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Colonel Holding ApS

Ejlersvej 24
6000 Kolding
CVR No. 44037440

Annual report 02.05.2023 - 31.12.2023

The Annual General Meeting adopted the annual report on 07.02.2024

Kim Hyldahl
Chairman of the General Meeting

Contents

Entity details

Entity

Colonel Holding ApS
Ejlersvej 24
6000 Kolding

Business Registration No.: 44037440
Registered office: Kolding
Financial year: 02.05.2023 - 31.12.2023

Board of Directors

Jón Björnsson
Peter Sextus Rasmussen
Kim Hyldahl
William Kjems Hyldahl Nielsen

Executive Board

David Skjødt

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 Colonel Holding ApS for the financial year 02.05.2023 - 31.12.2023.

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 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 02.05.2023 - 31.12.2023.

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, 07.02.2024

Executive Board

David Skjødt

Board of Directors

Jón Björnsson

Peter Sextus Rasmussen

Kim Hyldahl

William Kjems Hyldahl Nielsen

Independent auditor's report

To the shareholders of Colonel Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Colonel Holding ApS for the financial year 02.05.2023 - 31.12.2023, 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 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 02.05.2023 - 31.12.2023 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, 07.02.2024

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

	2023 DKK'000
Key figures	
Revenue	295,530
Gross profit/loss	58,584
EBITDA	38,136
Operating profit/loss	(64,658)
Net financials	(7,074)
Profit/loss for the year	(64,847)
Balance sheet total	623,557
Investments in property, plant and equipment	4,224
Equity	157,797
Ratios	
Gross margin (%)	19.82
Net margin (%)	(21.94)
Equity ratio (%)	25.31

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 (%):
$$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$$

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

Development in activities and finances
The net revenue is DKK 295,530k . The loss after tax for the year amounted to DKK 64,658k.

The result in 2023 is affected by the full amortization of the order backlog, which was part of the acquisition of MOS MOSH in June 2023. The management is satisfied with the results stemming from the regular operations, which show a satisfactory profit.

Outlook
The revenue in 2024 is expected to be approximately DKK 600,000k which is in line with the full year revenue in 2023.

MOS MOSH Gallery has been well received by stores all over Europe and we expect that development to continue in 2024.

The digitalization strategy has already shown good results in 2023 and will be continued in 2024. Our ESG initiatives will be further reinforced with focus on compliance and due diligence, achieving the objectives we have set in our ESG strategy and developing further on a strategy about limitation of greenhouse gas emission in both scope 1, 2 and 3.

Statutory report on corporate social responsibility
MOS MOSH takes our responsibility as a company seriously. It is an integrated part of how we do business. We strive to make a positive impact on society and the environment. We are aware that it will take time before this can be accomplished but until then, we can at least strive to continuously reduce the negative derived effects from our activities. We are devoted to embedding sustainability and social responsibility practices across our entire supply chain.

Our main business activities consist of designing, selling, and distributing fashion clothing. Our products are mainly produced in Europe which enables us to meet both our own expectations and the increasing legislation demands within the fields of sustainability, responsibility, and governance, due to the closeness.

We recognize the significance of understanding and addressing the challenges our industry faces, striving to be a catalyst for change. Our ESG reporting will center around the three core areas environmental considerations, social impact, and good governance practices, and we will address them in this order.

MOS MOSH acknowledges the environmental and climate-related risk within our industry, with one of the most significant challenges being our carbon emissions. The Textile production has the biggest climate impact when it comes to the sourcing of materials, manufacturing, and the transportation.

At MOS MOSH, we are committed to reduce our climate footprint. As a part of this we have in 2023 started the process of mapping our CO_2 emissions to have a reference for future objectives and benchmarks.
We have mapped our scope 1 and scope 2 emissions for 2022 using “Klimakompasset” a tool made by Erhvervsstyrelsen.

- scope 1 emissions 56,11t CO_2e
- scope 2 emissions 13,70t CO_2e

91% of our scope 1 emissions comes from company cars. Based on this MOS MOSH has decided that all company cars leased from 2024 and on shall be electrical. It is not possible to estimate or report the exact effect of this, but we know it will be positive. Studies from Green NCAP indicates a reduction of 25-40 % going from a fossil fuel driven car to an electric driven car in same category but numbers are without the emission that originates from production.

Our scope 2 emissions come from heating and electricity at our office facilities, here we strive to buy from renewable sources and all the electricity that MOS MOSH have bought in 2023 came from renewable sources. We will continue this policy and will be looking for ways to further reduce or offset our emission.

We remain committed to annually track our CO2 emissions. While our assessment of scope 3 emissions has yet to be mapped and measured, we recognize that this area is where our biggest impact regarding carbon emissions is. Measuring our scope 3 emissions present a challenging and intricate task as we navigate through our supply chain, and we must simply state that it is an impossible task for us at present time. Our goal is that we by the end of 2025 we will be able to map and measure our scope 3 emissions with help from new methods and our suppliers.

Despite the challenges in measuring the scope 3 emission and thereby also the results, MOS MOSH is committed reduce our scope 3 emissions.

MOS MOSH are aware of the big environmental impact that we have, we acknowledge the environmental challenges and risks we face, particularly concerning the choice of materials. The extraction processes are often intensive and resource-consuming and are posing a substantial risk of overexploitation and environmental degradation. In addition, the use of chemicals in the processes also poses a significant environmental risk, adversely affecting water quality and our ecosystems. It is therefore natural for us to have focus on reducing the impact on the environment that comes from our products.

The choice of materials is a significant factor when it comes to product quality but also when it comes to the circular process and to reduce our environmental footprint. Over the past years, MOS MOSH has intensified our efforts to increase the content of more sustainable fibers in our products. Each collection we create at MOS MOSH we try to increase the number of styles containing better and more sustainable fibers.

Today our fibers are categorized in 3 categories: 1. Fibers we prefer, 2. Fibers we like and 3. Fibers we try to limit. The categorization of the fibers is based on animal welfare and the environmental footprint.

	FIBRES WE TRY TO LIMIT	FIBRES WE LIKE	FIBRES WE PREFER
REGENERATED CELLULOSE	Modal Viscose Cupro Acetate Lyocell	TENCEL™ Modal Viscose (FSC or PEFC) TENCEL™ Lyocell	LENZING™ ECOVERO™ Viscose CanopyStyle green or dark green rated viscose TENCEL™ x REFIBRA™
NATURAL	Linen Hemp Cotton	Linen (organic or in-conversion) Hemp (organic or in-conversion) Cotton (organic or in-conversion) BCI Cotton	Linen (recycled) Hemp (recycled) Cotton (recycled)
SYNTHETIC	Polyester Polyamide/Nylon Acrylic Elastane	Recycled Polyester (pre-consumer) Recycled Polyamide / Nylon (pre-consumer) Recycled Acrylic (pre-consumer) Recycled Elastane (pre-consumer)	Recycled Polyester (post-consumer) Recycled Polyamide / Nylon (post-consumer) Recycled Acrylic (post-consumer) Recycled Elastane (post-consumer)
ANIMAL BASED	Wool Mohair Alpaca Cashmere Down Leather Silk	Wool (RWS and/or organic) Mohair (RMS and/or organic) Alpaca (RAS and/or organic Cashmere (responsible and/or organic) Down (RDS and/or organic) Leather (responsible and/or organic) Peace silk	Recycled Wool Recycled Mohair Recycled Alpaca Recycled Cashmere Recycled Down Vegan leather Recycled Silk

As a naturally consequence of which fibers are categorizing where, we are using an increasingly number of certified fibers. These certifications serve multiple purposes. Firstly, the certificates that we have on some of our products, are helping us guarantee a reduced environmental impact throughout our processes. Secondly some of them uphold social responsibility standards by securing ethical labor practices, fair wages, appropriate working hours and safe working conditions at the factories. Furthermore, we have certificates that focuses on animal welfare which ensure animals involved in our supply chain are treated humanely and with respect of animal rights.

We also see certificates as a way to make it easier for the consumers to make informed choices when buying clothes.

In 2023 we have used fibers with the following certifications: GOTS (Global Organic Textile Standard), GCS (Good Cashmere Standard), GRS (Global Recycled Standard), Lenzing EvoVero (responsible viscose), OSC (Organic Content Standard), RDS (Responsible Down Standard), RWS (Responsible Wool Standard) and BCI (Better Cotton Initiative).

In 2023 we have incorporated a new certification to the line of certificates we can apply to our products, which is LWG (Leather Working Group).
In 2023 50% of the styles designed by MOS MOSH had one of the above-mentioned certificates. This is an increase from previous year, where only 20% of the styles in our collections carried a certification. Our goal for 2023 was that 20% of all the designed styles should carry a certification, so we are very proud that we have achieved this goal and even already realized our goal for 2025 which is that 40% of the styles designed by MOS MOSH should be certified.

BCI is the most used certificate. In 2023, 27% of our designs were certified by BCI making a substantial increase from the previous year where only 12% of our styles carried this certification.

In 2023, 25% of the fiber volume (measured as weight) used in the collections are categorized as either ”Fibers we like” or “Fibers we prefer”. Our goal for 2023 was that 60% of the fibers should be placed in the categories “fibers we like” or “fibers we prefer” so we have unfortunately not been able to live up to our own objective.

However, we have also ascertained that our calculation method has not been able to capture all our consumption of certified fibers. This primarily concerns the part of styles, where both certified and not-certified fibers are included in the different components of the clothes. We believe that we are closer to the goals than the numbers show and our clear ambition for 2024 is to reach our goal of 60 % and to improve our methods in order to secure a valid and transparent reporting.

Our goal for 2025 is still to have more than 60% of the fibers that we use placed in category 1 and 2 even removing BCI from the “Fibers we like” category in 2025. We have opted to exclude BCI from 2025 due to our evolving perception of BCI as a general certification focusing on making cotton production more climate-resilient and environmentally friendly rather than a certification tied directly to the individual product itself.

The love for what we do and the respect for the people involved with MOS MOSH, is what makes MOS MOSH truly unique. All people, who in one way or another are involved in our activities, should be treated with respect and decency, and no one should experience their basic human rights being suppressed. MOS MOSH acknowledge the challenges and potential risks associated with ensuring human rights and good social conditions throughout our supply chain, especially given that a big part of our supply chain is beyond our direct control and located in what is defined as high-risk countries. Therefor there is a risk that basis rights and working conditions are violated in our supply chain.

Our collaboration with suppliers is characterized as long-term relationships in which we rely on carefully selected suppliers who are familiar with our values and expectations. A significant aspect of MOS MOSH’s social responsibility pertains to the conditions in the factories where our products are being manufactured. MOS MOSH does not have own manufacturing facilities but are depending on our external producers having working conditions that live up to our standards.

In 2023 we have joined Amfori BSCI - The BSCI initiative is developed to improve social standards with the suppliers by providing a code of conduct and monitoring system for businesses involved in global supply chains. Amfori BSCI conducts audits, assessments, and capacity-building programs to support companies in improving working conditions and social standards.

Prior to joining Amfori BSCI MOS MOSH had made own Code of Conduct, upon becoming a part of Amfori BSCI we have adopted their Code of Conduct. However, we have decided to maintain our own chemical policy along with a policy about animal welfare, which we still require that our suppliers sign. Our chemical policy applies to both SVHC “substances of very high concern” list, and the European Union REACH regulation. When signing our chemical policy our suppliers commit to test garments before shipment, the tests must be performed by a 3rd party test laboratory appointed by MOS MOSH. Our Chemical Policy commits us to test 4-5% of all styles, which are selected based on risk assessment.

At the end of 2023 82% of our suppliers had signed our code of conduct, this is an increase from 69 % in 2021. Our goal for 2023 was that all our suppliers had signed our code of conduct and additional policies, unfortunately we have not succeeded with this.

We will keep it as a goal for 2024, that all our suppliers sign the new Amfori BSCI code of conduct alongside or policies regarding chemicals and animal welfare.

MOS MOSH relies on principles about fairness, respect, and transparency, when interacting with people. MOS

MOSH sells products to more than 2.400 customers and produces at 15-20 suppliers. There will be a risk of corruption involved in all business where individuals or organizations can gain advantages from it. The reasons for high risk can vary but business culture, lack of effective institutions to combat corruption and low economical development. MOS MOSH suppliers are in countries with a CPI score from Transparency Internationals between 40 and 60 which indicates a moderate risk of corruption.

In response to our commitment to combating human rights violations, harassment, bullying, humiliating behavior and other unwanted behavior, and the risk of potential bribery within our organization, a whistleblower arrangement was introduced in 2022 and remains in place. The anonymous arrangement is described in our Employee Handbook, which has been handed out to all employees at MOS MOSH.
The whistleblower arrangement has been expanded with an online platform which will be integrated with a newly implemented APV App solution in Q1 2024.
At MOS MOSH, we maintain a strict policy concerning gifts and entertainment. We support this policy by day-to-day management behavior and believe that a healthy culture is the strongest guarantee for honest and prober behavior. We emphasize the practice of neither giving nor receiving personal gifts related to business partnerships. Additionally, we ensure that corporate entertainment remains modest and entirely at a professional level.

MOS MOSH tries to ensure good governance in our decision-making by actively involving primarily employees but also suppliers and customers. By seeking their input and letting the principle of "The best argument wins", we seek transparent and fair decision-making.

The cross organizational Data-team was established in 2022 and has in 2023 been working both strategically and operationally and has become crucial for the digital development of MOS MOSH. In 2023, we have established a cross organizational ESG-team, which have the same decision-making competence and it will become an anchor in the forthcoming work with the ESG agenda.

There have not been any breaches of policy or instances of attempted bribery in 2023 to our knowledge. The ESG -team is working with CoC implementation and there will be no exceptions from the requirement to be member of BSCI or similar organization. Placing the execution within the ESG team means that there is a very low risk that a supplier can evade the requirement by exploiting a personal relation.

It is a clear objective to conduct our business 100 % free of bribery and nepotism. This involves a combination of our policies, training, and monitoring. Monitoring is a fundamental part of our due diligence work in 2024.

Statutory report on the underrepresented gender

	2023
Supreme management body	
Total number of members	3
Underrepresented gender (%)	0.00
Target figures (%)	40.00
Year of expected achievement of target figures	2025

The company was sold to a new group of owners in 2023. In relation to this, the board positions were filled with representatives from the new ownership. Therefore, an expansion of the board was postponed and now planned for 2025.

In MOS MOSH we wish to advance diversity in all levels of our organization to ensure a diverse company. Achieving a balanced representation of genders across various organizational levels not only reflects a commitment to equality but it is also contributing to a more dynamic work environment. There are total 61 employees at MOS MOSH, 82% females and 18% males.

To ensure diversity at all levels of our organization, and as a mean to achieve our targets, we work actively in our recruitment processes to limit bias behavior. When using external recruitment agencies, it is a request from MOS MOSH that the agencies must introduce candidates of both genders.

We strive in our employee development processes to focus on competencies and personal qualities without gender bias. We use competency-based assessments in our 1-1 development talks that focus on skills and performance rather than gender and provide equal access to all training and development opportunities regardless of gender.

These means are considered appropriate to reach the targets together with an expansion of the board of directors.

	2023
Other management levels	
Total number of members	9
Underrepresented gender (%)	33.33
Target figures (%)	40.00
Year of expected achievement of target figures	2024

The management team will be expanded in 2024 and efforts will focus on finding a female candidate, according to means listed above. Other management level is defined as C-level and mid-level management.

Statutory report on data ethics policy

This report describes how we have conducted our data activities in accordance with our policy for data ethics. Our data activities include the collection, storage, use, sharing and deletion of data. This is aimed at all our stakeholders, including our management, employees, customers, suppliers, authorities, and the community.

We have collected and stored data for the following purposes:

- Product management
- Supplier management, including booking and payment of invoices.
- Sales and order management, including booking of receivables.
- Delivery of goods and services.
- Web shop activities.
- Organizing employees including payout of salaries.
- Recruitment, including the handling of incoming applications.

We have complied with our principles of data ethics, policies, and standards, as well as the applicable laws, standards and regulations for data protection, data security and data quality in all our data activities.
We have not harmed, discriminated against, manipulated, or exploited anyone with our data activities, and we have handled our data in an ethically responsible way. We have identified and mitigated the potential risk associated with our data activities such as legal, economical, operational, reputational, and social risk. We have implemented appropriate controls for our data activities such as data governance, data auditing and regular

meetings in our Master Data Team.

We have also adhered to the applicable laws, regulations and standards for data protection and data security in our data storage. We have applied with accounting laws which regulate our ERP data storage. We have ensured that our data storage is necessary, relevant, and proportional to our purposes.

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

	Notes	2023 DKK
Revenue	1	295,529,756
Other operating income		3,100,000
Cost of sales		(209,362,885)
Other external expenses	2	(30,682,383)
Gross profit/loss		**58,584,488**
Staff costs	3	(20,448,067)
Depreciation, amortisation and impairment losses	4	(102,794,159)
Operating profit/loss		**(64,657,738)**
Other financial income		412,414
Other financial expenses		(7,486,815)
Profit/loss before tax		**(71,732,139)**
Tax on profit/loss for the year	5	6,884,695
Profit/loss for the year	6	**(64,847,444)**

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 DKK
Acquired intangible assets		99,242,258
Acquired trademarks		96,509,043
Goodwill		199,259,738
Intangible assets	7	**395,011,039**
Other fixtures and fittings, tools and equipment		1,648,071
Leasehold improvements		1,388,460
Property, plant and equipment	8	**3,036,531**
Other investments		1,050
Deposits		1,016,834
Financial assets	9	**1,017,884**
Fixed assets		**399,065,454**
Manufactured goods and goods for resale		96,484,949
Prepayments for goods		19,679,937
Inventories		**116,164,886**
Trade receivables		32,924,448
Other receivables		138,447
Prepayments	11	1,997,275
Receivables		**35,060,170**
Cash		**73,266,793**
Current assets		**224,491,849**
Assets		**623,557,303**

Equity and liabilities

	Notes	2023 DKK
Contributed capital		2,240,000
Retained earnings		155,556,588
Equity		**157,796,588**
Deferred tax	12	42,610,154
Provisions		**42,610,154**
Bank loans		124,562,500
Other payables		175,000,000
Non-current liabilities other than provisions	13	**299,562,500**
Current portion of non-current liabilities other than provisions	13	50,000,000
Prepayments received from customers		2,633,274
Trade payables		61,869,701
Payables to owners and management		1,574,000
Tax payable		2,609,594
Other payables		4,901,492
Current liabilities other than provisions		**123,588,061**
Liabilities other than provisions		**423,150,561**
Equity and liabilities		**623,557,303**
Unrecognised rental and lease commitments	15	
Assets charged and collateral	16	
Transactions with related parties	17	
Subsidiaries	18	

Consolidated statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	40,000	0	40,000
Effect of mergers and business combinations	0	(1,355,968)	(1,355,968)
Increase of capital	2,200,000	221,760,000	223,960,000
Profit/loss for the year	0	(64,847,444)	(64,847,444)
Equity end of year	**2,240,000**	**155,556,588**	**157,796,588**

Consolidated cash flow statement for 2023

	Notes	2023 DKK
Operating profit/loss		(64,657,738)
Amortisation, depreciation and impairment losses		102,794,159
Working capital changes	14	14,157,732
Cash flow from ordinary operating activities		**52,294,153**
Financial income received		411,840
Financial expenses paid		(7,923,741)
Taxes refunded/(paid)		(12,017,189)
Cash flows from operating activities		**32,765,063**
Acquisition etc. of property, plant and equipment		(470,541)
Acquisition of enterprises		(225,593,782)
Cash flows from investing activities		**(226,064,323)**
Free cash flows generated from operations and investments before financing		**(193,299,260)**
Loans raised		175,000,000
Cash capital increase		91,526,053
Contributed upon formation		40,000
Cash flows from financing activities		**266,566,053**
Increase/decrease in cash and cash equivalents		**73,266,793**
Cash and cash equivalents end of year		**73,266,793**
Cash and cash equivalents at year-end are composed of:		
Cash		73,266,793
Cash and cash equivalents end of year		**73,266,793**

Notes to consolidated financial statements

1 Revenue

	2023 DKK
DACH area	122,883,658
Scandinavia area	97,582,987
Benelux area	24,924,133
Other countries	50,138,978
Total revenue by geographical market	**295,529,756**

The Company only have one activity from sale of clothes.

2 Fees to the auditor appointed by the Annual General Meeting

	2023 DKK
Statutory audit services	211,000
Other assurance engagements	45,000
Tax services	155,775
Other services	179,954
	591,729

3 Staff costs

	2023 DKK
Wages and salaries	17,223,239
Pension costs	1,966,757
Other social security costs	527,521
Other staff costs	730,550
	20,448,067

Average number of full-time employees	**28**

	Remuneration of management 2023 DKK
Total amount for management categories	1,908,316
	1,908,316

4 Depreciation, amortisation and impairment losses

	2023 DKK
Amortisation of intangible assets	101,606,903
Depreciation on property, plant and equipment	1,187,256
	102,794,159

5 Tax on profit/loss for the year

	2023 DKK
Current tax	9,385,672
Change in deferred tax	(16,270,367)
	(6,884,695)

6 Proposed distribution of profit/loss

	2023 DKK
Retained earnings	(64,847,444)
	(64,847,444)

7 Intangible assets

	Acquired intangible assets DKK	Acquired trademarks DKK	Goodwill DKK
Addition through business combinations etc	228,063	0	22,249,149
Additions	166,661,054	102,035,993	205,443,683
Cost end of year	**166,889,117**	**102,035,993**	**227,692,832**
Amortisation for the year	(67,646,859)	(5,526,950)	(28,433,094)
Amortisation and impairment losses end of year	**(67,646,859)**	**(5,526,950)**	**(28,433,094)**
Carrying amount end of year	**99,242,258**	**96,509,043**	**199,259,738**

Under Acquired rigths are ordre backlog which is orders from before the takeover of Kate Acquicition ApS group to be delivered in second half of 2023. This amount and related amortisation is 61,863 kDKK.

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Addition through business combinations etc	2,266,093	1,487,153
Additions	144,464	326,077
Cost end of year	**2,410,557**	**1,813,230**
Depreciation for the year	(762,486)	(424,770)
Depreciation and impairment losses end of year	**(762,486)**	**(424,770)**
Carrying amount end of year	**1,648,071**	**1,388,460**

9 Financial assets

	Other investments DKK	Deposits DKK
Addition through business combinations etc	1,050	890,087
Additions	0	129,747
Disposals	0	(3,000)
Cost end of year	**1,050**	**1,016,834**
Carrying amount end of year	**1,050**	**1,016,834**

10 Inventories

	2023 DKK
Manufactured goods and goods for resale	71.920.969
Manufactured goods along the way	24.563.980
Prepayments for goods	19.679.937
Total	**116.164.886**

11 Prepayments

Prepayments relate to various prepaid items.

12 Deferred tax

	2023 DKK
Intangible assets	42,155,021
Property, plant and equipment	335,418
Fixed asset investments	23,465
Liabilities other than provisions	96,250
Deferred tax	**42,610,154**

Changes during the year	2023 DKK
Recognised in the income statement	(16,270,367)
Newly acquired enterprises	58,880,521
End of year	**42,610,154**

13 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK	Due after more than 12 months 2023 DKK	Outstanding after 5 years 2023 DKK
Bank loans	50,000,000	124,562,500	0
Other payables	0	175,000,000	175,000,000
	50,000,000	**299,562,500**	**175,000,000**

14 Changes in working capital

	2023 DKK
Increase/decrease in inventories	(47,979,247)
Increase/decrease in receivables	17,053,270
Increase/decrease in trade payables etc.	45,083,709
	14,157,732

15 Unrecognised rental and lease commitments

	2023 DKK
Total liabilities under rental or lease agreements until maturity	2,569,345

16 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 149.089 k.

Investment in group enterprises are pledged as collateral for bank debt in parent company with a book value as at 31 December 2023 of 175,000k. The carrying amount of securities pledged as collateral amounts to 111,488k at 31 December 2023.

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 %
MM & TEN A/S	Kolding	A/S	100.00
Mos Mosh A/S	Kolding	A/S	100.00
Mos Mosh UK Ltd.	London	Ltd	100.00
Kate Acquisition ApS	Kolding	ApS	100.00

Parent income statement for 2023

	Notes	2023 DKK
Revenue		320,000
Other external expenses		(13,031,404)
Gross profit/loss		**(12,711,404)**
Staff costs	1	(368,778)
Operating profit/loss		**(13,080,182)**
Income from investments in group enterprises		(47,410,819)
Other financial income		8,854
Other financial expenses	2	(5,756,247)
Profit/loss before tax		**(66,238,394)**
Tax on profit/loss for the year	3	1,402,074
Profit/loss for the year	4	**(64,836,320)**

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 DKK
Investments in group enterprises		504,719,181
Financial assets	5	**504,719,181**
Fixed assets		**504,719,181**
Deferred tax	6	96,250
Joint taxation contribution receivable		2,373,634
Receivables		**2,469,884**
Cash		**4,881,051**
Current assets		**7,350,935**
Assets		**512,070,116**

Equity and liabilities

	Notes	2023 DKK
Contributed capital		2,240,000
Retained earnings		156,923,680
Equity		**159,163,680**
Bank loans		124,562,500
Other payables		175,000,000
Non-current liabilities other than provisions	7	**299,562,500**
Current portion of non-current liabilities other than provisions	7	50,000,000
Trade payables		129,375
Payables to group enterprises		2,000,000
Tax payable		1,067,810
Other payables		146,751
Current liabilities other than provisions		**53,343,936**
Liabilities other than provisions		**352,906,436**
Equity and liabilities		**512,070,116**
Contingent liabilities	8	
Assets charged and collateral	9	
Transactions with related parties	10	

Parent statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	40,000	0	40,000
Increase of capital	2,200,000	221,760,000	223,960,000
Profit/loss for the year	0	(64,836,320)	(64,836,320)
Equity end of year	**2,240,000**	**156,923,680**	**159,163,680**

Notes to parent financial statements

1 Staff costs

	2023 DKK
Wages and salaries	341,127
Pension costs	27,600
Other social security costs	568
Other staff costs	(517)
	368,778

Average number of full-time employees	**1**

2 Other financial expenses

	2023 DKK
Other interest expenses	5,756,247
	5,756,247

3 Tax on profit/loss for the year

	2023 DKK
Change in deferred tax	(96,250)
Refund in joint taxation arrangement	(1,305,824)
	(1,402,074)

4 Proposed distribution of profit and loss

	2023 DKK
Retained earnings	(64,836,320)
	(64,836,320)

5 Financial assets

	Investments in group enterprises DKK
Additions	559,130,000
Cost end of year	**559,130,000**
Amortisation of goodwill	(68,120,249)
Share of profit/loss for the year	20,709,430
Dividend	(7,000,000)
Revaluations end of year	**(54,410,819)**
Carrying amount end of year	**504,719,181**

Carrying amount of goodwill included in investments in group enterprises DKK 346,907 k

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

6 Deferred tax

	2023 DKK
Liabilities other than provisions	96,250
Deferred tax	**96,250**

Changes during the year	2023 DKK
Recognised in the income statement	96,250
End of year	**96,250**

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

7 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK	Due after more than 12 months 2023 DKK	Outstanding after 5 years 2023 DKK
Bank loans	50,000,000	124,562,500	0
Other payables	0	175,000,000	175,000,000
	50,000,000	**299,562,500**	**175,000,000**

8 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.

9 Assets charged and collateral

A first pledge is given on any outstanding amounts in Sydbank. Surety is provided to Mos Mosh A/S.

Investment in group enterprises are pledged as collateral for bank debt with a book value as at 31 December 2023 of 72k. The carrying amount of securities pledged as collateral amounts to 111,488k at 31 December 2023.

10 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).

Non-comparability
This is the company and groups first financial years and this repport covers the periode of 02.05.2023 - 31.12.2023. Therfor there are numbers from previos years.

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.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

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.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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.

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.

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

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 0 to 10 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.

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.

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 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.