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J.J. Holding I ApS

Orionvej 1
7430 Ikast
CVR No. 41943688

Annual report 01.04.2023 - 31.03.2024

The Annual General Meeting adopted the annual report on 28.06.2024

Jesper Lundhøj Stubkjær Klausen
Chairman of the General Meeting

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Entity details

Entity
J.J. Holding I ApS
Orionvej 1
7430 Ikast

Business Registration No.: 41943688
Registered office: Ikast-brande
Financial year: 01.04.2023 - 31.03.2024

Executive Board
Jacob Lundhøj Stubkjær Klausen
Jesper Lundhøj Stubkjær Klausen

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of J.J. Holding I ApS for the financial year 01.04.2023 - 31.03.2024.

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 31.03.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.04.2023 - 31.03.2024.

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.

Ikast, 28.06.2024

Executive Board

Jacob Lundhøj Stubkjær Klausen **Jesper Lundhøj Stubkjær Klausen**

Independent auditor's report

To the shareholders of J.J. Holding I ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of J.J. Holding I ApS for the financial year 01.04.2023 - 31.03.2024, 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 31.03.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.04.2023 - 31.03.2024 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 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 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 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 28.06.2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Nicolaj Haarup
State Authorised Public Accountant
Identification No (MNE) mne46613

Management commentary

Financial highlights

	2023/24 DKK'000	2022/23 DKK'000	2021/22 DKK'000	2020/21 DKK'000
Key figures				
Revenue	662,182	855,514	531,800	354,163
Gross profit/loss	266,520	333,983	218,373	146,189
Operating profit/loss	78,401	118,303	71,981	35,582
Net financials	(13,788)	(11,323)	(3,958)	(4,152)
Profit/loss for the year	49,558	85,081	54,250	26,245
Profit for the year excl. minority interests	33,106	56,593	36,311	25,075
Balance sheet total	434,982	547,917	369,854	228,792
Investments in property, plant and equipment	2,029	87,311	72,097	4,482
Equity	202,883	196,991	138,968	108,893
Equity excl. minority interests	135,914	131,899	93,332	79,196
Cash flows from operating activities	137,496	61,792	32,026	19,541
Cash flows from investing activities	(1,957)	(85,640)	(73,801)	15,335
Cash flows from financing activities	(140,469)	81,315	52,205	(20,248)
Ratios				
Gross margin (%)	40.25	39.04	41.06	41.28
Net margin (%)	7.48	9.95	10.20	7.41
Equity ratio (%)	31.25	24.07	25.23	34.61

The company was established in 2020 and therefore the financial highlight only consist of four years. Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$$

Net margin (%):

$$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$$

Equity ratio (%):

$$\frac{\text{Equity excl. minority interests} * 100}{\text{Balance sheet total}}$$

Primary activities

The Groups primary activities are private label manufacturing of high-quality functional garments to internationally known brands within the outdoor and sports industry. The manufacturing processes happens on the groups own factories in Vietnam and Latvia, with limited utilization of a Ukrainian subcontractor.

Development in activities and finances

The profit before tax ended at DKK 65 million compared to DKK 107 million in 2022/23. The decrease is affected by the decrease in revenue and increasing costs related to investments in the sales organization.

The Management consider the results to be satisfactory.

Profit/loss for the year in relation to expected developments

We closed the year with a revenue of DKK 662 million, which is a decrease of DKK 193 million compared to 2022/23. The decrease corresponds to 23%, which is as expected in the 2022/23 outlook. The decrease can be attributed to general sector specific challenges, that have influenced the demand for our services. The challenges have primarily been related to overstocked customers, which is a reaction of changed consumer patterns from the end-user.

Outlook

Despite the fact, that the challenges experienced in 2023/24 is expected to continue in 2024/25 with less impact. The expected increase of 10 – 15% in revenue is a derivative effect of new customers and previous years investments in the sales organization. We foresee further grow in coming years. For fiscal year 2024-25 we expect to reach a profit in line with 2023-24.

Use of financial instruments

Risk management is a focus area, within the J.J Holding I ApS per as We are exposed to various risks in our operations. We are continuously working to mitigate these risks and increase the business resilience to a level, that supports our strategy to be a resilient long-term supplier and trusted business partner.

We have identified 6 risks, that are considered particularly material: Financial risks, debtor risks, insurance risks, supply chain risks, cyber risks and risks related to employees.

Financial risks

The majority of the Group revenue is generated in USD and the costs are distributed over DKK, USD, VND and EUR. The Group does not use any financial instruments for management of currency risks. We have established a control environment with daily monitoring of USD, whereas the Group CFO takes care of the regular balancing of incoming and outgoing payments in USD.

Debtor risks

The Groups' business model entails material risks, because the lead time from purchase of raw materials to payment of ready-made garments can be long, which affects the customer engagement. To actively mitigate the risks related to customer engagements, we have entered into a partnership with a global insurance provider. Furthermore, we always act in accordance with the Group Credit Policy and the historical loss related to debtors are minimal.

Insurance risks

The Group's global presence means that we have many local insurance providers. To manage all the local policies and coverages, we have entered into an agreement with an international insurance partner. In cooperation with the insurance partner, we conduct ongoing reviews and assesses current and future risks to ensure, that We are always sufficiently covered.

Supply chain risks
The past few years we have seen a rise in complex geopolitical challenges which, unsurprisingly, has lead to worldwide shortages in energy and raw materials. The fears for recession, inflation, and poor economic conditions mean higher cost of fuel, energy, labour, and doing business in general. The climate-driven disruptions from flooding to heatwaves and wildfires, extreme weather events has happened with alarming and growing frequency over the years, taking a massive toll on supply chains in the process.

In response to global climate concerns, we also see growing complexity in environmental, social, and governance (ESG) regulations. And while the best companies are ethically motivated to meet these targets, they are also motivated by enormous risks and loss if they don't' comply. Non-compliance can result in knock-on operational disruptions. Logistics risks with shipping problems including ocean freight bottleneck, maritime strikes and widespread port closures involve the worlds largest container ships. The Spectre Group have been able to mitigate these challenges during the fiscal year.

Cyber risks
The increasing use and utilization of technological systems and equipment, exposes the Group to risks related to cyber attacks and IT break downs. Cyber risks are a high priority and in the fiscal year 2023/24, We have conducted multiple preventive training sessions to all employees, who uses IT in their daily work. Furthermore, we've strengthened the IT organisation and IT infrastructure to handle future cases related to cyber.

Employee risks
One of the most significant risks we face is the loss of key employees or the inability to attract and retain qualified personnel. Our success depends largely on the skills, experience, and performance of our employees. To attract and retain qualified and talented personnel We strive to create an inclusive community, where there is room for everyone. Furthermore, we are preparing the establishment of 'Spectre Academy' to create an environment, where employees have the possibility to develop new competencies and improve existing skills.

Statutory report on corporate social responsibility

The statutory report on sustainability under section 99(a) can be found in the Group CSR Report 2023/24.

For more information, please see the Spectre Group CSR report for 2023/24.
URL: https://spectre.dk/sustainability/reports/

Statutory report on the underrepresented gender

	2023/24
Supreme management body	
Total number of members	2
Underrepresented gender (%)	0.00
Target figures (%)	0.00

On the balance sheet date, the company had fewer than 50 employees and is therefore exempted from providing information on targets and policies for gender diversity. J.J. Holding I ApS has an overall goal of being attractive at all time workplace for both sexes. Furthermore, it is Our goal that it is always that best qualified candidate who is offered a given managerial position.

Statutory report on data ethics policy

The use of data is fundamental for the Group. It offers analytical returns that allow J.J Holding I to strive towards better customer service, seamless cooperation, and a better place to work as an employee. Working with data also comes with great risks and a significant responsibility. Cyberattacks, data breaches, low quality data and system failure have become daily risks, and we take them seriously. It is the Groups responsibility to continuously identify, prioritize, and mitigate these risks on a professional level and create the best possible outcome for all involved parties. Equally, it is our responsibility to only process necessary date and secure strong compliance and ethical framework.

Data Ethics is about people and finding a balance between all the possibilities the digital world has to offer, and the ethical framework in which the Group can navigate. We need to be transparent regarding ethical views, and governance towards collected and processed data under the Group's responsibility.

We have internal procedures related to processes of personal data and non-personal data according to GDPR. Respect for the privacy of the Group customers and employee's data is a fundamental value for Us. Therefore, the Group complies with both Danish and European legislation for data protection. We must be proactive in the approach towards data ethics since legislation often falls behind the possibilities that technologies create.

In the Group we ensure the confidentially of our data during collection, data storage, data processing and date reporting using high-level passwords, firewalls, security programs etc.

We take good care and control of all processed data and training our employees is a priority for us. Ensure that measures are implemented to protect against wilful or accidental loss, damage, or unauthorized change. Quality is one of our core values. In alignment with this strive for excellence, the Spectre Group is pursuing quality date to support better decision making to optimize key business processes.

A data user is a person that is processing data in IT-systems. In the Group our data users only have access to data for which they have a legitimate work purpose, and they receive appropriate training regarding integrity, availability, and confidentially. All employees are required to follow specific policies, guidelines, and business procedures.

All major acquisitions of new software must be approved by the Group IT Committee represented by selected member of the Management Team across our business units.

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 2023/24

	Notes	2023/24 DKK	2022/23 DKK
Revenue	1	662,182,289	855,514,310
Other operating income		162,023	775,155
Cost of sales		(361,616,903)	(483,464,165)
Other external expenses	2	(33,592,735)	(36,684,870)
Property costs		(614,990)	(2,157,132)
Gross profit/loss		**266,519,684**	**333,983,298**
Staff costs	3	(170,530,898)	(200,382,955)
Depreciation, amortisation and impairment losses		(17,587,749)	(15,297,727)
Operating profit/loss		**78,401,037**	**118,302,616**
Other financial income		3,438,926	5,762,096
Other financial expenses		(17,227,373)	(17,085,128)
Profit/loss before tax		**64,612,590**	**106,979,584**
Tax on profit/loss for the year	4	(15,054,411)	(21,898,992)
Profit/loss for the year	5	**49,558,179**	**85,080,592**

Consolidated balance sheet at 31.03.2024

Assets

	Notes	2023/24 DKK	2022/23 DKK
Acquired intangible assets		1,402,325	1,891,028
Intangible assets	6	**1,402,325**	**1,891,028**
Land and buildings		104,415,030	114,063,677
Plant and machinery		51,564,007	60,853,365
Other fixtures and fittings, tools and equipment		5,279,636	6,278,538
Property, plant and equipment in progress		52,795	1,005,213
Property, plant and equipment	7	**161,311,468**	**182,200,793**
Fixed assets		**162,713,793**	**184,091,821**
Raw materials and consumables		78,988,139	112,504,318
Work in progress		16,298,902	26,541,058
Manufactured goods and goods for resale		46,721,031	74,850,425
Prepayments for goods		6,751,809	5,817,880
Inventories		**148,759,881**	**219,713,681**
Trade receivables		22,536,726	24,842,317
Other receivables		8,855,070	19,245,652
Prepayments	8	9,410,889	12,407,754
Receivables		**40,802,685**	**56,495,723**

Other investments	80,820	61,444
Investments	**80,820**	**61,444**
Cash	**82,624,417**	**87,553,962**
Current assets	**272,267,803**	**363,824,810**
Assets	**434,981,596**	**547,916,631**

Equity and liabilities

	Notes	2023/24 DKK	2022/23 DKK
Contributed capital		41,180	41,180
Retained earnings		119,672,967	104,857,400
Proposed dividend for the financial year		16,200,000	27,000,000
Equity belonging to Parent's shareholders		**135,914,147**	**131,898,580**
Equity belonging to minority interests		**66,968,942**	**65,092,619**
Equity		**202,883,089**	**196,991,199**
Deferred tax	9	2,392,000	2,035,249
Other provisions	10	441,985	0
Provisions		**2,833,985**	**2,035,249**
Mortgage debt		7,243,591	7,610,530
Bank loans		43,991,000	62,291,000
Non-current liabilities other than provisions	11	**51,234,591**	**69,901,530**
Current portion of non-current liabilities other than provisions	11	18,608,595	18,542,000
Bank loans		94,119,411	175,441,474
Prepayments received from customers		788,756	1,565,647
Trade payables		26,193,191	32,700,185
Tax payable		14,020,138	22,629,494
Other payables		24,299,840	28,109,853
Current liabilities other than provisions		**178,029,931**	**278,988,653**
Liabilities other than provisions		**229,264,522**	**348,890,183**
Equity and liabilities		**434,981,596**	**547,916,631**
Fair value information	13		
Unrecognised rental and lease commitments	14		
Contingent assets	15		
Assets charged and collateral	16		
Non-arm’s length related party transactions	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2023/24

	Contributed capital DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Equity belonging to Parent's shareholders DKK	Equity belonging to minority interests DKK	Total DKK
Equity beginning of year	41,180	104,857,400	27,000,000	131,898,580	65,092,619	196,991,199
Ordinary dividend paid	0	0	(27,000,000)	(27,000,000)	0	(27,000,000)
Other entries on equity	0	(2,090,766)	0	(2,090,766)	(1,048,523)	(3,139,289)
Dividends from associates	0	0	0	0	(13,527,000)	(13,527,000)
Profit/loss for the year	0	16,906,333	16,200,000	33,106,333	16,451,846	49,558,179
Equity end of year	**41,180**	**119,672,967**	**16,200,000**	**135,914,147**	**66,968,942**	**202,883,089**

Consolidated cash flow statement for 2023/24

	Notes	2023/24 DKK	2022/23 DKK
Operating profit/loss		78,401,037	118,302,616
Amortisation, depreciation and impairment losses		17,587,749	15,297,727
Other provisions		441,985	0
Working capital changes	12	78,160,793	(53,273,577)
Impairment intagible assets		0	1,119,970
Cash flow from ordinary operating activities		**174,591,564**	**81,446,736**
Financial income received		3,438,926	5,762,096
Financial expenses paid		(17,227,373)	(17,085,128)
Taxes refunded/(paid)		(23,307,016)	(8,331,553)
Cash flows from operating activities		**137,496,101**	**61,792,151**
Acquisition etc. of intangible assets		(325,930)	(461,504)
Acquisition etc. of property, plant and equipment		(2,029,312)	(87,244,831)
Sale of property, plant and equipment		398,379	2,066,309
Cash flows from investing activities		**(1,956,863)**	**(85,640,026)**
Free cash flows generated from operations and investments before financing		**135,539,238**	**(23,847,875)**
Loans raised		0	106,821,443
Repayments of loans etc.		(99,922,407)	0
Dividend paid		(40,527,000)	(25,500,000)
Other cash flows from financing activities		(19,376)	(6,916)
Cash flows from financing activities		**(140,468,783)**	**81,314,527**
Increase/decrease in cash and cash equivalents		**(4,929,545)**	**57,466,652**
Cash and cash equivalents beginning of year		87,553,962	30,087,310
Cash and cash equivalents end of year		**82,624,417**	**87,553,962**

Cash and cash equivalents at year-end are composed of:

Cash	82,624,417	87,553,962
Cash and cash equivalents end of year	**82,624,417**	**87,553,962**

Notes to consolidated financial statements

1 Revenue

	2023/24 DKK	2022/23 DKK
EU	397,823,252	554,306,710
North America	208,391,411	184,067,739
Asia	55,967,626	117,139,861
Total revenue by geographical market	**662,182,289**	**855,514,310**

The Group has only one business activity and therefore the breakdown by activitu has been retained

2 Fees to the auditor appointed by the Annual General Meeting

	2023/24 DKK	2022/23 DKK
Statutory audit services	674,000	659,300
Tax services	145,000	73,650
Other services	891,000	845,350
	1,710,000	**1,578,300**

3 Staff costs

	2023/24 DKK	2022/23 DKK
Wages and salaries	168,139,927	198,450,555
Pension costs	2,099,497	1,643,917
Other social security costs	291,474	288,483
	170,530,898	**200,382,955**

Average number of full-time employees	3,211	3,879

	Remuneration of management 2023/24 DKK	Remuneration of management 2022/23 DKK
Executive Board	3,565,498	3,510,288
	3,565,498	**3,510,288**

4 Tax on profit/loss for the year

	2023/24 DKK	2022/23 DKK
Current tax	14,697,230	23,168,060
Change in deferred tax	356,751	(1,242,118)
Adjustment concerning previous years	430	(26,950)
	15,054,411	**21,898,992**

5 Proposed distribution of profit/loss

	2023/24 DKK	2022/23 DKK
Ordinary dividend for the financial year	16,200,000	27,000,000
Retained earnings	16,906,333	29,592,850
Minority interests' share of profit/loss	16,451,846	28,487,742
	49,558,179	**85,080,592**

6 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	5,504,287
Exchange rate adjustments	(71,141)
Additions	325,931
Cost end of year	**5,759,077**
Amortisation and impairment losses beginning of year	(3,613,259)
Exchange rate adjustments	48,221
Amortisation for the year	(791,714)
Amortisation and impairment losses end of year	**(4,356,752)**
Carrying amount end of year	**1,402,325**

7 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	122,016,537	77,047,607	6,703,121	1,005,213
Exchange rate adjustments	(4,107,236)	(2,967,418)	(226,401)	(40,994)
Transfers	(10,759)	911,552	(19,878)	(880,915)
Additions	45,938	1,575,185	408,189	0
Disposals	(84,180)	(504,881)	(187,111)	(30,509)
Cost end of year	**117,860,300**	**76,062,045**	**6,677,920**	**52,795**
Depreciation and impairment losses beginning of year	(7,952,860)	(16,194,242)	(424,583)	0
Exchange rate adjustments	326,553	747,807	28,721	0
Transfers	(94,669)	248,291	0	0
Depreciation for the year	(5,724,294)	(9,702,713)	(1,102,574)	0
Reversal regarding disposals	0	402,819	100,152	0
Depreciation and impairment losses end of year	**(13,445,270)**	**(24,498,038)**	**(1,398,284)**	**0**
Carrying amount end of year	**104,415,030**	**51,564,007**	**5,279,636**	**52,795**

8 Prepayments

Prepayments consits of advance payment of rent and IT licenses etc.

9 Deferred tax

	2023/24 DKK	2022/23 DKK
Intangible assets	145,000	235,000
Property, plant and equipment	778,000	681,383
Inventories	1,395,000	1,153,000
Provisions	(88,000)	0
Other taxable temporary differences	162,000	(34,134)
Deferred tax	**2,392,000**	**2,035,249**

Changes during the year	2023/24 DKK	2022/23 DKK
Beginning of year	2,035,249	3,277,367
Recognised in the income statement	356,751	(1,242,118)
End of year	**2,392,000**	**2,035,249**

10 Other provisions

Other provisions comprise anticipated returns.

11 Non-current liabilities other than provisions

	Due within 12 months 2023/24 DKK	Due within 12 months 2022/23 DKK	Due after more than 12 months 2023/24 DKK	Outstanding after 5 years 2023/24 DKK
Mortgage debt	308,595	242,000	7,243,591	6,213,694
Bank loans	18,300,000	18,300,000	43,991,000	0
	18,608,595	**18,542,000**	**51,234,591**	**6,213,694**

12 Changes in working capital

	2023/24 DKK	2022/23 DKK
Increase/decrease in inventories	70,953,800	(32,040,981)
Increase/decrease in receivables	15,444,746	(20,882,763)
Increase/decrease in trade payables etc.	(8,237,753)	(349,833)
	78,160,793	**(53,273,577)**

13 Fair value information

	Other investments DKK
Fair value end of year	57,820
Unrealised fair value adjustments recognised in the income statement	19,180

14 Unrecognised rental and lease commitments

	2023/24 DKK	2022/23 DKK
Total liabilities under rental or lease agreements until maturity	7,822,779	7,901,890

15 Contingent assets

The Group has a deferred tax asset of DKK ('000) 0,357 which mainly consists of tax losses, which have not been capitalized taking into account the uncertainty of their utilization within 3-5 years.

16 Assets charged and collateral

As security for account with bank, the group has issued a business charge of a nominal amount of DKK ('000) 64,000. The business charge includes assets which have a carrying amount at the balance sheet date of DKK ('000) 142,026.

Volkswagen Semler Finans has security in motervehicles as security for debt of DKK('000) 0,589 The assets which have a carrying amount at the balance sheet date of DKK ('000) 0,821.

As security for debt of DKK('000) 12,783 to VCB and BIDV is secured by buildings, machinery and equipent and other fixtures with a carrying amount of DKK ('000) 17,931.

As security for debt of DKK('000) 3,914 to VCB is secured by buildings, machinery and equipent and other fixtures with a carrying amount of DKK ('000) 28,051.

As security for mortgage debt DKK('000) 1,333 is secured by buildings with a carrying amount of DKK ('000) 1,565.

As security for mortgage debt DKK('000) 6,220 is secured by buildings with a carrying amount of DKK ('000) 10,338.

Collateral provided for group enterprises
Equity interests in Spectre Garment Technologies Vietnam have been pledged as collateral for Spectre A/S's bank debt with a book value of DKK ('000) 63,559 as of 31 march 2024. The subsidiaries pledged as collateral are included in the consolidated financial statements with net assets of a total of DKK ('000) 69,239.

Spectre A/S has guaranteed Spectre GMBH' debt with Sydbank. The guarantee is limited to DKK ('000) 0,373 DKK.

17 Non-arm's length related party transactions
Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

18 Subsidiaries

	Registered in	Corporate form	Ownership %
Spectre GmbH	Germany	GmbH	66.67
Spectre Holding A/S	Ikast	A/S	66.67
Spectre A/S	Ikast	A/S	66.67
Spectre Real Estate A/S	Ikast	A/S	66.67
Spectre Latvia Ltd.	Latvia	Ltd.	66.67
EK Auce Ltd.	Latvia	Ltd.	66.67
Spectre Garment Technologies Vietnam Company Limited	Vietnam	Ltd.	66.67
Spectre Garment Technologies II Vietnam Company Limited	Vietnam	Ltd.	66.67
JJ Real Estate ApS	Ikast	ApS	100.00
ALK Holding ApS	Ikast	ApS	100.00

Parent income statement for 2023/24

	Notes	2023/24 DKK	2022/23 DKK
Other external expenses	1	(136,875)	(560,415)
Gross profit/loss		**(136,875)**	**(560,415)**
Income from investments in group enterprises		33,272,339	57,091,979
Other financial income		4,909	893
Financial expenses from group enterprises		(30,961)	(1,896)
Other financial expenses	2	(21,696)	(1,179)
Profit/loss before tax		**33,087,716**	**56,529,382**
Tax on profit/loss for the year	3	18,617	63,468
Profit/loss for the year	4	**33,106,333**	**56,592,850**

Parent balance sheet at 31.03.2024

Assets

	Notes	2023/24 DKK	2022/23 DKK
Investments in group enterprises		136,785,478	132,603,905
Financial assets	5	**136,785,478**	**132,603,905**
Fixed assets		**136,785,478**	**132,603,905**
Joint taxation contribution receivable		12,317,120	17,547,551
Receivables		**12,317,120**	**17,547,551**
Cash		**39,091**	**1,754**
Current assets		**12,356,211**	**17,549,305**
Assets		**149,141,689**	**150,153,210**

Equity and liabilities

	Notes	2023/24 DKK	2022/23 DKK
Contributed capital		41,180	41,180
Reserve for net revaluation according to equity method		97,989,265	93,807,692
Retained earnings		21,683,702	11,049,708
Proposed dividend for the financial year		16,200,000	27,000,000
Equity		**135,914,147**	**131,898,580**
Trade payables		30,000	37,500
Payables to group enterprises		599,039	948,047
Tax payable		12,298,503	17,269,083
Other payables		300,000	0
Current liabilities other than provisions		**13,227,542**	**18,254,630**
Liabilities other than provisions		**13,227,542**	**18,254,630**
Equity and liabilities		**149,141,689**	**150,153,210**
Contingent liabilities	6		

Parent statement of changes in equity for 2023/24

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	41,180	93,807,692	11,049,708	27,000,000	131,898,580
Ordinary dividend paid	0	0	0	(27,000,000)	(27,000,000)
Other entries on equity	0	(2,090,766)	0	0	(2,090,766)
Dividends from group enterprises	0	(27,000,000)	27,000,000	0	0
Profit/loss for the year	0	33,272,339	(16,366,006)	16,200,000	33,106,333
Equity end of year	**41,180**	**97,989,265**	**21,683,702**	**16,200,000**	**135,914,147**

Notes to parent financial statements

1 Fees to the auditor appointed by the Annual General Meeting

	2023/24 DKK	2022/23 DKK
Statutory audit services	21,000	26,250
Tax services	103,000	3,750
Other services	12,875	316,125
	136,875	**346,125**

2 Other financial expenses

	2023/24 DKK	2022/23 DKK
Financial expenses from group enterprises	21,017	0
Other interest expenses	679	1,179
	21,696	**1,179**

3 Tax on profit/loss for the year

	2023/24 DKK	2022/23 DKK
Refund in joint taxation arrangement	(18,617)	(63,468)
	(18,617)	**(63,468)**

4 Proposed distribution of profit and loss

	2023/24 DKK	2022/23 DKK
Ordinary dividend for the financial year	16,200,000	27,000,000
Retained earnings	16,906,333	29,592,850
	33,106,333	**56,592,850**

5 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	38,796,213
Cost end of year	**38,796,213**
Revaluations beginning of year	93,807,692
Adjustments on equity	(2,090,766)
Share of profit/loss for the year	33,272,339
Dividend	(27,000,000)
Revaluations end of year	**97,989,265**
Carrying amount end of year	**136,785,478**

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.

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, besides the changes below, are applied to these consolidated financial statements and parent fi nancial statements are consistent with those applied last year. The following reclassifications do not aff ect the result or equity.

Balance sheet:

The company has reclassifi ed internally between other receivables and prepayments. The total net effect on the comparative figures amounts to DKK 7,282 thousand, by which other receivables are reduced, and a corresponding increase in prepayments

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. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

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.

Business combinations

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

The uniting-of-interests method is applied on exchanges of shares, in which the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

Foreign currency translation

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

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Public grants

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned.

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 from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including gains from the sale of intangible assets and property, plant and equipment.

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

Property costs
Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

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

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

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 intra-group profits or losses.

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

Financial expenses from group enterprises
Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

Other financial expenses
Other financial expenses comprise interest expenses, including net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc.

Intellectual property rights etc. comprise IT programs.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Intellectual property rights are amortised on a straight-line basis over their remaining duration.

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

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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	Residual value
Buildings	15-30 years	0%
Plant and machinery	8-15 years	0%
Other fixtures and fittings, tools and equipment	5-8 years	0%

For leasehold improvements the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

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

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. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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.

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.

Other investments (current assets)
Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date, and unlisted investments measured at the lower of cost and net realisable value.

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Minority interests
On initial recognition, minority interests are measured at the minority interests’ share of the acquiree’s net assets measured at fair value. No goodwill related to the minority interests’ equity interests in the acquiree is recognised.

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

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other provisions
Other provisions comprise anticipated costs of returns etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Mortgage debt
At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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.

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.

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 financial income, financial expenses and income tax 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.

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

Cash and cash equivalents comprise cash.