20230706202:2

Styrelsen och verkställande direktören för

The Cotton Group Holding AB

Org nr 559220-4969

får härmed avge

Årsredovisning

för räkenskapsåret 1 januari - 31 december 2022

Innehåll: **sida**

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Resultaträkning	**3**
Balansräkning	**4**
Noter med redovisningsprinciper och bokslutskommentarer	**5**
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Fastställelseintyg

Undertecknad styrelseledamot i The Cotton Group Holding AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 30 juni 2023
Årsstämman beslutade att godkänna styrelsens förslag till hur årets resultat ska fördelas.

Jag intygar också att innehållet i årsredovisningen stämmer
överens med originalen.

Borås 30 Juni 2023

Søren Vuust
Verkställande direktör

20230706020243

Styrelsen och verkställande direktören för

The Cotton Group Holding AB

Org nr 559220-4969

får härmed avge

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för räkenskapsåret 1 januari - 31 december 2022

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Förvaltningsberättelse

Allmänt om verksamheten
The Cotton Group Holding AB ägs av The Cotton Group A/S till 100%.
Styrelsens säte: Borås

Utveckling av företagets verksamhet, resultat och ställning
Bolaget förvaltar andelar i dotterföretag. Ingen förändring har skett under året.

Väsentliga händelser under och efter räkenskapsåret
Inga väsentliga händelser har inträffat under eller efter räkenskapsåret

Flerårsöversikt	**2022**	**2021**
Nettoomsättning (kkr)	–	–
Resultat efter finansiella poster (kkr)	600.020	-22
Soliditet %	100%	100%

Förväntad framtida utveckling
Bolaget skall fortsätta förvalta aktier i dotterföretag.

Eget kapital

2022-12-31	**Bundet eget kapital**	**Fritt eget kapital**	
Belopp i kkr	*Aktiekapital*	*Balanserat resultat*	*Summa eget kapital*
Ingående balans	50	439.188	439.238
Årets resultat		600.020	600.020
Vid årets utgång	50	1.039.208	1.039.258

Förslag till disposition av företagets vinst eller förlust
Styrelsen föreslår att fritt eget kapital, kronor 439.207.784 disponeras enligt följande:

Ansamlad vinst		439.188.288
Årets resultat		600.019.496
Balanseras i ny räkning	Summa	1.039.207.784

disponeras så att

I ny räkning överföres	1.039.207.784
	1.039.207.784

Förtagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

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Resultaträkning

Belopp i kkr	*Not*	*2022*	*2021*
Rörelsens kostnader			
Övriga externa kostnader	2	-98	-21
Resultat från finansiella poster			
Resultat från andelar i koncernföretag		600.000	–
Ränteintäkter och liknande resultatposter		–	1
Räntekostnader och liknande resultatposter	4	–	-2
Summa finansiella poster		600.000	-1
Resultat efter finansiella poster		599.902	-22
Erhållna koncernbidrag		118	–
Resultat före skatt		600.020	-22
Årets resultat		600.020	-22

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Balansräkning

Belopp i kkr	*Not*	*2022-12-31*	*2021-12-31*
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	5	439.278	439.278
		439.278	439.278
Summa anläggningstillgångar		439.278	439.278
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		600.049	60
Övriga fordringar		9	
		600.058	60
Kassa och bank			
Kassa och bank		–	–
		–	–
Summa omsättningstillgångar		600.058	60
SUMMA TILLGÅNGAR		1.039.336	439.338

Balansräkning

Belopp i kkr	*Not*	*2022-12-31*	*2021-12-31*
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital (50 000 aktier)		50	50
		50	50
Fritt eget kapital			
Balanserat resultat		439.188	439.210
Årets resultat		600.020	-22
		1.039.208	439.188
		1.039.258	439.238
Kortfristiga skulder			
Skulder till koncernföretag		38	100
Upplupna kostnader och förutbetalda intäkter		40	–
		78	100
SUMMA EGET KAPITAL OCH SKULDER		1.039.336	439.338

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Noter

Belopp i kkr om inget annat anges

Not 1 Redovisningsprinciper

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2016:10 Årsredovisning i mindre aktiebolag (K2).

Redovisningsprinciperna är oförändrade jämfört med tidigare år.

Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Nedskrivningar - materiella och immateriella anläggningstillgångar samt andelar i koncernföretag

Vid varje balansdag bedöms om det finns någon indikation på att en tillgångs värde är lägre än dess redovisade värde. Om en sådan indikation finns, beräknas tillgångens återvinningsvärde.

Återvinningsvärdet är det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärde. Vid beräkning av nyttjandevärdet beräknas nuvärdet av de framtida kassaflöden som tillgången väntas ge upphov till i den löpande verksamheten samt när den avyttras eller utrangeras. Den diskonteringsränta som används är före skatt och återspeglar marknadsmässiga bedömningar av pengars tidsvärde och de risker som avser tillgången. En tidigare nedskrivning återförs endast om de skäl som låg till grund för beräkningen av återvinningsvärdet vid den senaste nedskrivningen har förändrats.

Poster i utländsk valuta

Monetära poster i utländsk valuta räknas om till balansdagens kurs. Icke-monetära poster räknas inte om utan redovisas till kursen vid anskaffningstillfället.

Andelar i dotterföretag

Andelar i dotterföretag redovisas till anskaffningsvärde minskat med ackumulerade nedskrivningar. I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Skatt

Skatt på årets resultat i resultaträkningen består av aktuell skatt och uppskjuten skatt. Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Not 2 Arvode och kostnadsersättning till revisorer

Revisisonarvode erläggs av annat företag inom koncernen.

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Noter

Belopp i kkr om inget annat anges

Not 3 Personal

Medelantalet anställda

	2022	2021

Bolaget har ej haft några anställda under verksamhetsåret. Ersättning till styrelse har ej utgått.

Not 4 Räntekostnader och liknande resultatposter

	2022	2021
Räntekostnader, koncernföretag	–	-1
Räntekostnader, övriga	–	-1
	–	-2

Not 5 Andelar i koncernföretag

	2022	2021
Ingående anskaffningsvärden	439.278	50
Anskaffningar		439.228
Utgående anskaffningsvärden	439.278	439.278

Not 6 Ställda säkerheter och eventualförpliktelser

Eventualförpliktelser

Borgensförbindelser till förmån för koncernföretag:

Bolaget har möjligheten att utnyttja en del af gruppens kreditfacilitet avseende rörelsekapital på EUR 60 milijoner som är tillgänglig för The Cotton Group koncernen. Kreditfaciliteten har ingåtts mellan The Cotton Group A/S som huvudgäldenär och Danske Bank A/S som långivare. Per den 31 december 2022 var det totala utestående beloppet under denna facilitet EUR 47 miljoner.

Bolaget har garanterat kreditfaciliteten som en primär gäldenär. Bolagets förpligtelser under garantien är begränsade till den omfattning som gäller för at uppfylla gällanda lag.

Not 7 Koncernuppgifter

Företaget är helägt dotterföretag till The Cotton Group A/S, org. nr. 42169447 med säte i Köpenmhamn.

Koncernredovsning upprättas för den minsta koncernen i The Cotton Group A/S, org. nr. 42169447 med säte i Köpenhamn, Danmark.

The Cotton Group Holding AB upprättar ingen koncernredovisning med hänvisning till ÅRL 7 kap 2§.

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Noter

Belopp i kkr om inget annat anges

Not 8 Nyckeltalsdefinitioner

Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader, men före bokslutsdispositioner och skatt.

Soliditet (%)
Justerat eget kapital i procent av balansomslutningen.

Borås, 30 Juni 2023

Christian Dyvig
Ordförande

Michael Hauge Sørensen
Styrelsesledamot

Søren Vuust
Styrelsesledamot och verkställande direktör

Vår revisionsberättelse har lämnats den
Ernst & Young AB

Peter Emanuelsson
Auktoriserad revisor

Fotokopians överensstämmer med originalet intygas:

EY

Revisionsberättelse

Till bolagsstämman i The Cotton Group Holding AB, org.nr 559220-4969

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för The Cotton Group Holding AB för räkenskapsåret 2022-01-01 – 2022-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av The Cotton Group Holding ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs *närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till The* Cotton Group Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om beslut har fattats om att avveckla verksamheten.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa riskei *och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för* att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan *innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden,* felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar *slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i* revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. *Våra slutsatser baseras på de revisionsbevis som inhämtas fram till* datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehålle i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av The Cotton Group Holding AB för räkenskapsåret 2022-01-01 – 2022-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till The Cotton Group Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisioner av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Borås den 30 juni 2023
Ernst & Young AB

Peter Emanuelsson
Auktoriserad revisor

Fotokopians överensstämmelse
med originalet intygas:

20230706202752

The Cotton Group A/S

CVR-no. 42169447

Amaliegade 47

1256 Copenhagen K

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

Annual Report
1 January - 31 December 2022

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

17 April 2023

Chairman of the General Meeting
Søren Bremerskov Vuust

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MANAGEMENT REVIEW

Activities of the Group

The Cotton Group started its operations in March 2021 by acquiring a portfolio of leading businesses in the European professional wear market.

- B&C, the market leader within promotional wear in Continental Europe with products sold across 30 European countries. The company is headquartered in Waterloo, Belgium.
- Wenaas, the Norwegian market leader in heavy workwear, expanding across Northern Europe. The company is also the European market leader in offshore and shipping expanding outside Europe. The company is headquartered in Måndalen, Norway.
- Clinic Dress, an e-commerce based healthcare apparel company, selling directly to clinics and individual care workers across Central Europe. The company is headquartered in Bramsche, Germany.
- Sverre W. Monsen, the market leader in garments and textiles to the healthcare and leisure industry in Norway, expanding across the Nordic region. The company is headquartered in Bergen, Norway.
- Hejco, designs, develops and manufactures workwear for employees in the care industry across the Nordic region. The company is headquartered in Borås, Sweden.
- Martinson, the market leader in Sweden within garments for hospitals. The company is headquartered in Borås, Sweden.

Performance in 2022

The revenue for the Group was DKK 2,265.7 million and the operating profit before special items (EBIT) was DKK 255.3 million. The performance in 2022 exceeded management's expectations as stated in the annual report for 2021.

Financial outlook 2023

The Cotton Group expects an operating profit before special items (EBIT) in 2023 around the level of the 2022 operating profit before special items (EBIT).

Forward-looking statements

Certain statements in this financial review are forward-looking statements. Such statements are based on current expectations and are, by their nature, subject to a number of uncertainties that could cause actual results and performance to differ materially from expected results or performance, expressed or implied, in the forward-looking statements.

Events after the balance sheet date

No significant events have occurred after 31 December 2022.

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

KEY FIGURES

DKK million	2022	2021*)
Income statement		
Revenue	2,265.7	1,511.8
Gross profit	697.0	518.8
Operating profit before special items (EBIT)	255.3	190.4
Financial items	7.0	(1.5)
Net profit	**196.8**	**243.9**
Statement of financial position		
Non-current assets	153.8	212.4
Current assets	1,168.4	909.8
Total assets	1,322.2	1,122.2
Total equity	541.3	567.8
Non-current liabilities	62.7	47.3
Current liabilities	718.2	507.1
Cash flows		
Cash flow for operating activities	(36.8)	139.7
Cash flow from investing activities	40.1	(87.6)
- of which investment in Property, plant and equipment	(20.7)	(17.5)
Cash flow from financing activities	(53.4)	25.9
Total cash flow	(50.1)	78.0
Key figures		
Gross margin	30.8%	34.3%
Operating margin	11.3%	12.6%
Equity ratio	40.9%	50.6%
Return on equity	35.5%	43.0%
Average number of employees	441	467

*) The income statement and cash flows for 2021 cover operations from the acquired activities from 31 March to 31 December 2021.

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

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FINANCIAL REVIEW

Income Statement

Revenue

The revenue was DKK 2,265.7 million, compared to DKK 1,511.8 million in 2021, which only included revenue from 31 March 2021. If the acquired activities were consolidated from 1 January 2021, revenue in 2021 would have been DKK 2,003.3 million.

Gross margin

Costs of goods sold was DKK 1,568.7 million, which resulted in a gross profit of DKK 697.0 million compared to DKK 518.8 million in 2021. The gross margin decreased to 30.8% from 34.3% as sales prices were not increased as much as the cost price of goods sold.

Operating profit before special items (EBIT)

Operating profit before special items (EBIT) was DKK 255.3 million compared to DKK 190.4 million in 2021 (DKK 270.0 million for the full year 2021). The operating margin was 11.3% compared to 12.6% in 2021.

Earnings before interests and tax

Earnings before interest and tax was DKK 255.3 compared to DKK 303.3 million in 2021. 2021 was positively impacted by one-off negative goodwill of DKK 112.9 million.

Financial items

Financial items, net was an income of DKK 7.0 million compared to a cost of DKK 1.5 million in 2021. Excluding net foreign exchange rate gains of DKK 17.0 million (2021 DKK 9.1 million) financial items net was a cost of DKK 10.0 million compared to DKK 10.6 million in 2021.

Income tax

The effective tax rate for the year was 25.0% (2021 19.2%). The effective tax rate in 2021 was impacted by the non-taxable one-off income from negative goodwill.

Net profit

The net profit for the period was DKK 196.8 million compared to DKK 243.9 million in 2021. The decrease originated from the one-off negative goodwill of DKK 112.9 million in 2021.

Statement of financial position

Total assets

Total assets amounted to DKK 1,322.2 million compared to DKK 1,122.2 million in 2021. The higher total assets originated from an increase in inventories of DKK 247.0 million.

Shareholders' equity

The Cotton Group A/S was incorporated 25 February 2021. In connection with the acquisition of activities, the equity was increased to DKK 320.5 million. In 2022 a capital reduction of DKK 127.9 million and a dividend of DKK 74.0 million was paid out to the shareholders. On 31 December 2022 the equity of the Group was DKK 541.3 million (2021 DKK 567.8 million), of which DKK 8.9 million (2021 DKK 6.4 million) was attributable to non-controlling interests in subsidiaries. The equity ratio was 40.9% compared to 50.6% in 2021. The decrease in equity ratio mainly originated from the higher total assets.

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FINANCIAL REVIEW

The equity of the parent company, The Cotton Group A/S, was DKK 113.0 million (2021 DKK 318.4 million).

Cash flow statement

Cash flow from operating activities excluding tax was DKK 20.3 million (2021 DKK 200.0 million), negatively impacted by increased inventories and trade receivables.

Cash flow from investing activities was a cash outflow of DKK 3.2 million (2021 a cash outflow of DKK 87.6 million). Cash flow from investments in intangible assets and property, plant and equipment were DKK 73.5 million (2021 DKK 23.8 million) of which DKK 43.3 million was related to right of use assets. The cash flow from investments in intangible assets and property, plant and equipment were almost fully offset by positive cash flow from the release of an escrow balance.

Cash flow from financing activities was a cash outflow of DKK 10.1 million (2021 a cash inflow of DKK 25.9 million). The cash outflow in 2022 originating from a capital reduction and dividend paid to shareholders, reduced by proceeds from the bank overdraft facility.

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SUSTAINABILITY

The following constitutes The Cotton Group's statutory statement regarding corporate responsibility cf. section 99a of the Danish Financial Statements act.

The Cotton Group was established in March 2021, by taking over 6 brands within promotional wear and workwear. Within these brands The Cotton Group cooperates with third party suppliers to produce garments that are sold via the entities in the Group. The work in respect of sustainability has been built upon the structures already established by the former owner of the brands. The key focus during 2022 has been on analysing areas where the environmental impact can be reduced the most and preparing the compliance structure in respect of sustainability. A decentralized structure has been established to ensure that sustainability decisions are taken at the same level as business decisions to realize the highest possible effect from initiatives, rather than following a generic set of actions.

The sustainability approach applied for the individual business segments is based on an overall vision for conducting our business, which sets out a high ethical standard with a focus on minimizing the environmental footprint and being a fair and equitable company respecting everybody's rights. As a cornerstone of our sustainability commitment, we follow the UN Global Compact and its guiding principles for Corporate Responsibility on human rights, labour, environment, and anti-corruption.

Most of our impact on society comes from the suppliers we work with, which continue to be a focus for our sustainability work. We have a high focus of ensuring that all of our suppliers are subject to audits either through certifications or through a membership of Amfori-BSCI. It is our aim that 100% of our key suppliers and 95% of our tier one suppliers are subject to compliance audits by third party organisations. Currently 90% of all tier one suppliers are subject to sustainability audits.

By conducting audits via associations and certification agencies, we strengthen our leverage thanks to cooperation with other member brands in risk prevention and remediation.

Further to requiring certifications or compliance audits from our suppliers, we seek to create continuous improvements by establishing long-lasting relationships with our suppliers and to treat them with respect and dignity to create business relationships that are mutually beneficial. Together with our suppliers we follow up on audits performed trying to improve the way our suppliers work. The organisations that we are a member of also make whistle-blower systems available, so the employees or other partners of our suppliers have the possibility to report issues. This gives us further possibilities to follow up and act on potential issues.

We have during 2022 been analysing training programmes and whistle blower systems and expect to implement this during 2023.

During 2023 we will also start analysing the Corporate Sustainability Reporting Directive adopted by the EU in 2022, to be prepared for complying with and reporting in accordance with the requirements, which will become mandatory for The Cotton Group in 2025.

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Environment and climate
We acknowledge that activities associated with the production, the consumption and the end-of-life disposal of clothing has an impact on the environment. As an apparel brand, we are committed to contributing to continuous environmental improvements, within the sphere of our influence. Therefore, we support initiatives to promote greater environmental responsibility and encourage environmentally friendly technologies, and continuously seek to improve environmental performance, by reducing use of energy, water and material resources, and by minimizing emissions and waste.

We have in 2022 continued our work in several different ways to reduce our environmental impact. This includes producing high quality clothing, which can be used for a long time, and to optimising the production process to reduce the waste in respect of fabrics.

We have also introduced several new products based on organic cotton, in-conversion cotton (where we assist suppliers in converting to organic cotton) and bio fibres.

The Cotton Group has obtained recognised environmental certificates i.e., ISO 14001 or from Miljoefyrtarn together with several product label certificates.

In The Cotton Group we have an overall strategy, to limit our impact on the climate. Our discharge of CO2 mainly originates from transportation, travel, company cars and energy consumption in the supply chain. It is thus within these areas we seek to reduce discharge by selecting climate friendly solutions.

SUSTAINABILITY

Human rights

In The Cotton Group, we are committed to respecting and supporting internationally declared human rights, and not to be complicit in any human rights abuses. To ensure that we uphold high standards, our policies are based on the Code of Conduct for Amfori-BSCI and similar organisations, the standards of the International Labour Organisation (ILO) and the United Nations Universal Declaration of Human Rights, in relation to forced labour, child labour, freedom of association, compensation, working hours, occupational health and safety, and a legally binding employment relationship. Due to the breaches of human rights in Uighur we have implemented a decision not to use cotton originating from this region.

Our main challenges and risks in terms of human rights is in our global supply chain. To manage these risks, the Group has developed a set of Supplier code of conducts, which all suppliers must commit to and sign. The compliance with these guidelines is tested through audits conducted by Amfori-BSCI or other certification agencies as described earlier.

Social- and employee conditions

As with human rights, the Group's primary risks regarding the fundamental labour standards are in our supply chain. During 2022 the share of suppliers being audited has increased, and our audit partners have in 2022, through on-site audits continued to test, that our suppliers are not using for example: child labour, forced labour or prohibiting the right to association and collective bargaining. Suppliers are typically audited every second year.

We aim at establishing strong long-lasting relationships with our supplies, where we through cooperation and support maintain high social standards, which include improving working and living conditions for workers and communities, paying decent wages, promoting gender equality, eliminating child labour, discrimination, and harassment.

For the Group's own activities, we aim to make sure that we provide our employees with a safe working environment for both warehouse and office workers trough training and analysing best practices.

Anti-corruption

The Cotton Group recognises corruption and bribery as barriers to sustainable development and free trade. We believe that business should always be conducted with integrity, treating all business partners fairly and equitably. Any form of corruption destroys confidence in the marketplace and business relationships, weakens democracy, changes economic and social development, and damages transparency in the transaction of businesses. Business should be based on the quality of products and fairness.

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.

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SUSTAINABILITY

Gender diversity

The following constitutes The Cotton Group's statutory statement regarding corporate responsibility cf. section 99b of the Danish Financial Statements act.

The global gender distribution by the end of 2022 was 43% men and 57% women. The proportion of women and men in management positions constituted 50%. Management comprises 6 persons, and include the CEO's of the Brands and the CEO of the Group. It is the intention of the Board of Directors to ensure that the percentage of the underrepresented gender does not fall below 33%.

In accordance with the Danish Act on Public and Private Limited Companies, the Board of Directors has set a target for the percentage of the underrepresented gender in the Board of Directors.

It is the goal to have 25% representation of women in the Board of Directors within the next 4 years. The Members of the Board of Directors have been elected amongst the shareholders of the Cotton Group A/S, who are all men, and it has therefore not been possible to meet this goal in 2022.

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.

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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 Anders Daniel Davidsson Ulf Peter Segerström
Executive Board	Søren Bremerskov Vuust
Auditor	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense

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CONSOLIDATED FINANCIAL STATEMENTS

Income statement

Note	DKK million	2022	2021
3	Revenue	2,265.7	1,511.8
4,5,6	Costs of goods sold	(1,568.7)	(993.0)
	Gross profit	**697.0**	**518.8**
5,6	Sale- and distribution costs	(269.0)	(203.3)
5,6,7	Administrative expenses	(172.7)	(125.1)
	Operating profit before special items (EBIT)	**255.3**	**190.4**
8	Special items	0.0	112.9
	Earnings before financial items and tax	**255.3**	**303.3**
9	Financial income	19.5	11.6
10	Financial expenses	(12.5)	(13.1)
	Profit before tax	**262.3**	**301.8**
11	Income tax	(65.5)	(57.9)
	Net profit	**196.8**	**243.9**
	Allocation of net profit		
	Owners of The cotton Group A/S	194.5	243.9
	Non-controlling interests	2.3	0.0
	Net profit	**196.8**	**243.9**

Statement of comprehensive income

Note	DKK million	2022	2021
	Net profit	**196.8**	**243.9**
	Other comprehensive income		
	Items that may be reclassified to the income statement		
	Foreign currency adjustments on investment in subsidiaries and non-controlling interests	(25.5)	(5.8)
	Items that will not be reclassified to the income statement		
	Actuarial adjustment of defined benefit plans	2.7	0.9
	Other comprehensive income after tax	**(22.8)**	**(4.9)**
	Total comprehensive income	**174.0**	**239.0**
	Allocation of total comprehensive income		
	Owners of The Cotton Group A/S	172.0	239.0
	Non-controlling interests	2.0	0.0
	Total comprehensive income	**174.0**	**239.0**

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CONSOLIDATED FINANCIAL STATEMENTS

Statement of financial position

Note	DKK million	2022	2021
	Assets		
12	Intangible assets	18.7	15.6
13	Property, plant and equipment	41.6	28.6
14	Right of use assets	62.0	43.1
16	Other receivables	0.3	82.6
11	Deferred tax assets	31.2	42.5
	Non-current assets	**153.8**	**212.4**
15	Inventories	816.6	572.3
16	Trade receivables	275.8	222.5
16	Other receivables	31.2	22.8
17	Prepayments	8.4	9.4
	Income tax receivable	6.0	4.4
29	Cash and cash equivalents	30.4	78.4
	Current assets	**1,168.4**	**909.8**
	Total Assets	**1,322.2**	**1,122.2**

Note	DKK million	2022	2021
	Equity and liabilities		
	Share capital	26.3	43.0
	Retained earnings	450.6	450.2
	Currency translation reserve	(31.0)	(5.8)
	Proposed dividends	86.5	74.0
18	**Equity attributable to owners of The Cotton Group A/S**	**532.4**	**561.4**
19	Non-controlling interests	8.9	6.4
	Total equity	**541.3**	**567.8**
20	Pensions and similar obligations	7.6	10.9
11	Deferred tax liabilities	0.2	0.1
21	Provisions	4.0	1.4
23	Other payables	2.1	11.7
14	Lease liabilities	48.8	23.2
	Non-current liabilities	**62.7**	**47.3**
22	Interest-bearing loans and borrowings	321.7	150.0
14	Lease liabilities	15.7	20.4
	Trade payables	283.0	229.3
23	Other payables	56.6	61.7
	Contract liabilities	32.8	33.3
	Income tax payable	4.9	6.4
20	Pensions and similar obligations	0.6	0.6
21	Provisions	2.9	5.4
	Current liabilities	**718.2**	**507.1**
	Total liabilities	**780.9**	**554.4**
	Total equity and liabilities	**1,322.2**	**1,122.2**

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CONSOLIDATED FINANCIAL STATEMENTS

Cash flow statement

Note	DKK million	2022	2021
	Earnings before financial items and tax	**255.3**	**303.3**
6	Depreciation and amortisation	36.2	24.5
20,21	Provisions	(0.5)	(0.2)
28	Negative goodwill	0.0	(112.9)
	Cash flow from operating activities prior to movements in working capital	**291.0**	**214.7**
26	Change in operating assets	(315.7)	(21.9)
26	Change in operating liabilities	45.0	7.2
	Cash flow from operating activities, excl. tax	**20.3**	**200.0**
	Income tax paid	(57.1)	(60.3)
	Cash flow from operating activities	**(36.8)**	**139.7**
12	Purchase of intangible assets	(9.5)	(6.3)
13,14	Purchase of property, plant and equipment	(20.7)	(17.5)
28	Purchase of subsidiaries and operations	0.0	(122.7)
27	Proceeds from sale of companies	70.3	58.9
	Cash flow from investing activities	**40.1**	**(87.6)**
27	Repayment of interest-bearing loans and borrowings	0.0	(430.8)
27	Repayment of lease liabilities	(21.6)	(8.8)
27	Proceeds from bank overdraft facility	201.9	150.0
27	Change in bank overdraft facilities	(23.2)	(2.3)
9	Interests received	0.6	0.7
10	Interests paid	(10.6)	(11.3)
	Capital injection	0.0	320.5
	Capital reduction	(127.9)	(0.4)
	Transactions with non-controlling interests	2.1	8.3
	Dividend paid to shareholders	(74.0)	0.0
	Dividend paid to non-controlling interests	(0.7)	0.0
	Cash flow from financing activities	**(53.4)**	**25.9**
	Total Cash flow	**(50.1)**	**78.0**
	Cash and cash equivalents at 1 January	**78.4**	**0.0**
	Cash at incorporation	0.0	0.4
	Foreign currency adjustments	2.1	0.0
29	**Cash and cash equivalents at 31 December**	**30.4**	**78.4**

Cash flows cannot be extracted directly from the statement of financial position.

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CONSOLIDATED FINANCIAL STATEMENTS

Statement of equity

	Attributable to owners of The Cotton Group A/S						
DKK million	**Share capital**	**Retained earnings**	**Currency translation reserve**	**Proposed dividend**	**Total**	**Non-controlling interests**	**Total equity**
2021							
Capital at incorporation	**0.4**	**0.0**	**0.0**	**0.0**	**0.4**	**0.0**	**0.4**
Net profit		169.9		74.0	243.9		243.9
Other comprehensive income		0.9	(5.8)		(4.9)		(4.9)
Total comprehensive income	**0.0**	**170.8**	**(5.8)**	**74.0**	**239.0**	**0.0**	**239.0**
Capital reduction	(0.4)				(0.4)		(0.4)
Issue of share capital	43.0	277.5			320.5		320.5
Sale to non-controlling interests		1.9			1.9	6.4	8.3
Transactions with owners	**42.6**	**279.4**	**0.0**	**0.0**	**322.0**	**6.4**	**328.4**
Total equity at 31 December 2021	**43.0**	**450.2**	**(5.8)**	**74.0**	**561.4**	**6.4**	**567.8**
2022							
Equity at 1 January 2022	**43.0**	**450.2**	**(5.8)**	**74.0**	**561.4**	**6.4**	**567.8**
Net profit		108.0		86.5	194.5	2.3	196.8
Other comprehensive income		2.7	(25.2)		(22.5)	(0.3)	(22.8)
Total comprehensive income	**0.0**	**110.7**	**(25.2)**	**86.5**	**172.0**	**2.0**	**174.0**
Capital reduction	(16.7)	(111.2)			(127.9)		(127.9)
Dividends paid to shareholders				(74.0)	(74.0)	(0.7)	(74.7)
Sale to non-controlling interests		0.9			0.9	1.2	2.1
Transactions with owners	**(16.7)**	**(110.3)**	**0.0**	**(74.0)**	**(201.0)**	**0.5**	**(200.5)**
Total equtiy at 31. december 2022	**26.3**	**450.6**	**(31.0)**	**86.5**	**532.4**	**8.9**	**541.3**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Accounting policies

The Cotton Group A/S is a limited company incorporated and domiciled in Denmark. The financial statements for the year ended 31 December 2022 include the consolidated financial statements for The Cotton Group A/S and its subsidiaries (collectively, the Group) and the financial statements for The Cotton Group A/S.

The financial statements cover the period for the 1 January to 31 December 2022.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), as approved by the EU and the announcement of the implementation of IFRS in accordance with the Danish Financial Statements Act. The Board of Directors has adopted the Annual Report for The Cotton Group A/S for the year ended the 31 December 2022 on 31 March 2023. The Annual Report for the year ended 31 December 2022, is presented for the shareholders' approval at the annual general meeting 17 April 2023.

Basis for preparation

The consolidated financial statements have been prepared in DKK.

The accounting policies of the Group have been prepared on a historical cost basis.

The shares of The Cotton Group A/S are not publicly traded, and The Cotton Group has chosen not to implement IFRS 8, why the financial statements do not include information on operating segments.

Statement on going concern

The Board of Directors and the Management Board have during the preparation of the consolidated financial statements of the Group assessed the going concern assumption. The Board and the Management Board believe that no events or conditions give rise to doubt about the Group's ability to continue as a going concern (within the next reporting period). The conclusion is made based on knowledge of the Group, the estimated economic outlook and identified risks and uncertainties in relation here-to. Further, the conclusion is based on review of budgets, including expected development in available liquidity and capital, current credit facilities and their contractual and expected maturities. Consequently, it has been concluded that it is reasonable to apply the going concern concept as underlying assumption for the consolidated financial statements of the Group.

Changes in accounting policies

Effective 1 January 2022, the Group has implemented the following amended standards and interpretations:

- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- Annual improvements (2018-2020 cycle).

The changes have not had any impact on recognition and measurement in the annual report.

Basis of consolidation

The consolidated financial statements comprise The Cotton Group A/S and entities controlled by The Cotton Group A/S. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Control is usually achieved by directly or indirectly holding or controlling more than 50% of the voting rights. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements used for consolidation have been prepared in accordance with The Cotton Group's accounting policies. On consolidation intra-group transactions, balances, income and expenses are eliminated. Unrealised gains arising from Group entities are eliminated against the investment to the extent of the Group's interest in the investment. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The non-controlling interest's share of net profit and equity of subsidiaries, which are not wholly owned, are included in the Group's net profit and equity, respectively, but disclosed separately.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Accounting policies

A change in ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, non-controlling interest, and other components of equity, while any resultant gain or loss is recognised in the income statement.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative costs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

The acquisition date is the date when The Cotton Group A/S obtains control of the acquired business.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Goodwill is tested for impairment at a minimum once a year. The first impairment test is performed before the end of the acquisition year.

If there at the time of acquisition is uncertainties around the identification or measurement of assets, liabilities, contingent liabilities or the cost of acquisition, then the initial recognition is based on provisional values. If changes related to the identified or the valuation of the costs of acquisition or acquired assets, liabilities or contingent liabilities are detected which 12 months of the acquisition date, such changes are recognised with retroactive effect to the acquisition date and comparative figures are adjusted to that effect. After 12 months goodwill is no longer adjusted.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Foreign currency translation

The functional currency of the parent company is DKK.

A functional currency is determined for each of the reporting entities of The Cotton Group. The functional currency is the currency used in the primary economic environment in which the reporting entity operates. Transactions in currencies other than the functional currency are transactions in foreign currencies.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Exchange differences arising between the exchange rate at the transaction date and at the date of payment have been recognised in the income statement as financial income or expenses.

Receivables, payables and other monetary items in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

The difference between the exchange rate at the reporting date and at the date of which the receivable or payable arose or the exchange rate applied in the most recent financial statements has been recognised in the income statement under financial income or financial expenses.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Accounting policies

On recognition in the consolidated financial statements in other subsidiaries with another functional currency than DKK, the income statement is translated at the exchange rates at the transaction date and the statement of financial position is translated at the exchange rates at the reporting date. Average exchange rates for the month are used as the exchange rate at the transaction date to the extent that this does not significantly change the presentation of the underlying transactions.

Exchange rate differences arising on the translation of the equity of these subsidiaries at the beginning of the year to the exchange rates at the reporting date; and on the translation of the income statement from the exchange rate at the transaction date to the exchange rate at the reporting date are recognised directly in other comprehensive income and classified in equity in a separate currency translation reserve. Exchange rate differences are allocated between the parent company's and the non-controlling interests' shares of equity.

Exchange rate differences from inter-group balances in another functional currency, that are considered to be an integrated part of the net investment in a group company, is recognised in other comprehensive income and classified in equity in a separate currency translation reserve.

On full or partial divestment of foreign subsidiaries, where The Cotton Group ceases to have control, foreign exchange adjustments accumulated in equity through other comprehensive income and which can be attributed to entities are recirculated from the "Currency translation reserve" to the income statement together with any gain or loss from the divestment.

A repayment of an inter-group balance considered to be an integrated part of the investment in a group company is not considered to be a partial divestment of a foreign subsidiary.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value hedges

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of the fair value of a recognised asset or liability are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Hedging of future cash flow

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on an ongoing basis.

Other derivative financial instruments

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on an ongoing basis.

Revenue

The Group's revenue consist of sale of different types of workwear and promotional wear.

A contract is split up into individual transactions when the fair value of each individual sales transaction can be estimated reliably and when each individual sales transaction represents a stand-alone value for the buyer. Sales transactions are deemed to have a stand-alone value for the buyer when the transaction is individually identifiable and usually sold separately.

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Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Revenue from the sale of goods

Income from the sale of goods for resale and finished goods, including sold workwear, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer, the income can be measured reliably, and payment is expected to be received.

Costs of goods sold

Production costs comprise costs incurred in generating revenue for the year. Such costs include direct and indirect costs of raw materials and consumables, wages and salaries, rent and leases as well as impairment losses on inventories.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc., carried out in the year, including costs related to sales staff, advertising, exhibitions as well as amortisation and depreciation. Sales and marketing costs are recognised in the income statement when the Company obtains control of the sales or marketing product.

Administrative expenses

Administrative expenses comprise expenses paid in the year to manage and administer the Company, including expenses related to administrative staff, office premises, office expenses and amortisation and depreciation.

Special items

Special items include significant non-recurring income or expenses that are not considered to be part of the ordinary activities of the group. Such income and expenses include restructuring costs, adjustments related to business combinations and negative goodwill.

Financial items

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, fair value adjustments on derivative financial instruments that does not classify for hedge accounting, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Corporation tax

Tax for the year

The Cotton Group A/S is part of a joint taxation with Dyvig Holdings A/S (Administrator of the joint taxation) and the Danish subsidiaries of Dyvig Holdings A/S. The income tax is allocated among the joint taxed companies based on the taxable income of these companies.

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

Payable and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary

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differences relating to non-deductible goodwill and on office premises and other items where temporary differences – other than from business combinations - arise at the acquisition date without affecting either profit/loss for the year or taxable income.

Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively. Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

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

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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.

Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively. Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Impairment of non-current assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash generating unit's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's cash generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the assets or cash generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit or group of cash generating units to which the goodwill relates. When the recoverable amount of the cash generating unit is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price, duties and delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production overheads. Production overheads comprise costs of material and labour as well as maintenance of and depreciation on production machinery, buildings and equipment as well as costs relating to plant administration and management.

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

A right-of-return asset is recognised in inventories for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned products.

Receivables

Receivables are measured at amortised cost.

The Group recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, 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

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historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Prepaid costs

Prepayments comprise costs incurred concerning subsequent financial years.

Pension obligations

The Group contributes to pension plans which cover employees in various companies of the Group. The pension plans are typically defined contribution plans.

The Group holds an unfunded defined benefit pension plan in Germany, which has been closed, but requires pension payments to be made to former members.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Group recognises the following changes in the net defined benefit obligation under administrative expenses in the consolidated statement of profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income.

Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event at the balance sheet date, and it is probable that an outflow of the Company's resources embodying economic benefits will be required to settle the obligation. Provisions are measured at net realisable value based on management's best estimate of the costs to be incurred. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contract liabilities

Refund liabilities are recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Group's refund liabilities arise from customers' right of return and volume rebates. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities at the end of each reporting period.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Short term financial liabilities and other liabilities are measured at net realisable value.

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Fair value

Fair value is determined based on the principal market. If no principal market exists, the fair value is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets/liabilities in an active market.

Level 2: Value based on generally accepted valuation methods on the basis of observable market information.

Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid. Interest received is classified as cash flows from operating activities. Furthermore, dividends received are classified as operating activity.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less that are subject to only minor risks of changes in value.

Key figures

The financial ratios stated under "Financial highlights" have been calculated as follows:

Gross margin	Gross profit / Revenue
Operating margin	Operating profit before special items (EBIT) / Revenue
Equity ratio	Total equity / Total assets
Return on equity	Net profit / Average total equity

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2 Significant accounting estimates and management judgements

In preparing the consolidated financial statements, Management makes a number of accounting estimates and judgements on complex areas of accounting. The assessments are based on assumptions concerning future developments and may have a significant effect on recognised assets and liabilities, as well as income and expenses. As a consequence of their complex nature and their effect on the consolidated financial statements, these assessments receive close attention from Management throughout the year. Thus, all estimates and judgement assumptions are regularly reassessed as more detailed information based on historical data, experience, the financial situation, market situation and other external factors become available.

The most significant accounting estimates for The Cotton Group are related to Right of use assets, trade receivables and inventories.

Right of use assets

In accounting for lease contracts, various estimations are applied in determining right-of-use assets and lease liabilities. Estimates include assessment of lease periods, utilisation of extension options and applicable discount rates. Please refer to note 14 for a description of right of use assets.

Trade receivables

Estimates are applied when assessing input to the expected credit loss model. Management evaluates the expected losses and the nature of the receivables. Judgements are applied in determining credit risk characteristics of the customer category.

Please refer to note 30 for an aging analysis of trade receivables and a description of credit risks.

Inventories

Estimates are applied with assessing the net realisable value of inventories.

Inventories are written down based on the impairment practices applied by the Group. This includes an individual assessment of inventories in respect of obsolete goods, quality of goods and relevance of goods.

Please refer to note 15 for an analysis of inventories carried at net realisable value.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Please refer to note 11 for a description of deferred tax assets.

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	DKK million	2022	2021
3	**Revenue**		
	Sale of goods	2,265.7	1,511.8
	Total revenue	**2,265.7**	**1,511.8**
	Revenue by geography		
	Nordic	801.9	600.7
	Rest of Europe	1,393.8	869.0
	Rest of World	70.0	42.1
	Total revenue	**2,265.7**	**1,511.8**
4	**Costs of goods sold**		
	Costs of goods sold	1,558.0	987.0
	Impairment of inventories	10.7	6.0
	Total costs of goods sold	**1,568.7**	**993.0**
5	**Staff costs**		
	Wages and salaries	207.7	154.2
	Defined contribution pension plans	9.6	6.9
	Other social security costs	31.4	23.9
	Total staff costs	**248.7**	**185.0**
	Average number of employees	**441.0**	**467.0**
	Staff costs are included in the following line items in the income statement:		
	Costs of goods sold	48.3	44.7
	Sale- and distribution costs	121.9	82.2
	Adminitrative expenses	78.5	58.1
	Total staff costs	**248.7**	**185.0**

Remuneration to members of the Board of Directors and Management members in the Group

	2022		2021	
DKK million	**Board of directors**	**Manage-ment**	**Board of directors**	**Manage-ment**
Wages and fees	0.2	14.3	0.0	10.8
Defined contribution pension plans	0.0	0.4	0.0	0.3
Other social security costs	0.0	0.8	0.0	0.6
	0.2	**15.5**	**0.0**	**11.7**

Members of management includes the CEOs of the group and the key subsidiaries, who have a bonus based on the economic profit in their respective subsidiary.

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	DKK million	2022	2021
6	**Depreciation, amortisation and impairment**		
	Amortisation of intangible assets	6.1	3.0
	Depreciation of property, plant and equipment	6.4	3.4
	Depreciation of right of use assets	23.7	18.1
	Total depreciation, amortisation and impairment	**36.2**	**24.5**
	Depreciation, amortisation and impairment are related to the following line items in the income statement:		
	Costs of goods sold	0.3	0.0
	Sale- and distribution costs	32.7	23.0
	Adminitrative expenses	3.2	1.5
	Total depreciation, amortisation and impairment	**36.2**	**24.5**
7	***Fees to auditors***		
	Statutory audit	1.4	1.1
	Tax and VAT advisory services	0.9	0.7
	Other services	0.7	0.7
	Total fees to auditors	**3.0**	**2.5**
	Fees to auditors can be specified as follows:		
	Total fee to EY	2.0	1.2
	Total fee to other auditors	1.0	1.3
	Total fees to auditors	**3.0**	**2.5**
8	**Special items**		
	Negative goodwill on acquisition (cf. note 28)	0.0	112.9
	Special items	**0.0**	**112.9**
9	**Financial income**		
	Interest income on cash and cash equivalents	0.6	0.7
	Foreign exchange gains	18.9	10.9
	Total financial income	**19.5**	**11.6**
	Interest on financial assets measured at amortised cost	0.6	0.7
10	**Financial expenses**		
	Interest expenses on loans and borrowings	4.7	6.1
	Interest expenses on lease liabilities	1.6	1.1
	Value adjustment of foreign currency hedges	1.9	1.8
	Other financial items	4.3	4.1
	Total financial expenses	**12.5**	**13.1**
	Interest on financial liabilities measured at amortised cost	6.3	7.2

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DKK million	2022	2021
11 Income tax		
Tax recognised in the income statement		
Income tax on net profit	65.5	57.9
Income tax on other comprehensive income	0.0	0.0
Total income tax	**65.5**	**57.9**
Income tax can be specified as follows:		
Current tax	55.6	47.3
Deferred tax	9.9	10.6
Total income tax	**65.5**	**57.9**

	2022		2021	
The effective tax rate can be specified as follows:				
Income tax based on Danish tax rate	57.7	22.0%	66.4	22.0%
Foreign income tax rate relative to the Danish income tax rate	5.7	2.2%	3.5	1.2%
Tax effect from changes in not recognised deferred tax assets	0.6	0.2%	8.3	2.7%
	64.0	**24.4%**	**78.2**	**25.9%**
Tax effect of:				
Not taxable income	(1.9)	(0.7%)	(24.8)	(8.2%)
Non-deductible costs	4.2	1.6%	4.5	1.5%
Prior year adjustments	(0.8)	(0.3%)	0.0	0.0%
Total income tax	**65.5**	**25.0%**	**57.9**	**19.2%**
Effective tax rate		25.0%		19.2%

	2022			2021		
	Other comprehensive income					
	Before tax	Income tax	After tax	Before tax	Income tax	After tax
Income tax on other comprehensive income						
Foreign currency adjustments on investment in subsidiaries and non-controlling interests	(25.5)	0.0	(25.5)	(5.8)	0.0	(5.8)
Actuarial adjustment of defined benefit plans	2.7	0.0	2.7	0.9	0.0	0.9
Total	**(22.8)**	**0.0**	**(22.8)**	**(4.9)**	**0.0**	**(4.9)**

	2022	2021
Deferred tax		
Deferred tax at 1 January	42.4	0.0
Additions from business combinations	0.0	53.0
Foreign exchange rate adjustments	(1.5)	0.0
Deferred tax recognised in the income statement	(9.9)	(10.6)
Deferred tax at 31 December	**31.0**	**42.4**
Deferred tax has been recognised as follows in the statement of financial position:		
Deferred tax assets	31.2	42.5
Deferred tax liabilities	(0.2)	(0.1)
Deferred tax at 31 December	**31.0**	**42.4**

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DKK million	2022	2021
11 Income tax (continued)		
Deferred tax specification		
Property, plant and equipment and right of use assets	3.0	2.7
Receivables	1.9	2.0
Inventories	7.7	6.6
Other liabilities	0.4	2.4
Tax losses carried forward	18.0	28.7
Deferred tax at 31 December	**31.0**	**42.4**

Tax losses recognised in the statement of financial position are related to the Group's activities in Norway. These entities are showing taxable profits and it is expected that taxable profits will be avaible going forward against which the tax losses can be utilised.

Deferred tax assets not recognised in the statement of financial position		
Tax losses carried forward	11.4	16.9
Other tax assets	0.0	3.9
Total	**11.4**	**20.8**

The deferred tax assets not recognised in the statement of financial position, since there are significant uncertainties as to the utilisation of the assets. During 2022 DKK 7.2 million of the not recognised tax losses carried forward were utilised (2021 DKK 0.0 million), but did not impact the income tax for the year.

The not recognised deferred tax assets do not expire.

All Deferred tax liabilities have been recognised in the statement of financial position.

12 Intangible assets

	Software	
	2022	2021
Cost at 1 January	**18.7**	**-**
Additions from business combinations	0.0	12.3
Foreign exchange rate adjustments	(0.5)	0.1
Additions	9.5	6.3
Cost at 31 December 2022	**27.7**	**18.7**
Amortisation at 1 January	**3.1**	**-**
Foreign exchange rate adjustments	(0.2)	0.1
Amortisation	6.1	3.0
Amortisation at 31 December 2022	**9.0**	**3.1**
Carrying amount at 31 December 2022	**18.7**	**15.6**

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13 Property, plant and equipment

DKK million	Land and buildings	Plant and mach-inery	Other equip-ment	Total
Additions from business combinations	15.8	4.1	2.6	22.5
Foreign exchange rate adjustments	0.1	0.1	0.1	0.3
Additions	0.8	5.1	3.3	9.2
Disposals	0.0	(0.2)	(0.4)	(0.6)
Cost at 31 December 2021	**16.7**	**9.1**	**5.6**	**31.4**
Depreciation	1.2	1.2	1.0	3.4
Disposals	0.0	(0.2)	(0.4)	(0.6)
Depreciation at 31 December 2021	**1.2**	**1.0**	**0.6**	**2.8**
Carrying amount at 31 December 2021	**15.5**	**8.1**	**5.0**	**28.6**
Cost at 1 January 2022	**16.7**	**9.1**	**5.6**	**31.4**
Foreign exchange rate adjustments	(0.5)	(0.7)	(0.1)	(1.3)
Additions	8.1	10.2	4.1	22.4
Disposals	(1.7)	(0.7)	(0.3)	(2.7)
Cost at 31 December 2022	**22.6**	**17.9**	**9.3**	**49.8**
Amortisation at 1 January 2022	**1.2**	**1.0**	**0.6**	**2.8**
Foreign exchange rate adjustments	0.0	0.0	0.0	0.0
Depreciation	1.9	2.0	2.5	6.4
Disposals	(0.8)	(0.1)	(0.1)	(1.0)
Amortisation at 31 December 2022	**2.3**	**2.9**	**3.0**	**8.2**
Carrying amount at 31 December 2022	**20.3**	**15.0**	**6.3**	**41.6**

Out of the carrying amount of land and buildings DKK 8.7 million (DKK 0.4 million) is related to fitting of rented premises.

Assets under construction of DKK 8.2 million (DKK 0.0 million) not yet in use, are included in plant and machinery.

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14 Right of use assets

DKK million	Land and buildings	Other equipment	Total
Additions from business combinations	45.0	7.4	52.4
Foreign exchange rate adjustments	0.5	0.1	0.6
Additions	6.2	2.1	8.3
Disposals	0.0	(0.8)	(0.8)
Cost at 31 December 2021	**51.7**	**8.8**	**60.5**
Foreign exchange rate adjustments	0.1	0.0	0.1
Depreciation	14.6	3.5	18.1
Disposals	0.0	(0.8)	(0.8)
Depreciation at 31 December 2021	**14.7**	**2.7**	**17.4**
Carrying amount at 31 December 2021	**37.0**	**6.1**	**43.1**
Average discount rates	3.0%	3.0%	
Cost at 1 January 2022	**51.7**	**8.8**	**60.5**
Foreign exchange rate adjustments	(1.0)	(0.2)	(1.2)
Additions	39.5	3.8	43.3
Disposals	(16.5)	(2.6)	(19.1)
Cost at 31 December 2022	**73.7**	**9.8**	**83.5**
Amortisation at 1 January 2022	**14.7**	**2.7**	**17.4**
Foreign exchange rate adjustments	(0.4)	(0.1)	(0.5)
Depreciation	19.7	4.0	23.7
Disposals	(16.5)	(2.6)	(19.1)
Amortisation at 31 December 2022	**17.5**	**4.0**	**21.5**
Carrying amount at 31 December 2022	**56.2**	**5.8**	**62.0**
Average discount rates	3.1%	3.1%	

Land and buildings

The group leases offices and warehouses, used in the sale- and distribution activities of the group.

Warehouses are the main part of the group's property leases.

Rental contracts are typically made for fixed periods of three to five years. In 2022 a new rental contract for a warehouse has commenced with a duration of ten years. Rental contracts may have extension options, which are used to maximise operational flexibility in terms of managing the assets used in the group's operations.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Other equipment

Other equipment mainly consist of leased vehicles, which are primarily used by the group's management and salespersons. The group currently leases 90-100 vehicles. Rental contracts for vehicles are typically made for fixed periods of three to four years. The group also leases printer and other equipment with a typical rental period of two to three years.

The group has not provided any considerable residual value guarantees in relation to equipment leases.

Short-term leases and low value assets

The group has expensed DKK 2.1 million (2021 DKK 0.5 million) in the income statement related to rental agreemetns for short-term leases and low value assets.

Leases not yet commenced to which the group is committed

The group has entered into a new rental agreement for office facilities in Belgium, which will commence on 1 January 2023. The rental agreement has a fixed term of 9 years with an annual rent of DKK 1.9 million.

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DKK million	2022	2021
14 Right of use assets (continued)		
Leasing liabilities		
Current leasing liabilities	15.7	20.4
Non-current liabilities	48.8	23.2
Total leasing liabilities	**64.5**	**43.6**

In 2022 the group has paid DKK 23.3 million (2021 DKK 18.4 million) in respect of leasing liabilities.
Reference is made to note 30 in respect of the maturity of leasing liabilities.

Interest on leasing liabilities
Interest on leasing liabilities is disclosed in note 10.

15 Inventories		
Raw materials and consumables	43.2	43.6
Finished goods and commodities	861.8	614.7
Impairments	(88.4)	(86.0)
Total inventories	**816.6**	**572.3**
Change in impairments of inventories		
Impairments at 1 January	**86.0**	**0.0**
Additions from business combinations	0.0	80.0
Impairments for the year	24.3	6.0
Reversal of impairment from sale of goods	(14.2)	0.0
Reversal of impairment from discarded goods	(7.7)	0.0
Impairments at 31 December	**88.4**	**86.0**
Carrying value of impaired inventories recognised at the net realisable value	46.1	47.3
16 Receivables		
Trade receivables	275.8	222.5
Receivable from sale of companies	15.8	86.1
Other receivables	15.7	19.3
Total receivables	**307.3**	**327.9**
Due after 12 months		
Receivable from sale of companies	0.0	82.3
Other receivables	0.3	0.3
Receivables due after 12 months	**0.3**	**82.6**

Credit risks related to receivables are described in note 30.

Impairment of trade receivables		
Impairment at 1 January	**8.8**	**0.0**
Additions from business combinations	0.0	8.5
Impairment adjustments for the year	1.2	1.9
Losses recognised	(1.4)	(1.6)
Impairment at 31 December	**8.6**	**8.8**

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17 Prepayments

Prepayments include prepayments made to suppliers and prepaid services.

18 Shareholders equity

Management of the capital structure

The group continuously monitors and adjusts the capital structure to balance the return on equity with the cost and risk related to third party financing. The equity ratio of the Group at the end of 2022 was 40.9% (2021 50.6%).

The return on equity in 2022 was 35.5% (2021 43.0%)

Payment of dividends are to be declared, only after due consideration of the strength of the capital structure and ensurance that the group continues to have sufficient funds to grow the business. It is proposed to declare DKK 86.5 million as dividend for 2022 (2021 DKK 74.0 million).

Share capital	**Issued shares**	
	Number of shares	**Nominal value DKK million**
Capital at incorporation	**0.4**	**0.4**
Capital reduction	(0.4)	(0.4)
Capital increase	43.0	43.0
Share capital at 31 December 2021	**43.0**	**43.0**
Capital reduction	(16.7)	(16.7)
Share capital at 31 December 2022	**26.3**	**26.3**

The share capital at the end of 2022 comprised 26,311,150 shares. A capital reduction was carried out in February 2022 resulting in a payment of DKK 127.9 million to cancel all 16,719,537 A-shares.

Reserves

Dividend

Dividend is recognised as a liability, at the time the declaration of dividend has been adopted by the general assembly. Dividend proposed for the year is shown as a separate item under the shareholders equity, until adopted by the general assembly. It is proposed to declare DKK 86.5 million as dividend for 2022 (2021 DKK 74.0 million).

Currency translation reserve

Currency translation reserves, which at 31 December 2021 was negative by DKK 31.0 million (2021 negative by DKK 5.8 million), includes the parent company's share of exchange rate fluctuations from converting the net assets in subsidiaries reporting in other functional currencies than DKK into DKK.

The currency translation reserve is dissolved if a subsidiary is sold.

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DKK million	2022	2021

19 Non-controlling interest

Non-controlling interest share in the statement of financial position can be specified as follows:

Non-curent assets	70.1	68.0
Current assets	1,068.9	526.8
Non-current liabilities	(80.6)	(32.4)
Current liabilities	(397.9)	(128.0)
Owners of The Cotton Group A/S	**651.6**	**428.0**
Non-controlling interests	**8.9**	**6.4**

Non-controlling interest are related to Wenaas Workwear AS, The Cotton Group SA/NV, Sverre W Monsen AS and Hejmar AB. A profit of DKK 2.3 million was allocated to non-controlling interests in 2022 (2021 DKK 0.0 million).

20 Pensions and similar obligations

In a defined benefit plan, the company holds the risk related to the development in interest, inflation and mortality, and the company has committed to make a certain payment to the employees. In a defined contribution plan, the risk related to fluctuations are solely born by the employees. The Cotton Group mainly has defined contribution plans. However, a dormant company in Germany has a defined benefit plan, under which the company will make pension payments to former employees. No further rights can be earned under this plan. Furthermore, the general structure of pension plans in France and in Sweden leave a residual risk with the company, and are as a result thereof also to be considered defined benefit plans.

The future payments under the defined benefit plans are mainly dependent on the salaries at the time of retirement and the seniority of the employees. The group expects to pay out DKK 0.6 million under the defined benefit plans in 2023 (2022 DKK 0.6 million).

The most significant actuarial assumptions are as follows:

DKK million	2022	2021
Discount rate	3.9%	0.9%
Inflation	1.2%	1.2%
Development in the net present value of defined benefit plans		
Liability 1 January	**11.5**	**0.0**
Additions from business combinations	0.0	13.0
Benefits paid	(0.6)	(0.6)
Change in actuarial assumptions	(2.7)	(0.9)
Present value 31 December	**8.2**	**11.5**
Maturity analysis of defined benefit plan obligations		
Due within one year	0.6	0.6
Due within on to five years	2.6	2.6
Due after five years	5.0	8.3
Present value 31 December	**8.2**	**11.5**

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DKK million	2022	2021
20 Pensions and similar obligations (continued)		
Pension costs recognised in the income statement from pension plans		
Defined benefit plans	0.0	0.0
Defined contribution plans	9.6	6.9
Total pension costs	**9.6**	**6.9**
Pension costs has been recognised in the following line items		
Costs of goods sold	2.1	1.6
Sale- and distribution costs	5.2	3.4
Administration costs	2.3	1.9
Total pension costs	**9.6**	**6.9**

21 Provisions		
Provisions 1 January 2022	**6.8**	**0.0**
Additions from business combinations	0.0	6.4
Additional provisions during the year	6.3	1.0
Provisions used during the year	(3.6)	(0.5)
Provisions reversed during the year	(2.6)	(0.1)
Provisions 31 December 2022	**6.9**	**6.8**
Shown as follows in the statement of financial position:		
Non-current liabilities	4.0	1.4
Current liabilities	2.9	5.4
Provisions 31 December 2022	**6.9**	**6.8**

Provisions are mainly related to obligations to re-establish leased buildings and committed restructuring costs. Of the non-current liabilities DKK 2.5 million are expected to be utilised after 5 years (2021 DKK 0.0 million).

22 Interest-bearing loans and borrowings		
Non-current liabilities	0.0	0.0
Current liabilities	321.7	150.0
Carrying amount of interest-bearing loans and borrowings	**321.7**	**150.0**
Nominal value	**321.7**	**150.0**

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22 Interest-bearing loans and borrowings (continued)

2021	Average nominal interest	Average effective interest	Currency	Interest fixing period	Carrying amount DKK million
Interest-bearing loans and borrowings from banks					
Variable interest	0.95%	0.95%	EUR	Daily	150.0
Interest-bearing loans and borrowings from banks in total					**150.0**

The present value of expected future instalments and interest payments are in line with the carrying amount of the loans.

2022	Average nominal interest	Average effective interest	Currency	Interest fixing period	Carrying amount DKK million
Interest-bearing loans and borrowings from banks					
Variable interest	1.51%	1.51%	EUR	Daily	321.7
Interest-bearing loans and borrowings from banks in total					**321.7**

The present value of expected future instalments and interest payments are in line with the carrying amount of the loans.

DKK million	2022	2021
23 Other payables		
Accrued wages, pensions, holiday allowance etc.	33.1	39.6
Tax withholdings, VAT etc	19.8	20.6
Other liabilities	5.8	13.2
Total other payables	**58.7**	**73.4**
Non-current liabilities	2.1	11.7
Current liabilities	56.6	61.7
Total other payables	**58.7**	**73.4**
24 Contract liabilities		
Liabilities related to goods delivered to customers	32.8	33.3

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

25 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. Currently, we do not have knowledge of any potential payments to be made under these guarantees. As security for the guarantees issue, The Cotton Group has issued a bank guarantee of DKK 14.9 million and DKK 15.8 million have been place on an escrow account recognised as current other receivables. In 2021 DKK 82.3 million was placed on escrow accounts recognised as non-current other receivables. During 2022 an escrow of DKK 66.5 million was replaced with the bank guarantee described above.

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.

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DKK million	2022	2021
26 Change in working capital		
Change in inventories	(255.8)	(12.5)
Change in receivables	(60.9)	(12.1)
Change in prepayments	1.0	2.7
Change in trade payables and other liabilities	45.5	(3.0)
Change in contract liabilities	(0.5)	10.2
Total change in working capital	**(270.7)**	**(14.7)**

27 Non cash transactions

	2022			2021		
DKK million	Non-cash changes	Cash flow	Closing	Non-cash changes	Cash flow	Closing
Receivable from sale of companies	**0.0**	**70.3**	**15.8**	**145.0**	**58.9**	**86.1**
Bank loans	0.0	0.0	0.0	430.8	(430.8)	0.0
Bank overdraft facility	(7.0)	178.7	321.7	2.3	147.7	150.0
Lease liabilities	42.5	(21.6)	64.5	52.4	(8.8)	43.6
Liabilities from financing activities	**35.5**	**157.1**	**386.2**	**485.5**	**(291.9)**	**193.6**

28 Business combination

On 24 March 2021 The Cotton Group A/S acquired 100% of the shares in Fristads Workwear Group Holding AB owning a number of companies in the European professional wear market, and providing promotional wear and workwear for a wide variety of customers and industries across Europe. The activities of The Cotton Group are operated through three businesses segments:

Promotional wear, sold and distributed by B&C across approx. 30 European countries through a network of specialized promotional textile wholesalers, who distribute the products to many thousand local print shops and e-tailers that service the end customers;

Heavy workwear is sold by Wenaas with operations in Norway, Aberdeen, Rotterdam and Singapore. Wenaas was among the first to develop and make work clothes in Norway, and has developed from a small, local enterprise into a leading international supplier of head-to-toe workwear, and safety solutions to the shipping and offshore sector. Wenaas is also the market leader amongst large customers in Norway across most industries; and

Healthcare workwear are distributed by Clinic & Job Dress, Sverre W. Monsen, Hejco and Martinsson all with strong positions within the healthcare and the hospitality segment across the Nordics and Central Europe.

No acquisition was carried out in 2022.

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28 Business combination (continued)

DKK million	2021
The fair value of assets and liabilities recognised as a result of the acquisition, can be specified as follows:	
Cash and cash equivalents	197.8
Trade receivables	219.4
Inventories	559.8
Other receivables	86.5
Non-current assets	170.0
Deferred tax, net	53.0
Interest-bearing loans and borrowings	(490.6)
Trade payables	(226.1)
Contract liabilities	(23.1)
Other liabilities	(100.3)
Defined benefit obligations	(13.0)
Net assets acquired	**433.4**
Negative goodwill on acquisition	(112.9)
Cash purchase consideration	**320.5**

The fair value of trade receivables acquired in 2021 was DKK 219.4 million. The gross contractual amount for trade receivables acquired in 2021 was DKK 227.9 million, with an impairment loss allowance of DKK 8.5 million recognised on acquisition.

The acquisition in 2021 technically resulted in negative goodwill, which has been recognised as a special item in the income statement. The negative goodwill originated from revaluation of assets and liabilities to fair value in accordance with IFRS 3. In this valuation, inventory was marked-up and a number of acquired receivables were valued at nominal value as we do not have any knowledge of potential claims related to these receivables. Furthermore, the agreement to acquire the companies was entered into in 2020, at a time where the performance of the companies had been negatively impacted by COVID-19, and where the expectations for the future was uncertain. The risks and rewards from the day to day operations was transferred to The Cotton Group at the time of the agreement. During the extended period from acquisition until closing, the business developed favourably and generated profits, which also increased the net assets and resulted in negative goodwill.

The acquired business contributed with revenues in 2021 of DKK 1.511.8 million, and net profits of DKK 131.6 million. If the acquisition had occurred at 1 January 2021, consolidated pro-forma revenue, EBIT and net profit for the year ending 31 December 2021 would have been as follows:

	2021
Revenue	2,003.3
Operating profit before special items (EBIT)	270.0
Net profit	179.0

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	320.5
Less cash and cash equivalents acquired	(197.8)
Net cash outflow	**122.7**

No costs related to the acquisition was incurred by The Cotton Group A/S.

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29 Cash and cash equivalents

DKK million	2022	2021
Cash and cash equivalents in the cash flow statement as at 31 December includes:		
Cash in bank and in hand	30.4	78.4
Cash and cash equivalents in the cash flow statement	**30.4**	**78.4**

In 2021 cash deposited in escrow in a bank account owned by The Cotton Group of DKK 66.5 million, has been provided as security for guarantees related to the disposal of companies, was recognised as non-current other receivables. The escrow has been released in 2022.

The Cotton Group has a not utilised credit facility under the bank overdraft of DKK 99.3 million (2021 DKK 221.8 million).

30 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 819.3 million (2021 DKK 572.3 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.

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30 Financial risks and financial instruments (continued)

The exposure and sensitivity for a theoretical change in the foreign exchange rates, can be illustrated as follows:

	2022			2021		
	Change in foreign exchange rates	Effect on revenue	Effect on EBITDA	Change in foreign exchange rates	Effect on revenue	Effect on EBITDA
EUR/DKK	-1%	-0.6%	-1.8%	-1%	-0.6%	-1.4%
USD/DKK	-10%	-0.1%	-31.9%	-10%	-0.2%	-22.3%
NOK/DKK	-10%	-2.9%	-15.7%	-10%	-3.0%	-11.7%
SEK/DKK	-10%	-0.8%	-4.7%	-10%	-0.9%	-5.0%

A corresponding positive change in the foreign currency exchange rates will have the opposite effect on revenue and EBITDA.

Currency exposure from financial activities

Currency exposure from financing activities include risks of having internal and external loans (receivables and payables), in currencies other than the functional currency of the legal entity. It also covers the conversion of the income statements and balance sheets, and dividends from subsidiaries in currencies other than the parent company's functional currency.

Most of The Cotton Group's external loans as of 31 December 2022 are in EUR. Given the liabilities in EUR that existed at the balance sheet date, a 1% change in the EUR foreign exchange rate, would have affected the Group's profit before tax by +/- DKK 3.2 million (2021 DKK 1.5 million).

The loan in EUR is to a degree hedged by net the inflow of EUR. The Cotton Group does not normally hedge currency exposures from financing activities.

Hedges entered into to hedge future cash flows:

	2021			
DKK million	**Amounts hedged**	***) Fair value adj. incl. in income statement**	**Fair value**	**Maturity in months**
Currency forward contracts				
EUR to USD	50.6	(4.5)	0.6	0-4
NOK to USD	57.9	2.1	2.2	0-10
NOK to EUR	50.9	0.2	(0.3)	0-10
GBP to EUR	16.9	0.5	(0.6)	0-10
SEK to EUR	0.0	(0.1)	0.0	
	176.3	**(1.8)**	**1.9**	
	2022			
Currency forward contracts				
EUR to USD	118.6	(0.9)	(0.3)	0-2
NOK to USD	2.8	(1.9)	0.3	0-2
NOK to EUR	0.0	0.3	0.0	
GBP to EUR	0.0	0.6	0.0	
	121.4	**(1.9)**	**0.0**	

* Gain/(loss) are recognised as financial items in the income statement

Currency forward contracts for The Cotton Group, do not meet the criterias for hedge accounting in accordance with International Financial Reporting Standards.

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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30 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 net profit by DKK 2.9 million (2021 DKK 2.1 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 446.2 million, which expires 31 December 2023. DKK 346.9 million of the overdraft facility was utilised 31 December 2022 (2021 DKK 150.0 million). Net interest bearing debt 31 December 2022 increased to DKK 291.4 million (2021 DKK 72 million) via distrubution to shareholders and to finance the growth in working capital. Despite the increase in net interest bearing debt, 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:

2021 (DKK million)	**Contractual cash flow**	**Due within 1 year**	**Due from 1 - 5 years**	**Due after 5 years**
Interest-bearing loans and borrowings	151.4	151.4	0.0	0.0
Lease liabilities	45.2	21.2	23.3	0.7
Trade payables	229.3	229.3	0.0	0.0
Other payables	73.4	61.7	5.8	5.9
31 December 2021	**499.3**	**463.6**	**29.1**	**6.6**
2022 (DKK million)				
Interest-bearing loans and borrowings	334.7	334.7	0.0	0.0
Lease liabilities	71.3	17.8	34.8	18.7
Trade payables	283.0	283.0	0.0	0.0
Other payables	58.7	56.6	2.1	0.0
31 December 2022	**747.7**	**692.1**	**36.9**	**18.7**

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.

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 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.

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

2021	**Accrual**	**Receivable**	**Expected loss**	**Trade receivable**
Not due	0.5%	200.0	1.0	199.0
Less that 30 days overdue	1.0%	17.2	0.2	17.0
Between 30 and 60 days overdue	2.0%	2.7	0.1	2.6
Between 60 and 90 days overdue	10.0%	1.1	0.1	1.0
Above 90 days overdue	72.5%	10.3	7.4	2.9
Trade receivables		**231.3**	**8.8**	**222.5**
2022				
Not due	0.5%	231.1	1.2	229.9
Less that 30 days overdue	1.0%	24.0	0.2	23.8
Between 30 and 60 days overdue	2.0%	9.2	0.2	9.0
Between 60 and 90 days overdue	10.0%	3.9	0.4	3.5
Above 90 days overdue	40.0%	16.2	6.6	9.6
Trade receivables		**284.4**	**8.6**	**275.8**

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 2022 was DKK 1.4 million (2021 DKK 1.7 million).

DKK million	**2022**	**2021**
Categories of financial instruments	**Carrying amount**	
Financial assets measured at fair value via the income statement	0.0	1.9
Receivables, cash and cash equivalents	337.7	404.4
Financial liabilities measured at amortised cost	661.3	441.0

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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30 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)	Observ-able input (level 2)	Unobserv-able input (level 3)	Total
2021				
Derivative financial instruments	0.0	1.9	0.0	1.9
Financial assets measured at fair value at 31 December	**0.0**	**1.9**	**0.0**	**1.9**
2022				
Derivative financial instruments	0.0	0.0	0.0	0.0
Financial assets measured at fair value at 31 December	**0.0**	**0.0**	**0.0**	**0.0**

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.

31 Related parties

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

Selskabet af 31.12.2020 ApS, Amaliegade 47, 1256 Copenhagen K, Denmark
MICHASO Holding A/S, 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, Toldbodgade 83, 1253 Copenhagen K, 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 0.5 million (2021 DKK 0.1 million).

Management
Other related parties comprise the of the Executive Board and the Board of Directors of The Cotton Group A/S and their close relatives. Remuneration of the Excutive 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 0.3 million (2021 DKK 0.1 million) has been paid to C.P. Dyvig & Co. A/S,
interest on a loan from Selskabet af 31.12.2020 ApS of DKK 0.2 million (2021 DKK 0.0 million), and
interest on a loan from MICHASO Holding A/S of DKK 0.1 million (2021 DKK 0.0 million)

On March 24 2021 The Cotton Group A/S acquired Fristad Workwear Group Holding AB for DKK 320.5 million. The Cotton Group A/S has a partial overlap of shareholders and board members from Fristads Kansas AB. The acquistion was conducted in agreement with banks, who held a pledged over the assets, and received the proceeds from the sale.

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 Significant events after the balance sheet date

No significant events have occurred after the 31 December 2022.

33 New accounting standards, amendments and interpretations

At the time of publication of this annual report, the IASB has issued the following new accounting standards and interpretations that are not mandatory for The Cotton Group A/S' preparation of the 2022 annual report:

- IFRS 17 Insurance Contracts
- IFRS 17 Insurance Contracts – Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 Financial Instruments – Comparative Information
- IAS 12 Income Taxes – Amendments to IAS 12: Deffered Tax related to Assets and Liabilities arising from a Single Transaction
- IAS 1 Presentation of Financial Statements – Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies
- IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting
- Annual Improvements 2018-2020 Cycle.

Not all of the above standards and interpretations are approved by the EU. The approved standards and interpretations not in force will be implemented as they become mandatory for The Cotton Group A/S.

None of the new or amended standards or interpretations are expected to have an impact on the consolidated financial statements for The Cotton Group A/S.

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

PARENT COMPANY FINANCIAL STATEMENTS

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Income statement

Note	DKK million	2022	2021
2	Other income	2.9	1.0
3,4	Administrative expenses	(4.9)	(2.4)
	Earnings before financial items and tax	**(2.0)**	**(1.4)**
5	Financial income	2.6	0.2
6	Financial expenses	(5.1)	(1.5)
	Profit before tax	**(4.5)**	**(2.7)**
7	Income tax	1.0	0.6
	Net profit	**(3.5)**	**(2.1)**

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

PARENT COMPANY FINANCIAL STATEMENTS

Statement of Financial position

Note	DKK million	2022	2021
	Assets		
8	Investment in subsidiaries	320.5	320.5
	Non-current assets	**320.5**	**320.5**
	Receivables from group companies	151.1	149.1
	Other receivables	0.2	0.0
7	Joint taxation receivable	1.0	0.6
	Cash and cash equivalents	0.0	57.2
	Current assets	**152.3**	**206.9**
	Total Assets	**472.8**	**527.4**

Note	DKK million	2022	2021
	Equity and liabilities		
	Share capital	26.3	43.0
	Retained earnings	0.2	201.4
	Proposed dividend	86.5	74.0
9	**Total equity**	**113.0**	**318.4**
10	Interest-bearing loans and borrowings	321.8	150.0
	Payables to group companies	37.1	57.9
	Trade payables	0.4	0.6
	Other liabilities	0.5	0.5
	Current liabilities	**359.8**	**209.0**
	Total liabilities	**359.8**	**209.0**
	Total equity and liabilities	**472.8**	**527.4**

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

PARENT COMPANY FINANCIAL STATEMENTS

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Statement of equity

DKK million	Share capital	Retained earnings	Proposed dividend	Total
Capital at incorporation	0.4			0.4
Net profit		(76.1)	74.0	(2.1)
Capital reduction	(0.4)			(0.4)
Issue of share capital	43.0	277.5		320.5
Total equity at 31 December 2021	**43.0**	**201.4**	**74.0**	**318.4**

DKK million	Share capital	Retained earnings	Proposed dividend	Total
Total equity at 1 January 2022	43.0	201.4	74.0	318.4
Net profit		(90.0)	86.5	(3.5)
Capital reduction	(16.7)	(111.2)		(127.9)
Dividends paid to shareholders			(74.0)	(74.0)
Total equity at 31 December 2022	**26.3**	**0.2**	**86.5**	**113.0**

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note
1 Accounting policies
2 Other income
3 Staff costs
4 Fees to auditors
5 Financial income
6 Financial expenses
7 Income tax
8 Investments in subsidiaries
9 Shareholders' equity
10 Interest-bearing loans and borrowings
11 Contingent liabilities
12 Related parties
13 Significant events after the balance sheet date

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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1 Accounting policies

The financial statements for The Cotton Group A/S are presented in accordance with the Danish Financial Statement Act of large reporting class C companies.

The parent company applies the same accounting policies for recognition and measurement as the Group, except from the following:

- Shares in subsidiaries are measured at cost.
- Dividend from subsidiaries is recognised as income in the income statement in the year when the dividend is declared. If dividend received from subsidiaries exceeds the profit for the year, investments in subsidiaries are tested for impairment.

	DKK million	2022	2021
2	**Other income**		
	Management fee	2.9	1.0
	Total other income	**2.9**	**1.0**
3	**Staff costs**		
	Wages and salaries	3.1	1.6
	Defined contribution pension plans	0.2	0.1
	Total staff costs	**3.3**	**1.7**
	Average number of employees	**2**	**1**
	Staff costs are included in the following line items in the income statement:		
	Administrative expenses	3.3	1.7
	Total staff costs	**3.3**	**1.7**

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

4	**Fees to auditors**		
	Statutory audit	0.3	0.2
	Total fees to auditors	**0.3**	**0.2**
	Fees to auditors can be specified as follows:		
	Total fee to EY	0.3	0.2
	Total fees to auditors	**0.3**	**0.2**
5	**Financial income**		
	Interest income from group companies	2.5	0.2
	Foreign exchange gains	0.1	0.0
	Total financial income	**2.6**	**0.2**
6	**Financial expenses**		
	Interest expenses on loans and borrowings	3.9	0.0
	Interest expenses to group companies and related parties	0.3	0.0
	Value adjustment of foreign currency hedges	0.0	0.1
	Other financial items	0.9	1.4
	Total financial expenses	**5.1**	**1.5**

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

	DKK million	2022	2021
7	**Income tax**		
	Tax recognised in the income statement		
	Income tax on net profit	(1.0)	(0.6)
	Total income tax	**(1.0)**	**(0.6)**
	Income tax can be specified as follows:		
	Current tax	(1.0)	(0.6)
	Total income tax	**(1.0)**	**(0.6)**

	2022		2021	
The effective tax rate can be specified as follows:				
Income tax based on Danish tax rate	(1.0)	22.0%	(0.6)	22.0%
Non-deductible costs	0.0	0.0%	0.0	0.0%
Total income tax	**(1.0)**	**22.0%**	**(0.6)**	**22.0%**
Effective tax rate		22.0%		22.0%

8 Investment in subsidiaries

	2022	2021
Cost at 1 January	**320.5**	**0.0**
Additions	0.0	320.5
Cost at 31 December	**320.5**	**320.5**
Carrying amount at 31 December	**320.5**	**320.5**

Subsidiaries	Place of registered office	Ownership
The Cotton Group Holding AB	Sweden	100%

9 Shareholders equity

Share capital

	Issued shares			
	Number of shares	Nominal value DKK million	Number of shares	Nominal value DKK million
	2022	2022	2021	2021
Share capital at 1 January / capital at incorporation 25	43.0	43.0	0.4	0.4
Capital reduction	(16.7)	(16.7)	(0.4)	(0.4)
Capital increase	0.0	0.0	43.0	43.0
Share capital at 31 December	**26.3**	**26.3**	**43.0**	**43.0**

The share capital at the end of 2022 comprised 26,311,150 shares. A capital reduction was carried out in February 2022 resulting in a payment of DKK 127.9 million to cancel all 16,719,537 A-shares.

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

	DKK million	2022	2021
10	**Interest-bearing loans and borrowings**		
	Current liabilities	321.8	150.0
	Carrying amount of interest-bearing loans and borrowings	**321.8**	**150.0**
	Nominal value	**321.8**	**150.0**

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.

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 position

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*

No significant events have occurred after the 31 December 2022.

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Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

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 2022.

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 2022 and of the results of their operations and consolidated cash flows for the financial year 1 January – 31 December 2022.

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, 31 March 2023

Executive Board:

Søren Bremerskov Vuust

Board of Directors:

Christian Peter Dyvig (Chairman)	Michael Hauge Sørensen
Anders Daniel Davidsson	Ulf Peter Segerström

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

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INDEPENDENT AUDITOR'S REPORT

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 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, 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 International Financial Reporting 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 2022 and of the results of the Group's operations and cash flows for the financial year 1 January – 31 December 2022 in accordance with International Financial Reporting 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 2022 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2022 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 the work we have performed, 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.

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

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 International Financial Reporting 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 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 risk 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.

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

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INDEPENDENT AUDITOR'S REPORT

- 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.
- 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.
- 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

Copenhagen, 31 March 2023
EY
Godkendt Revisionspartnerselskab
CVR-nr. 30 70 02 28

Brian Skovhus Jakobsen
statsaut. revisor
mne27701

Anders Flou
stataut. Revisor
mne32777

Penneo dokumentnøgle: VXIPE-VGNTY-4FEZK-HPSIK-6G8LG-756XC

GROUP COMPANIES

Name of group company	Country	Ownership
The Cotton Group A/S	Denmark	
The Cotton Group Holding AB	Sweden	100.0%
The Cotton Group AB	Sweden	100.0%
Sverre W Monsen AS	Norway	99.0%
Sverre W Monsen DK A/S	Denmark	100.0%
UAB Neo Textile	Lithuania	100.0%
Wenaas Workwear AS	Norway	98.0%
Wenaas Workwear AB	Sweden	100.0%
Wenaas Workwear Singapore PTE Ltd.	Singapore	100.0%
Wenaas Workwear Australia PTY Ltd.	Australia	100.0%
Wenaas Workwear NL BV	The Netherlands	100.0%
Wenaas Workwear Denmark A/S	Denmark	100.0%
HejMar AB	Sweden	99.0%
Clinic & Job Dress GmbH	Germany	100.0%
Clinic & Job Dress AG	Switzerland	100.0%
Clinic & Job Dress Austria GmbH	Austria	100.0%
Clinic & Job Dress BV	The Netherlands	100.0%
Belskand SA	Belgium	100.0%
The Cotton Group SA/NV	Belgium	99.0%
Wenaas GmbH	Germany	100.0%
OOO Scanworkwear *)	Russia	100.0%

*) An agreement has been made to transfer the shares to management, and the company is thus not consolidated.

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20230706202 80

Brian Skovhus Jakobsen
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:90136501
IP: 80.208.xxx.xxx
2023-04-11 05:57:32 UTC
NEM ID

Søren Bremerskov Vuust
Chairman
On behalf of: The Cotton Group A/S
Serial number: 63704314-5e4b-4f1f-99f6-9b342725676d
IP: 152.115.xxx.xxx
2023-04-17 15:05:46 UTC
MitID

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Søren Bremerskov Vuust
Executive Board
On behalf of: The Cotton Group A/S
Serial number: 63704314-5e4b-4f1f-99f6-9b342725676d
IP: 188.179.xxx.xxx
2023-04-04 07:11:36 UTC
MitID

Anders Daniel Davidsson
Board of Directors
On behalf of: The Cotton Group A/S
Serial number: 19701129xxxx
IP: 94.234.xxx.xxx
2023-04-04 07:17:34 UTC
BankID

ULF SEGERSTRÖM
Board of Directors
On behalf of: The Cotton Group A/S
Serial number: 19660302xxxx
IP: 81.235.xxx.xxx
2023-04-04 07:18:27 UTC
BankID

Michael Hauge Sørensen
Board of Directors
On behalf of: The Cotton Group A/S
Serial number: 26a200ea-bb39-4d5b-8e51-d5a02b539b55
IP: 61.92.xxx.xxx
2023-04-04 17:04:30 UTC
MitID

Christian Peter Dyvig
Board of Directors, Chairman
On behalf of: The Cotton Group A/S
Serial number: 5f0f3645-f388-48bd-a368-d88f4b738064
IP: 77.241.xxx.xxx
2023-04-06 16:47:48 UTC
MitID

Anders Flou
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: 7675fef8-03bd-40bc-b641-05cbc7671895
IP: 80.208.xxx.xxx
2023-04-07 06:55:19 UTC
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