718,518	2,430,508
	Payables to group enterprises	3,752,021	4,429,400
	Income taxes	791,073	181,784
	Other payables	7,366,279	4,335,674
	Deferred income	347,771	320,889
	<b>Total short-term payables</b>	<b>13,975,662</b>	<b>11,698,255</b>
	<b>Total payables</b>	<b>25,725,662</b>	<b>23,448,255</b>
	<b>Total equity and liabilities</b>	<b>33,568,196</b>	<b>31,429,682</b>

5 Contingent liabilities

6 Charges and security

7 Related parties

	01.05.20	04.12.19
	31.12.20	30.04.20
	DKK	DKK

### 1. Staff costs

Wages and salaries	7,018,916	5,002,918
Pensions	259,995	185,964
Other social security costs	2,134,238	616,678
<b>Total</b>	<b>9,413,149</b>	<b>5,805,560</b>
Average number of employees during the year	39	40

### 2. Financial expenses

Interest, group enterprises	110,821	83,441
Foreign currency translation adjustments	0	1,235,628
Other financial expenses	64,069	54,937
<b>Other financial expenses total</b>	<b>64,069</b>	<b>1,290,565</b>
<b>Total</b>	<b>174,890</b>	<b>1,374,006</b>

### 3. Cash

Cash includes bank deposits of DKK 2,050,537, which are deposited by the buyer of a property. The amount can be paid only when all the conditions of the transaction have been met, and the transfer is final.

**4. Long-term payables**

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.20	Total payables at 30.04.20
Payables to group enterprises	0	0	11,750,000	11,750,000
<b>Total</b>	<b>0</b>	<b>0</b>	<b>11,750,000</b>	<b>11,750,000</b>

**5. Contingent liabilities**

*Lease commitments*

Operating lease agreements on rental agreements on office space and outlets have been concluded for the year 2021 to 2023, total t.DKK 8,039.

*Guarantee commitments*

The company has provided bankguarantees of t.DKK 1,567.

**6. Charges and security**

The company has not provided any security over assets.

**7. Related parties**

Controlling influence	Basis of influence
Wolford Beteiligungs GmbH, Bregenz, Østrig	Kapitalejer

The company is a subsidiary of Wolford Beteiligungs GmbH, Bregenz, Austria, which is the parent company preparing consolidated accounts for the smallest group.

## 8. Accounting policies

### GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B.

### Change in accounting policies

The company has changed its accounting policies in the following areas:

#### *Change of financial year*

The company has changed its financial year from 01.05 - 30.04 to 01.01 - 31.12. The first financial year after the change is the period 01.05.20 - 31.12.20. The change has been made as result of establishing a new group affiliation. The comparative figures are therefore not comparable since the financial information for the comparative year are for 5 months and the current year is for about 8 months.

Except for the areas mentioned above, the accounting policies have been applied consistently with the previous year.

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

### CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using

**8. Accounting policies** - continued -

the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

**INCOME STATEMENT****Gross profit**

Gross profit comprises revenue, change in inventories of finished goods and work in progress, other operating income and raw materials and consumables and other external expenses.

**Revenue**

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT.

**Change in inventories of finished goods**

Change in inventories of finished goods comprises adjustments in inventories of finished goods for the year, including write-downs of inventories of finished goods and to the extent that these do not exceed normal write-downs.

**Other operating income**

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including gains on the sale of intangible assets and property, plant and equipment.

**8. Accounting policies** - continued -**Costs of consumables**

Costs of consumables comprise consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of consumables are also recognised under consumables to the extent that these do not exceed normal write-downs.

**Other external expenses**

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

**Staff costs**

Staff costs comprise wages and salaries as well as other staff-related costs.

**Depreciation and impairment losses**

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK
Leasehold improvements	5 - 10	0
Other plant, fixtures and fittings, tools and equipment	4 - 7	0

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

**Other net financials**

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.



## 8. Accounting policies - continued -

### Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

## BALANCE SHEET

### Property, plant and equipment

Property, plant and equipment comprise leasehold improvements as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

### Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying

**8. Accounting policies** - continued -

amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

**Inventories**

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

**Receivables**

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

**Prepayments**

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

**Cash**

Cash includes deposits in bank accounts as well as operating cash.

## 8. Accounting policies - continued -

### Current and deferred tax

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

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

### Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

### Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.