

# The Cotton Group A/S

CVR-no. 42169447

Amaliegade 47

1256 Copenhagen K

## Annual Report 1 January - 31 December 2024

The Annual Report has been presented and approved on the company's annual general meeting  
20 June 2025

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Chairman of the General Meeting  
Søren Bremerskov Vuust

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## FINANCIAL REVIEW

### Cash flow statement

Cash flow from operating activities was DKK 360.9 million (2023: DKK 168.9 million), impacted by positive cash flow from changes in inventories and trade receivables.

Cash flow from investing activities was a cash outflow of DKK 231.5 million (2023: DKK 29.4 million), mainly originating from the acquisition of Falk & Ross.

Cash flow from financing activities was a cash outflow of DKK 67.2 million (2023: DKK 136.0 million). The cash outflow in 2023 originated mainly from dividend paid to shareholders and payment of interest offset by financing obtained to acquire Falk & Ross.





## SUSTAINABILITY

The Cotton Group follows a policy of zero tolerance for all forms of corruption, including extortion and bribery. We do not permit any undue payments, nor do we engage in any political activity or contribution contrary to the laws in countries, where we do business. The acceptance of any kind of kickbacks, rebates, or other values to obtain an advantage or personal benefit in relation to our business is prohibited and is a breach of our policies.

### Statutory statement on data ethics

The data utilised by The Cotton Group mainly relates to business-to-business information. However, we do have some data, generated by the Group, in respect of private customers and employees. For private customers, we utilise analytical tools like Google to analyse consumption patterns, but do not store this data in respect of individuals, all in accordance with data protection laws.

The Group has established a policy in respect of data ethics. This requires data ethics and security to be considered when implementing new technologies and requires us to act according to applicable law, ethically and transparent in respect of persons providing data.

## COMPANY INFORMATION

Name	The Cotton Group A/S
Address	Amaliegade 47 1256 Copenhagen K Denmark
CVR-no.	42 16 94 47
Incorporated	25 February 2021
Municipality of domicile	Copenhagen
Accounting period	1 January – 31 December
Board of Directors	Christian Peter Dyvig (Chairman) Michael Hauge Sørensen Mia Dyvig
Executive Board	Søren Bremerskov Vuust
Auditor	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense









## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 Accounting policies

Deferred tax assets and deferred tax liabilities are netted, if the group has a legal right to net current tax assets and liabilities or if it is the intention to settle current tax assets and liabilities on a net basis or realise these simultaneously.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the applicable tax rates are recognised in other comprehensive income.

#### Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses.

Software, licenses and patents are measured at cost less accumulated amortisation and impairment losses. Software, licenses and patents are amortised on a straight-line basis over the term of the patent, licence or expected utilisation period normally between 3 and 10 years.

#### *Development projects, software, patents and licenses etc*

Development projects that are clearly defined and identifiable and where the technical feasibility, sufficient resources and a potential future market or development potential are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets, provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs, administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

#### Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, wages and salaries as well as borrowing costs relating to specific and general borrowing directly attributable to the construction of the individual asset. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	25-40 years
Plant and machinery	3-10 years
Other equipment	3-10 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.































## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DKK million	2024	2023
<b>22 Other payables</b>		
Accrued wages, pensions, holiday allowance etc.	37.0	36.2
Tax withholdings, VAT etc	29.8	18.8
Other liabilities	1.6	1.2
<b>Total other payables</b>	<b>68.4</b>	<b>56.2</b>
Non-current liabilities	0.0	0.0
Current liabilities	68.4	56.2
<b>Total other payables</b>	<b>68.4</b>	<b>56.2</b>

<b>23 Contract liabilities</b>		
Liabilities related to goods delivered to customers	15.8	21.1

Contract liabilities comprises liabilities related to customer loyalty programmes and right of return liabilities towards customers.

### 24 Contingent liabilities

The Cotton Group is party to a few legal disputes. It is not expected that the outcome from these cases, will have a significant impact on the Group. In connection with the acquisition made in 2021, The Cotton Group took over guarantees related to the former owners' sale of its other subsidiaries. As security for the guarantees issued, The Cotton Group has issued a bank guarantee of DKK 14.9 million.

The Cotton Group A/S is jointly taxed with all Danish resident affiliated companies of Dyvig Holdings A/S, who is the administration company for the joint taxation. Pursuant to the Danish Corporation Tax Act, the companies are liable for income taxes etc. for the jointly taxed companies and for any obligations to withhold tax at source on interest, royalties and dividends from the jointly taxed companies.

DKK million	2024	2023
<b>25 Change in working capital</b>		
Change in inventories	21.6	44.8
Change in receivables	50.3	5.6
Change in prepayments	(1.3)	(0.5)
Change in trade payables and other liabilities	26.2	(104.3)
Change in contract liabilities	(6.3)	(11.7)
<b>Total change in working capital</b>	<b>90.5</b>	<b>(66.1)</b>

### 26 Non cash transactions

DKK million	2024			2023		
	Non-cash changes	Cash flow	Closing	Non-cash changes	Cash flow	Closing
<b>Receivable from sale of companies</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>15.8</b>	<b>0.0</b>
Bank overdraft facility	(4.4)	204.1	509.7	(4.9)	(6.8)	310.0
Lease liabilities	49.0	(21.5)	97.2	(1.6)	(18.2)	69.7
<b>Liabilities from financing activities</b>	<b>44.6</b>	<b>182.6</b>	<b>606.9</b>	<b>(6.5)</b>	<b>(25.0)</b>	<b>379.7</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 27 Cash and cash equivalents

DKK million	2024	2023
<b>Cash and cash equivalents in the cash flow statement as at 31 December includes:</b>		
Cash in bank and in hand	95.3	33.1
<b>Cash and cash equivalents in the cash flow statement</b>	<b>95.3</b>	<b>33.1</b>

Cash and cash equivalents includes DKK 16.1 million (2023: 0.0 million), which are security for letters of credits issued.

The Cotton Group has a not utilised credit facility under the bank overdraft of DKK 213.7 million (2023: DKK 187.0 million).

### 28 Business combination

On 26 November 2024 The Cotton Group A/S acquired 100% of the outstanding shares in Falk & Ross Group Equity GmbH, owning a number of companies in the European promotional wear market.

Falk & Ross is a leading wholesaler of promotional wear products headquartered in Sembach, Germany, with distribution centres in Germany, Spain and Poland and selling promotional wear products across Europe

No acquisitions were carried out in 2023.

DKK million	2024
<b><i>The fair value of assets and liabilities recognised as a result of the acquisition, can be specified as follows:</i></b>	
Cash and cash equivalents	48.7
Trade receivables	103.5
Inventories	170.9
Other receivables	11.2
Non-current assets	106.3
Deferred tax, net	(0.8)
Interest-bearing loans and borrowings	(1.0)
Trade payables	(150.5)
Contract liabilities	(0.5)
Other liabilities	(29.0)
<b>Net assets acquired</b>	<b>258.8</b>
Goodwill on acquisition	0.0
<b>Cash purchase consideration</b>	<b>258.8</b>

The fair value of trade receivables acquired in 2024 was DKK 103.5 million. The gross contractual amount for trade receivables acquired in 2024 was DKK 106.9 million, with an impairment loss allowance of DKK 3.4 million recognised on acquisition.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 28 Business combination (continued)

The acquired business contributed with revenues in 2024 of DKK 57.4 million, and a net loss of DKK 0.4 million. If the acquisition had occurred at 1 January 2024, consolidated pro-forma revenue, EBIT and net profit for the year ending 31 December 2024 would have been as follows:

	<b>2024</b>
Revenue	2,790.6
Earnings before financial items and tax	288.5
Net profit	203.1

These values have been calculated based on the same accounting principles as The Cotton Group, but without costs related to the financing of the acquisition and effects of fair value adjustments made.

#### **Outflow of cash related to the acquisition can be specified as follows:**

Cash purchase consideration	258.8
Less cash and cash equivalents acquired	(48.7)
<b>Net cash outflow</b>	<b>210.1</b>

Acquisition-related costs of DKK 8.2 million was included in administrative expenses in the statement of profit or loss and in cash flow from operating activities in the cash flow statement

### 29 Financial risks and financial instruments

The Cotton Group is exposed to a number of risks arising from its operational and financial activities. This covers operational risk, currency risk, interest rate risk, liquidity risk and credit risk.

Financial risks are managed centrally by the Group. It is on an ongoing basis considered, if the financial risk management approach appropriately addresses the risk exposures. Operational risks are addressed by management of the individual business segments.

The most significant risks for The Cotton Group are specified in the following:

#### **Operational risk**

The main operational risks, that would affect The Cotton Group, are risks related to the supply chain, including price increases and lack of inbound transport capacity. Also, the group would be impacted by changes in demand for the garments in inventory.

#### **Risk of price increases**

If The Cotton Group is not able to pass on increases in purchase prices to customers, this will have a negative effect on the profitability of the Group. Historically, The Cotton Group has been able to pass on a significant part of such price increases to the customers, as the majority of the revenue is based on prices, which can be adjusted.

#### **Risk related to inbound logistic services**

The Cotton Group would be negatively impacted if products can not be transported efficiently from the factories, mainly in Asia, to the warehouses in Europe. The negative impact would either result in lower revenues (from lack of products) or in higher freight costs (from more expensive transportation). The Group mitigates the effects of this risk by establishing partnerships and long-term agreements with carriers and freight forwarders. Furthermore, alternative transportation methods are used from time to time.

#### **Inventories**

The Cotton Group has inventories at a carrying amount of DKK 897.5 million (2023: DKK 758.5 million). The Group's gross profit would be negatively impacted by a decrease in the demand for the garments in inventories leading to impairment losses. The valuation of the inventories is assessed on a monthly basis, and inventories are closely monitored, where slow moving or obsolete inventories are identified and dealt with on a regular basis. Being in the workwear and promotional wear market, the inventories are generally not impacted by changes in fashion. For inventories acquired on behalf of specific customers, the customers generally have an obligation to buy out remaining garments at the end of the contract.

#### **Currency risk**

Currency risk is the risk that arises from changes in exchange rates, that affects The Cotton Group's result, investments or value of financial instruments.

#### **Currency exposure from operational activities**

The Cotton Group has activities in several different countries, resulting in a cash inflow in several different currencies, mainly comprising EUR, NOK and SEK. However, costs related to the purchase of goods are mainly incurred in USD and EUR. This results in net cash inflows in EUR, NOK and SEK and net cash outflow in USD, with related currency exposure in respect of future cash flows. The Group monitors this exposure on a continuous basis, and enters into foreign currency hedges when it is considered to be advantageous to mitigate the risk.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 29 Financial risks and financial instruments (continued)

#### **Interest rate risk**

The interest rate risk comprises the risk that a change in market interest rates, will have a negative impact on profits. The Cotton Group pays variable interest on its interest-bearing liabilities. Changes in the market interest rates, therefore affect the Group's interest costs. The Group does not normally hedge its interest risk.

An increase in relevant interest rates of 1%-point would, disregarding cash and cash equivalents, decrease the profit before tax by DKK 2.8 million (2023: DKK 4.1 million).

#### **Liquidity risk**

Liquidity risk results from the Group's potential inability or difficulty to meet the contractual obligations associated with its liabilities due to insufficient liquidity.

The Cotton Group aims to, at all times, have sufficient available liquidity to meet all its obligations and has established a short-term bank overdraft facility of DKK 745.8 million, which expires 31 December 2025. DKK 532.1 million of the overdraft facility was utilised 31 December 2024 (2023: DKK 334.7 million). Net interest bearing debt 31 December 2024 increased to DKK 414.4 million (2023: DKK 276.9 million) due to the acquisition of Falk & Ross Group Equity GmbH and dividend paid to shareholders partly offset by the cash flow from operations. The leverage in The Cotton Group remains low. The Group continuously monitors its liquidity risk and risks related to renewing or obtaining new credit facilities.

The bank overdraft facility is subject to a change of control clause for the ultimate beneficial owner and key subsidiaries. Furthermore, The Cotton Group A/S may not pay out dividends in case the equity ratio, calculated as agreed with the banks, falls below 25%.

#### **Maturity analysis**

The Cotton Group's financial liabilities mature as follows:

	<b>Contractual cash flow</b>	<b>Due within 1 year</b>	<b>Due from 1 - 5 years</b>	<b>Due after 5 years</b>
<b>2023 (DKK million)</b>				
Interest-bearing loans and borrowings	325.9	325.9	0.0	0.0
Lease liabilities	77.9	17.0	40.0	20.9
Trade payables	176.2	176.2	0.0	0.0
Other payables	56.2	56.2	0.0	0.0
<b>31 December 2023</b>	<b>636.2</b>	<b>575.3</b>	<b>40.0</b>	<b>20.9</b>
<b>2024 (DKK million)</b>				
Interest-bearing loans and borrowings	535.5	535.5	0.0	0.0
Lease liabilities	107.3	27.1	60.1	20.1
Trade payables	360.7	360.7	0.0	0.0
Other payables	68.4	68.4	0.0	0.0
<b>31 December 2024</b>	<b>1,071.9</b>	<b>991.7</b>	<b>60.1</b>	<b>20.1</b>

#### **Basis for the maturity analysis**

The maturity analysis is based on all undiscounted cashflows including estimated interest payments. Interest payments are estimated based on the current market conditions.

The undiscounted cashflows from financial liabilities are presented gross, unless the parties have a right to settle the balances net.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 29 Financial risks and financial instruments (continued)

#### Credit risks

The credit risk related to customers are, based on historic experience, considered to be low. Also, receivables are distributed on a significant number of customers located across Europe and within several different industries, including public customers and small private customers. However, within individual business segments, there is a concentration of receivables from individual customers. The credit risk is mitigated through inhouse assessments of customers' creditworthiness and use of credit insurances.

#### Aging analysis trade receivables as at 31 December (DKK million)

	Accrual	Receiv- able	Expected loss	Trade receiv- able
<b>2023</b>				
Not due	0.5%	210.6	1.1	209.5
Less that 30 days overdue	1.0%	38.1	0.4	37.7
Between 30 and 60 days overdue	2.0%	6.2	0.1	6.1
Between 60 and 90 days overdue	10.0%	3.0	0.3	2.7
Above 90 days overdue	45.0%	13.9	6.2	7.7
<b>Trade receivables</b>		<b>271.8</b>	<b>8.1</b>	<b>263.7</b>
<b>2024</b>				
Not due	0.5%	254.3	1.3	253.0
Less that 30 days overdue	1.0%	42.1	0.4	41.7
Between 30 and 60 days overdue	2.0%	4.6	0.1	4.5
Between 60 and 90 days overdue	10.0%	1.2	0.1	1.1
Above 90 days overdue	80.0%	11.9	9.6	2.3
<b>Trade receivables</b>		<b>314.1</b>	<b>11.5</b>	<b>302.6</b>

The Group applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The maximum credit risk from financial assets are reflected in the carrying amounts included in the financial position.

The credit losses realised during the financial year ending 31 December 2024 was DKK 0.2 million (2023: DKK 0.3 million).

DKK million	2024	2023
<b>Categories of financial instruments</b>	<b>Carrying amount</b>	
Receivables, cash and cash equivalents	424.6	309.0
Financial liabilities measured at fair value via the income statement	0.0	0.7
Financial liabilities measured at amortised cost	941.4	541.7

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 29 Financial risks and financial instruments (continued)

**Fair value hierarchy for financial instruments measured at fair value in the financial position or where fair value is disclosed:**

DKK million	Market price (level 1)	Observable input (level 2)	Unobservable input (level 3)	Total
<b>2023</b>				
Derivative financial instruments	(0.7)	0.0	0.0	(0.7)
<b>Financial assets measured at fair value at 31 December 2023</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>2024</b>				
Derivative financial instruments	0.0	0.0	0.0	0.0
<b>Financial assets measured at fair value at 31 December 2024</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

#### **Derivative financial instruments**

Currency forward contracts are measured applying generally accepted valuation methods based on relevant observable foreign exchange rates.

#### **Interest-bearing loans and borrowings**

Interest-bearing loans and borrowings are valued at nominal value.

#### **Receivables and cash and cash equivalents**

Receivables, cash and cash equivalents with a short maturity are measured at fair value, which is equal to the carrying amount.

#### **Other financial liabilities**

Other financial liabilities with a short maturity are measured at fair value, which is equal to the carrying amount.

### 30 Related parties

The Cotton Group A/S has registered the following shareholders owning more than 5% of the shares or votes in the company:

- Selskabet af 31.12.2020 ApS, Amaliegade 47, 1256 Copenhagen K, Denmark
- Michaso Holding ApS, Amaliegade 47, 1256 Copenhagen K, Denmark

The Cotton Group A/S is part of a group of companies owned by Dyvig Holdings A/S, whose subsidiaries are related parties to The Cotton Group A/S.

The Cotton Group is ultimately controlled by Christian Peter Dyvig, Stockholmsgade 43, 2100 København Ø, who also controls C.P. Dyvig & Co. A/S, Amaliegade 47, 1256 Copenhagen K, Denmark

Transactions with related parties include participation in the joint taxations, payment of rent, costs for the head office in Copenhagen and interest on loans from the shareholders in total DKK 4.8 million (2023: DKK 2.4 million).

#### **Management**

Other related parties comprise the Executive Board and the Board of Directors of The Cotton Group A/S and their close relatives. Remuneration of the Executive Management and the Board of Directors of The Cotton Group A/S has been disclosed in note 5. In addition, payments have been made to companies controlled by board members covering:

- rent and related costs for the head office in Copenhagen of DKK 0.4 million (2023: DKK 0.3 million) has been paid to C.P. Dyvig & Co. A/S,
- payment received from Dyvig Holdings A/S from joint taxation of DKK 2.5 million (2023: DKK 1.1 million),
- interest on a loan from Selskabet af 31.12.2020 ApS of DKK 0.5 million (2023: DKK 1.0 million), and
- interest on a loan from Michaso Holding ApS of DKK 0.2 million (2023: DKK 0.0 million)
- interest on a loan from Dyvig Holdings A/S of DKK 1.3 million (2023: DKK 0.0 million)



## PARENT COMPANY FINANCIAL STATEMENTS

### Income statement

Note	DKK million	2024	2023
2	Other income	3.8	3.0
3,4	Administrative expenses	(5.4)	(5.6)
	<b>Earnings before financial items and tax</b>	<b>(1.6)</b>	<b>(2.6)</b>
	Dividend from subsidiaries	186.8	251.9
5	Financial income	11.2	3.6
6	Financial expenses	(33.5)	(12.5)
	<b>Profit before tax</b>	<b>162.9</b>	<b>240.4</b>
7	Income tax	4.9	2.5
	<b>Net profit</b>	<b>167.8</b>	<b>242.9</b>



## PARENT COMPANY FINANCIAL STATEMENTS

### Statement of equity

DKK million	Share capital	Retained earnings	Proposed dividend	Total
<b>2023</b>				
Total equity at 1 January 2023	26.3	0.2	86.5	113.0
Net profit		19.4	223.5	242.9
Dividends paid to shareholders			(86.5)	(86.5)
<b>Total equity at 31 December 2023</b>	<b>26.3</b>	<b>19.6</b>	<b>223.5</b>	<b>269.4</b>
<b>2024</b>				
Total equity at 1 January 2024	26.3	19.6	223.5	269.4
Net profit		42.8	125.0	167.8
Dividends paid to shareholders			(223.5)	(223.5)
<b>Total equity at 31 December 2024</b>	<b>26.3</b>	<b>62.4</b>	<b>125.0</b>	<b>213.7</b>

## NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note	
1	Accounting policies
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## NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

DKK million		2024	2023
<b>7 Income tax</b>			
<b>Tax recognised in the income statement</b>			
Income tax on net profit		(4.9)	(2.5)
<b>Total income tax</b>		<b>(4.9)</b>	<b>(2.5)</b>
<b>Income tax can be specified as follows:</b>			
Current tax		(4.6)	(2.6)
Deferred tax		(0.3)	0.1
<b>Total income tax</b>		<b>(4.9)</b>	<b>(2.5)</b>
<b>The effective tax rate can be specified as follows:</b>			
		<b>2024</b>	<b>2023</b>
Income tax based on Danish tax rate	(5.4)	22.0%	(2.5) 22.0%
Non-deductible costs	0.5	(2.2%)	0.0 0.0%
<b>Total income tax</b>	<b>(4.9)</b>	<b>19.8%</b>	<b>(2.5) 22.0%</b>
Effective tax rate		19.8%	22.0%
<b>Deferred tax</b>			
Deferred tax at 1 January		(0.1)	0.0
Deferred tax recognised in the income statement		0.3	(0.1)
<b>Deferred tax at 31 December</b>		<b>0.2</b>	<b>(0.1)</b>
<b>Deferred tax specification</b>			
Deferred tax assets		0.2	0.0
Deferred tax liabilities		0.0	(0.1)
<b>Deferred tax at 31 December</b>		<b>0.2</b>	<b>(0.1)</b>
<b>8 Investment in subsidiaries</b>			
<b>Cost at 1 January</b>		<b>571.5</b>	<b>320.5</b>
Additions		0.0	251.0
<b>Cost at 31 December</b>		<b>571.5</b>	<b>571.5</b>
<b>Carrying amount at 31 December</b>		<b>571.5</b>	<b>571.5</b>
<b>Subsidiaries</b>	<b>Place of registered office</b>	<b>Ownership</b>	
The Cotton Group Holding AB	Sweden	100%	
Wenaas Workwear AS	Norway	98%	
<b>9 Shareholders equity</b>			
<b>Share capital</b>		<b>Issued shares</b>	
		<b>Number of shares</b>	<b>Nominal value DKK million</b>
<b>Capital at incorporation</b>		<b>0.4</b>	<b>0.4</b>
Capital reduction		(0.4)	(0.4)
Capital increase		43.0	43.0
<b>Share capital at 31 December 2021</b>		<b>43.0</b>	<b>43.0</b>
Capital reduction		(16.7)	(16.7)
<b>Share capital at 31 December 2022</b>		<b>26.3</b>	<b>26.3</b>
<b>Share capital at 31 December 2023</b>		<b>26.3</b>	<b>26.3</b>
<b>Share capital at 31 December 2024</b>		<b>26.3</b>	<b>26.3</b>

The share capital at the end of 2024 comprised 26,311,150 shares.

## NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

DKK million	2024	2023
<b>10 Interest-bearing loans and borrowings</b>		
Current liabilities	508.9	310.0
<b>Carrying amount of interest-bearing loans and borrowings</b>	<b>508.9</b>	<b>310.0</b>
<b>Nominal value</b>	<b>508.9</b>	<b>310.0</b>

### 11 Contingent liabilities

The Cotton Group A/S is jointly taxed with all Danish resident affiliated companies of Dyvig Holdings A/S, who is the administration company for the joint taxation. Pursuant to the Danish Corporation Tax Act, the companies are liable for income taxes etc. for the jointly taxed companies and for any obligations to withhold tax at source on interest, royalties and dividends from the jointly taxed companies.

The Cotton Group A/S has as principal obligor guaranteed the obligations of its subsidiaries towards the groups primary bank. The outstanding under these guarantees at 31 December 2024 was DKK 22.8 million (2023: DKK 24.7 million).

### 12 Related parties

#### Controlling interest

##### *Controlling shareholder*

Selskabet af 31.12.2020 ApS, Amaliegade 47, 1256 København K, 1256 København K, Denmark

##### *Ultimate parent company*

Dyvig Holdings A/S, C.F. Tietgens Boulevard 32C, 5220 Odense SØ, Denmark

The Cotton Group A/S is included in the consolidated financial statements of Dyvig Holdings A/S.

#### Affiliated companies

The Cotton Group A/S' balances with affiliated companies are shown in the statement of the financial

The Cotton Group A/S has since 25 February 2021 been part of the joint taxation with Dyvig Holdings A/S and its Danish subsidiaries.

#### Other related parties

Other related parties comprise the Board of Management and the Board of Directors of The Cotton Group A/S and their close relatives.

#### 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.

There have been no transactions with related parties in the year that have not been made on normal market conditions.

### 13 Significant events after the balance sheet date

After 31 December 2024, The Cotton Group A/S has received a dividend of DKK 300.8 million from its subsidiary The Cotton Group Holding AB. No other significant events have occurred after 31 December 2024.

## STATEMENT BY MANAGEMENT

The Board of Directors and the Executive Board have today discussed and approved the annual report of The Cotton Group A/S for the financial year 1 January – 31 December 2024.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act. The parent company financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024 and of the results of their operations and consolidated cash flows for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters, the results for the year and the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 23 April 2025

### Executive Board:

.....  
Søren Bremerskov Vuust

### Board of Directors:

.....  
Christian Peter Dyvig  
(Chairman)

.....  
Michael Hauge Sørensen

.....  
Mia Dyvig

## INDEPENDENT AUDITOR'S REPORT

### To the shareholders of The Cotton Group A/S

#### Opinion

We have audited the consolidated financial statements and the parent company financial statements of The Cotton Group A/S for the financial year 1 January – 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including material accounting policy information, for the Group and the Parent Company, and a consolidated statement of comprehensive income and a consolidated cash flow statement. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2024 and of the results of the Group's operations and cash flows for the financial year 1 January – 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Further, in our opinion, the parent company financial statements give a true and fair view of the financial position of the Parent Company at 31 December 2024 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 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 company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

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.

#### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the 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 of the Management's review.

## INDEPENDENT AUDITOR'S REPORT

### Independent auditor's report

#### Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act.

Moreover, Management is responsible 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.

## INDEPENDENT AUDITOR'S REPORT

### Independent auditor's report

- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Copenhagen, 23 April 2025  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Brian Skovhus Jakobsen  
statsaut. revisor  
mne27701

Anders Flou  
statsaut. revisor  
mne32777



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## Michael Hauge Sørensen

Board member

På vegne af: The Cotton Group A/S

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IP: 124.217.xxx.xxx

2025-04-28 08:56:37 UTC



## Mia Dyvig

Board member

På vegne af: The Cotton Group A/S

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IP: 87.49.xxx.xxx

2025-04-28 09:06:01 UTC



## Christian Dyvig

Board member

På vegne af: The Cotton Group A/S

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IP: 152.115.xxx.xxx

2025-04-28 09:17:33 UTC



## Søren Bremerskov Vuust

CEO

På vegne af: The Cotton Group A/S

Serienummer: 63704314-5e4b-4f1f-99f6-9b342725676d

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## Brian Skovhus Jakobsen

EY Godkendt Revisionspartnerselskab CVR: 30700228

Statsaut. revisor

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## Anders Flou

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## Søren Bremerskov Vuust

### Dirigent

På vegne af: The Cotton Group A/S

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