
VF SCANDINAVIA ApS

Kalkbrænderiløbskaj 8, st., DK-2100 København Ø

Annual Report for 1 April 2023 - 31 March 2024

CVR No. 71 03 24 18

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 9/7 2024

Martino Scabbia
Guerrini
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	4
Financial Highlights	5
Management's Review	6
Financial Statements	
Income Statement 1 April - 31 March	7
Balance sheet 31 March	8
Statement of changes in equity	10
Notes to the Financial Statements	11

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of VF SCANDINAVIA ApS for the financial year 1 April 2023 - 31 March 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 March 2024 of the Company and of the results of the Company operations for 2023/24.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 9 July 2024

Executive Board

Martino Scabbia Guerrini
Manager

Board of Directors

Kristine Van Aelst
Chairman

Martino Scabbia Guerrini

Giuseppé Guadagna

Independent Auditor's report

To the shareholder of VF SCANDINAVIA ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2024 and of the results of the Company's operations for the financial year 1 April 2023 - 31 March 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of VF SCANDINAVIA ApS for the financial year 1 April 2023 - 31 March 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 9 July 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Leif Ulbæk Jensen
State Authorised Public Accountant
mne23327

James Liang
State Authorised Public Accountant
mne34549

Company information

The Company	VF SCANDINAVIA ApS Kalkbrænderiløbskaj 8, st. 2100 København Ø Telephone: + 45 49222666 CVR No: 71 03 24 18 Financial period: 1 April 2023 - 31 March 2024 Incorporated: 27 September 1982 Municipality of reg. office: København
Board of Directors	Kristine Van Aelst, chairman Martino Scabbia Guerrini Giuseppé Guadagna
Executive Board	Martino Scabbia Guerrini
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023/24	2022/23	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	12,680	15,052	13,828	10,697	13,268
Profit/loss of primary operations	4,669	5,798	4,686	3,619	3,785
Profit/loss of financial income and expenses	-75	-66	-183	-314	-34
Net profit/loss for the year	3,231	4,208	4,091	2,004	2,928
Balance sheet					
Balance sheet total	86,060	108,540	87,348	63,613	46,635
Investment in property, plant and equipment	28	277	241	235	331
Equity	36,730	33,499	29,291	25,200	23,196
Number of employees	15	17	16	15	19
Ratios					
Return on assets	5.4%	5.3%	5.4%	5.7%	8.1%
Solvency ratio	42.7%	30.9%	33.5%	39.6%	49.7%
Return on equity	9.2%	13.4%	15.0%	8.3%	13.5%

Management's review

Key activities

The Company's main activity is to purchase and sell clothing to retailers in the Nordic region of Timberland, Vans, Kipling, The North Face, Eastpak, Dickies, Icebreaker and Smartwool.

Development in the year

The income statement of the Company for 2023/24 shows a profit of DKK 3,231,057, and at 31 March 2024 the balance sheet of the Company shows a positive equity of DKK 36,729,786.

The past year and follow-up on development expectations from last year

Revenue for 2023/24 has been below expectations. The expectation for 2023/24 was built with a +14% growth in Revenue.

The expectation was not met because of Vans sales global contraction.

Operating risks

VF Scandinavia operates as a limited risk distributor with a guaranteed profit amounting to 2% of sales.

Foreign exchange risks

VF Scandinavia is mainly operating in Denmark, buying the products from VF International in DKK and selling in DKK.

Targets and expectations for the year ahead

We expect to have a result before tax in a range of DKK 3.500.000 to 5.500.000

Research and development

Research and development is done at headquarter level.

Income statement 1 April 2023 - 31 March 2024

	Note	2023/24	2022/23
		DKK	DKK
Gross profit		12,680,364	15,052,429
Staff expenses	1	-7,412,869	-8,441,528
Depreciation and impairment losses of property, plant and equipment		-588,475	-779,164
Other operating expenses		-10,200	-33,628
Profit/loss before financial income and expenses		4,668,820	5,798,109
Financial income	2	1,780,208	699,890
Financial expenses	3	-1,855,408	-766,262
Profit/loss before tax		4,593,620	5,731,737
Tax on profit/loss for the year	4	-1,362,563	-1,524,201
Net profit/loss for the year	5	3,231,057	4,207,536

Balance sheet 31 March 2024

Assets

	Note	2023/24	2022/23
		DKK	DKK
Other fixtures and fittings, tools and equipment		160,748	338,137
Leasehold improvements		115,457	498,864
Property, plant and equipment in progress		0	5,277
Property, plant and equipment	6	<u>276,205</u>	<u>842,278</u>
Deposits	7	<u>2,422,736</u>	<u>2,414,609</u>
Fixed asset investments		<u>2,422,736</u>	<u>2,414,609</u>
Fixed assets		<u>2,698,941</u>	<u>3,256,887</u>
Finished goods and goods for resale		<u>1,271,698</u>	<u>1,538,673</u>
Inventories		<u>1,271,698</u>	<u>1,538,673</u>
Trade receivables		37,325,421	53,471,486
Receivables from group enterprises		13,272,051	19,642,642
Other receivables		780,369	1,559,159
Deferred tax asset	8	815,129	989,773
Prepayments	9	<u>1,006,297</u>	<u>1,809,144</u>
Receivables		<u>53,199,267</u>	<u>77,472,204</u>
Cash at bank and in hand		<u>28,890,562</u>	<u>26,271,969</u>
Current assets		<u>83,361,527</u>	<u>105,282,846</u>
Assets		<u>86,060,468</u>	<u>108,539,733</u>

Balance sheet 31 March 2024

Liabilities and equity

	Note	2023/24	2022/23
		DKK	DKK
Share capital		4,000,000	4,000,000
Retained earnings		32,729,786	29,498,729
Equity		36,729,786	33,498,729
Other provisions	10	968,129	322,213
Provisions		968,129	322,213
Credit institutions		18,972,419	33,017,097
Trade payables		674,874	837,976
Payables to group enterprises		20,263,505	27,385,460
Corporation tax		126,111	595,789
Other payables		8,325,644	12,882,469
Short-term debt		48,362,553	74,718,791
Debt		48,362,553	74,718,791
Liabilities and equity		86,060,468	108,539,733
Contingent assets, liabilities and other financial obligations	11		
Related parties	12		
Subsequent events	13		
Accounting Policies	14		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 April	4,000,000	29,498,729	33,498,729
Net profit/loss for the year	0	3,231,057	3,231,057
Equity at 31 March	<u>4,000,000</u>	<u>32,729,786</u>	<u>36,729,786</u>

Notes to the Financial Statements

	<u>2023/24</u>	<u>2022/23</u>
	DKK	DKK
1. Staff Expenses		
Wages and salaries	6,745,127	7,683,486
Pensions	465,412	568,142
Other social security expenses	133,003	125,799
Other staff expenses	69,327	64,101
	<u>7,412,869</u>	<u>8,441,528</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	<u>15</u>	<u>17</u>
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	<u>2023/24</u>	<u>2022/23</u>
	DKK	DKK
2. Financial income		
Interest received from group enterprises	1,068,820	379,667
Other financial income	94,692	11,760
Exchange adjustments	616,696	308,463
	<u>1,780,208</u>	<u>699,890</u>

	<u>2023/24</u>	<u>2022/23</u>
	DKK	DKK
3. Financial expenses		
Interest paid to group enterprises	1,078,737	510,952
Other financial expenses	15,207	33,705
Exchange adjustments, expenses	761,464	221,605
	<u>1,855,408</u>	<u>766,262</u>

Notes to the Financial Statements

	2023/24	2022/23
	DKK	DKK
4. Income tax expense		
Current tax for the year	1,187,919	1,260,982
Deferred tax for the year	174,644	263,219
	<u>1,362,563</u>	<u>1,524,201</u>

	2023/24	2022/23
	DKK	DKK
5. Profit allocation		
Retained earnings	<u>3,231,057</u>	<u>4,207,536</u>
	<u>3,231,057</u>	<u>4,207,536</u>

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments	Property, plant and equipment in progress
	DKK	DKK	DKK
Cost at 1 April	13,597,799	5,042,149	5,277
Additions for the year	27,680	0	0
Disposals for the year	0	0	-5,277
Cost at 31 March	<u>13,625,479</u>	<u>5,042,149</u>	<u>0</u>
Impairment losses and depreciation at 1 April	13,259,663	4,543,285	0
Depreciation for the year	205,068	383,407	0
Impairment losses and depreciation at 31 March	<u>13,464,731</u>	<u>4,926,692</u>	<u>0</u>
Carrying amount at 31 March	<u>160,748</u>	<u>115,457</u>	<u>0</u>

7. Other fixed asset investments

	Deposits
	DKK
Cost at 1 April	2,414,609
Additions for the year	8,127
Cost at 31 March	<u>2,422,736</u>
Carrying amount at 31 March	<u>2,422,736</u>

Notes to the Financial Statements

	2023/24	2022/23
	DKK	DKK
8. Deferred tax asset		
Deferred tax asset at 1 April	989,773	1,252,992
Amounts recognised in the income statement for the year	-174,644	-263,219
Deferred tax asset at 31 March	815,129	989,773

Deferred tax asset is recognised in the balance sheet based on an estimate of future taxable income for the coming 3 - 5 years

9. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

	2023/24	2022/23
	DKK	DKK
10. Other provisions		
Refurbishment provisions	968,129	322,213
	968,129	322,213

The provisions are expected to mature as follows:

Within 1 year	744,629	0
Between 1 and 5 years	223,500	322,213
After 5 years	0	0
	968,129	322,213

Notes to the Financial Statements

	2023/24	2022/23
	DKK	DKK
11. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	3,643,270	3,669,996
Between 1 and 5 years	695,338	275,901
	<u>4,338,608</u>	<u>3,945,897</u>

12. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
VF International SAGL	Shareholder

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Consolidated Financial Statements of the ultimate parent Company:

<u>Name</u>	<u>Place of registered office</u>
VF Corporation, USA	8505 E. Orchard Road, Greenwood Village, Colorado 80111

The Consolidated Financial Statements of VF Corporation, USA may be obtained at the following address: 8505 E. Orchard Road, Greenwood Village, Colorado 80111

13. Subsequent events

No events materially affecting the assessment of the Company's financial position have occurred after the balance sheet date.

Notes to the Financial Statements

14. Accounting policies

The Annual Report of VF SCANDINAVIA ApS for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023/24 are presented in DKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of VF Corporation, USA, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of goods sold

Cost of goods sold comprise the purchase price etc. for goods sold in the year.

Notes to the Financial Statements

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit

Gross profit/loss comprises revenue, expenses for consumables and other external expenses. With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

The residual values are estimated at the following percentage of the cost:

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

Notes to the Financial Statements

If so, the asset is written down to its lower recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$