BESTSELLER ANNUAL REPORT 2021—22

BESTSELLER

CONTENTS

INTRODUCTION

BESTSELLER is a family-owned fashion company developing affordable and quality products for shoppers and creating value for our partners.

BESTSELLER's mission is to bring fashion forward. We strive to grow our business more sustainably and make a positive impact on our communities and environment.

We reinvest the profit we generate into BESTSELLER to support our mission. Through our parent company HEARTLAND and the BESTSELLER Foundation we also invest other relevant business and charitable activities.

Our strengths as a business are responsiveness to market trends and our ability to build relationships with our partners across the value chain. We want to be the best customer for our suppliers and the best supplier to our customers.

Our strengths are founded in skilled colleagues, who we empower to take ownership for their part of the BESTSELLER business.

Through this report we illustrate how we bring our people and partners together, combining our expertise in fashion, sustainability and technology to bring fashion forward.

This report details BESTSELLER's financial and sustainability performance for the financial year from 1 August 2021 through to 31 July 2022.

For further information on our sustainability performance, please see our *Sustainability Report 2021* and the *UN Guiding Principles Reporting Framework Index 2021*. At the end of the next financial year, we will report on our combined financial and sustainability performance.

A MESSAGE FROM OUR CEO AND OWNER

Trying to summarise and condense the year we had is not easy. Because we have achieved results we would not have imagined and had dared hope for just a few years ago. Just as well, as we have been challenged and tested by circumstances in an unlikely tempo.

Securing the best annual result in our history is an astonishing achievement. It is first and foremost a true testament to everyone at BESTSELLER. I am impressed by my colleagues' efforts and the way we worked to bring our values to life. However, the past year has also reminded us of the distinct and diverse challenges we face to maintain a resilient company, while also making a positive contribution to the world we live in. A task every company in the world is facing and must undertake. This is no different in BESTSELLER, and we are very aware of the great responsibility we have.

At BESTSELLER, we want to accelerate the fashion industry's journey forward to becoming more sustainable. Our industry has a significant impact on global challenges: from climate change and resource constraints to human rights and women's empowerment. But we believe our company can be a positive force for change.

It's important we work closely with our stakeholders including commercial and supply chain partners to be part of the solution that addresses these challenges. Investing in the right technology and incorporating sustainability throughout our business and supply chain will help create a more sustainable future for fashion and can build resilience in our business. While providing benefits for people and the planet.

The last few years have showed all of us how fast and how unprecedented events can challenge and change everything. Estimating where we are a year from now, or how we are going to progress financially, isn't an easy task and we will be hesitant to speculate. The past year, however, has bolstered my faith in the ability of BESTSELLER's colleagues and the opportunities we possess. We are – in every way we can – going to keep our company robust, and work tirelessly for a more responsible fashion industry and support in societies.

"BESTSELLER is at the intersection of people, fashion and technology. Together with our partners we strive to combine these forces to make a positive impact for our communities, our partners and our environment. In 2021-22 we made amazing progress. Our family is very proud of the work done by the thousands of BESTSELLER colleagues around the world who delivered record breaking results."

Anders Holch Povlsen

OUR CFO'S PERSPECTIVE

2021-22 was a fantastic year for BESTSELLER. All colleagues worked tirelessly towards delivering value for our partners and producing affordable fashion for shoppers.

We're proud to have taken another step forwards on BESTSELLER's positive journey. Last year we generated a total revenue of DKK 35 billion and an operating profit of DKK 6 billion*.

We saw remarkable sales growth across all channels, markets and brands around the world, this growth was higher than expected and was driven by our strong presence in the markets. These are results we are very pleased with, but also results we don't take for granted.

The two previous years have provided a boost to online sales across our business, while in the last 12 months we've seen a distinct rebound in performance in our retail stores and with brick-and-mortar shoppers. This underlines the importance of the investment we provided over the last years to support our stores and wholesale partners.

These results bring to light our further responsibility to move not only BESTSELLER, but the entire fashion industry forward towards a more circular future and more sustainable business models. With this result we can be even more ambitious with our investments and dedication going forward.

Although our performance last year was very positive, we're aware this was largely driven by the overall performance in the first nine months of the year. In contrast, the last three months of the financial year were difficult.

There were clear indications of higher operating costs due to the macroeconomic environment and some customer segments being more cautious. This challenging trend is expected to continue into the new financial year 2022-23. Although we expect medium to high single digit sales growth next year, we also expect to see profitability decline resulting in an operating profit between DKK 4-5 billion.

Pressure on profitability will however not hold us back from continuing to invest in our people, pursuing further progress on our collective sustainability journey as well as becoming more digital and technology focused. Our ambitions are unchanged.

Thomas Børglum Jensen

*Operating profit corresponds to result before tax.

2021—22 HIGHLIGHTS

2021

INVESTING FORWARD

Invest FWD – our investment platform for more sustainable fashion – invested in Circular Systems, Ambercycle and several other exciting innovators. More than DKK 100 million has been invested so far.

SOCIAL COMMERCE

Investment in social commerce increased sales on Facebook and Instagram by more than 500 percent, providing benefits for own retail stores and our retail partners.

A SAFER SUPPLY CHAIN

We signed the International Accord for Health and Safety in the Textile and Garment Industry.

25 YEARS IN GERMANY

We celebrated an important milestone in our biggest market.

500,000 SOLAR PANELS

The opening of Northern Europe's largest solar power plant, which is owned by HEARTLAND, BESTSELLER's parent company. 100 percent of our European energy needs are met by renewable energy.

FLEXIBLE SUPPLY CHAIN

We announced our largest single investment, committing DKK 2 billion to build a new high-tech logistics centre in Lelystad, the Netherlands.

2022

BREAKING SALES RECORDS

Revenue across wholesale, retail and ecommerce channels increase by 33 percent.

EMPOWERING CIRCULARITY IN AFRICA

Supported BESTSELLER Foundation's partnership with TakaTaka Solutions – the largest waste management and recycling company in Kenya – by investing in their textile recycling initiative.

SUPPORTING UKRAINE

Joined forces with HEARTLAND to support humanitarian efforts in Ukraine. HEARTLAND donated DKK 100 million and colleagues were granted paid leave to assist where they could.

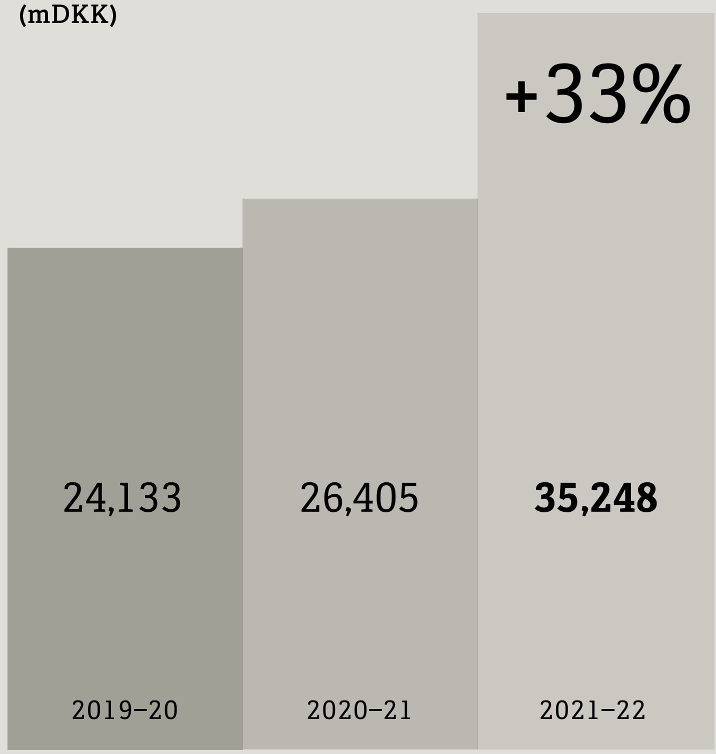
BIGGEST MARKET GROWTH

Canada, a market with significant potential, grew by 62 percent.

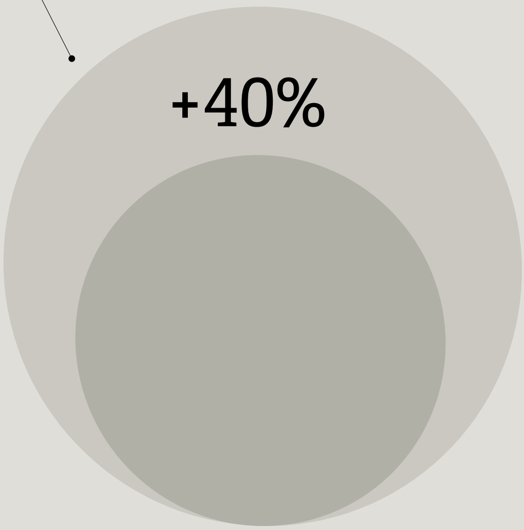
FINANCIAL HIGHLIGHTS

Seen over a five year period, the development of the company may be described by means of the following financial highlights:

Revenue across wholesale, retail and ecommerce channels (mDKK)



Growth in sales across owned and partner operated retail stores:



(mDKK)	2021/22	2020/21	2019/20	2018/19	2017/18
Profit/loss					
Revenue	35,248	26,405	24,133	25,817	24,157
Gross margin	17,534	13,019	11,551	12,756	12,256
Gross profit	12,201	9,435	6,326	8,296	7,879
Profit before net financials	6,263	4,458	988	2,731	2,747
Net financials	-179	146	-212	44	108
Profit before tax	6,085	4,604	776	2,775	2,855
Profit for the year	5,143	3,609	415	2,108	2,107
Balance sheet					
Balance sheet total	22,308	18,246	13,830	15,405	14,215
Investment in property. plant and equipment	1,371	379	513	922	1,055
Equity	11,881	8,734	5,245	7,071	6,928
Financial ratios					
Gross margin ratio	49.7%	49.3%	47.9%	49.4%	50.7%
Operating margin ratio	17.8%	16.9%	4.1%	10.6%	11.4%
Solvency ratio	53.3%	47.9%	38.0%	45.9%	48.7%

DEFINITIONS OF FINANCIAL RATIOS

Gross margin ratio:

$$\frac{\text{Gross margin x 100}}{\text{Revenue}}$$

Operating margin ratio:

$$\frac{\text{Profit before net financials x 100}}{\text{Revenue}}$$

Solvency ratio:

$$\frac{\text{Equity (at year end) x 100}}{\text{Total assets}}$$

Gross margin = Revenue - Cost of sales

BESTSELLER AT A GLANCE

BESTSELLER is an international, family-owned fashion company with a strong foundation. Founded by the Holch Povlsen family in Denmark in 1975, we remain true to our Founding Principles.

We have a range of more than 20 brands, including JACK & JONES, VERO MODA and ONLY. We sell clothes and accessories for all ages, genders and occasions. Our products are based on the concept of good quality at competitive prices.

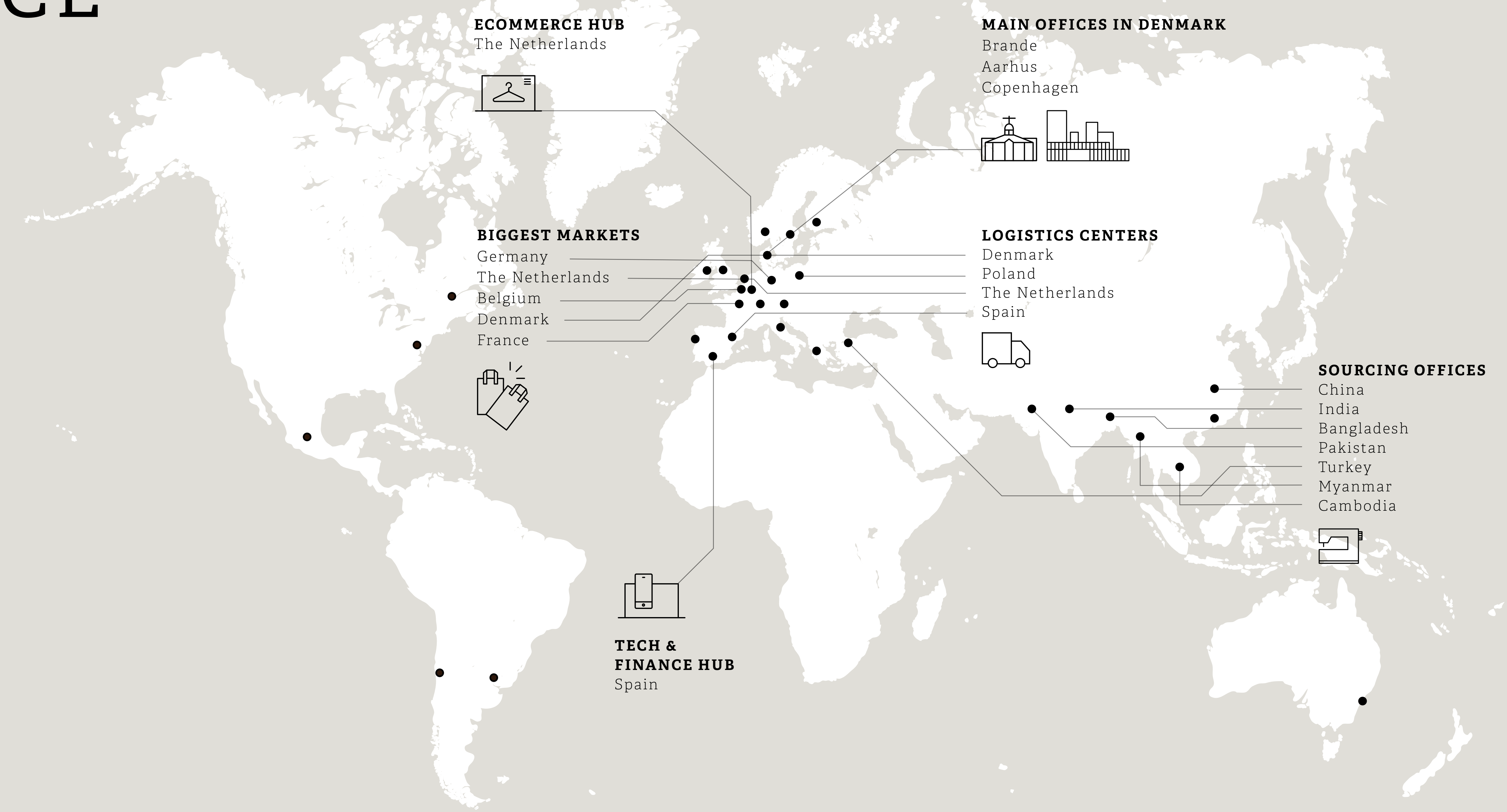
Today our products are sold in 70 countries across Europe, Asia, North America, South America, Oceania and the Middle East. Our wholesale business sells our products to more than 17,000 multi-brand and department stores globally.

There are approximately 3,000 branded BESTSELLER retail stores in 32 countries globally. We own approximately 2,400 of these stores, while the other stores are operated by partners.

We're more than 18,000 colleagues working across design, logistics, sales, technology and other functions. We employ committed and ambitious colleagues with a positive mindset.

Our global supply chain partners include more than 500 suppliers. Our products are manufactured at more than 800 factories, which employ over 600,000 people across 23 countries.

See our full supplier list here.



OUR HISTORY

BESTSELLER's history dates to 1975, when Troels Holch Povlsen and Merete Bech Povlsen opened a single store in the Danish town of Ringkøbing. Initially this was as an outlet to sell clothes for Troels' uncle. But later that year the business expanded. So, the couple began importing their own products and selling to wholesale partners.

In 1980, Troels and Merete bought a store in Aarhus called BESTSELLER which also became the name of their company. In 1985, our main office was established in Brande where it's still located today. BESTSELLER started selling women's fashion and in 1986 the brand EXIT was launched, followed by the brand VERO MODA in 1987.

In 1988, we reached an important milestone with the opening of a retail store in Norway, our first outside of Denmark.

In 1995, the company launched JACK & JONES, our first men's wear brand. The next year the brand that would become NAME IT, our first kids wear brand was launched.

Since then, accessories, maternity wear, sportswear, unisex and plus size fashion have joined BESTSELLER's range of products. BESTSELLER has continued and maintained its foundation as a family-owned fashion company with a strong heritage.

In 2001, Anders Holch Povlsen, son of Troels and Merete, took over as the owner and Managing Director of BESTSELLER. Anders began working in the company at the age of 15. Since 1996 he had been Managing Director of the brand VILA. Merete and Troels are still involved in the family business. Troels as a member and Merete as the chair of the BESTSELLER's Board of Directors.

In 2006, BESTSELLER began transitioning to digital retailing when we launched our first ecommerce platform. Since then, we've significantly expanded our investments in retail and online technology.

In 2018, we launched our sustainability strategy, Fashion FWD, setting ambitious goals for integrating sustainability across our business.

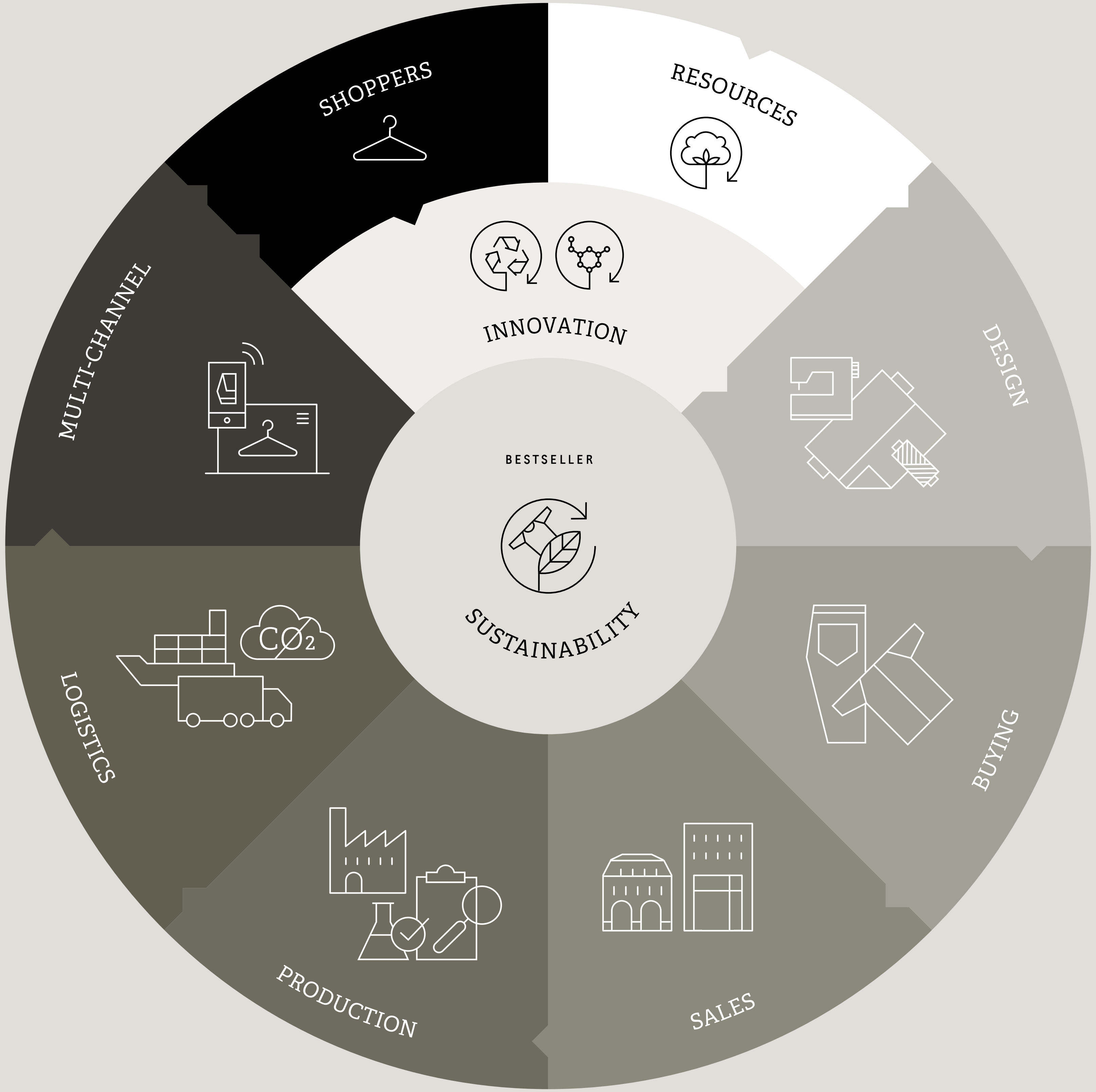
OUR BUSINESS

BESTSELLER is a global fashion company. Our business is built on strong partnerships throughout the value chain. We want to be the best supplier for our customers and the best customer for our suppliers.

Our business model is based on multi-channel retailing, which sets us apart from our competitors in the fashion industry. We sell our products at our own retail stores, through partner retail stores and through to multi-brand retailers. As well as online on our own brands' ecommerce platforms and through multiple online partners.

Multi-channel retailing means being where shoppers are. A much wider opportunity to buy BESTSELLER products creates value for shoppers with greater choice, flexibility and convenience. Each of our physical and digital channels supports the others, creating synergies and mutual benefits.

We're on a journey to incorporate sustainability throughout our value chain. Going forward we're going to invest even more to achieve our goals.



RESOURCES — Cotton, wool and polyester are some of the many raw materials resources we work with across our material portfolio. We're working with suppliers to ensure future products are made using recycled and renewable materials.

DESIGN — Our value chain begins with design. Here we work with suppliers on trends and provide inspiration for the right styles.

BUYING — Buyers interact with design to evaluate trends, input from suppliers and our existing successful styles.

SALES — The sales teams are introduced to the collections and are ready to interact with wholesale and retail partners.

PRODUCTION — We work closely with our suppliers who manufacture the styles using defined materials. More than 600,000 people work in our supply chain.

LOGISTICS — We work with logistics partners to transport products from suppliers to our network of owned and third-party operated distribution centres.

MULTI-CHANNEL RETAILING — We sell products across retail, wholesale and ecommerce channels. We deeply understand our customers' businesses and always operate with a win-win mindset to create value for our partners.

SHOPPERS — By operating across multiple channels we make shopping for our products convenient. We strive to provide information about the environmental impacts of products, as we believe better informed shoppers will make better choices and become active partners in the development of a more sustainable fashion industry.

OUR FOUNDING PRINCIPLES

We are hard-working
We take nothing for granted
We are business-minded
We are loyal
We are co-operative
We want to see results
We are honest
We want simple solutions
We always keep our promises
We want to be the best

OUR COLLEAGUES

We strive to be a company who recognises the value of personal development and human relations without compromising on being business-minded and creating results. While fashion and retailing are an ever-changing business, we must never lose sight of the values that have made us who we are today. A company of people who treat business partners, customers and colleagues with integrity and respect.

We welcome dedicated and motivated people with a positive attitude and the right mindset rather than a specific degree. BESTSELLER is a place for talented colleagues who take ownership and thrive and develop on the confidence shown in them. Being business-minded is deeply embedded in the way we think and act.

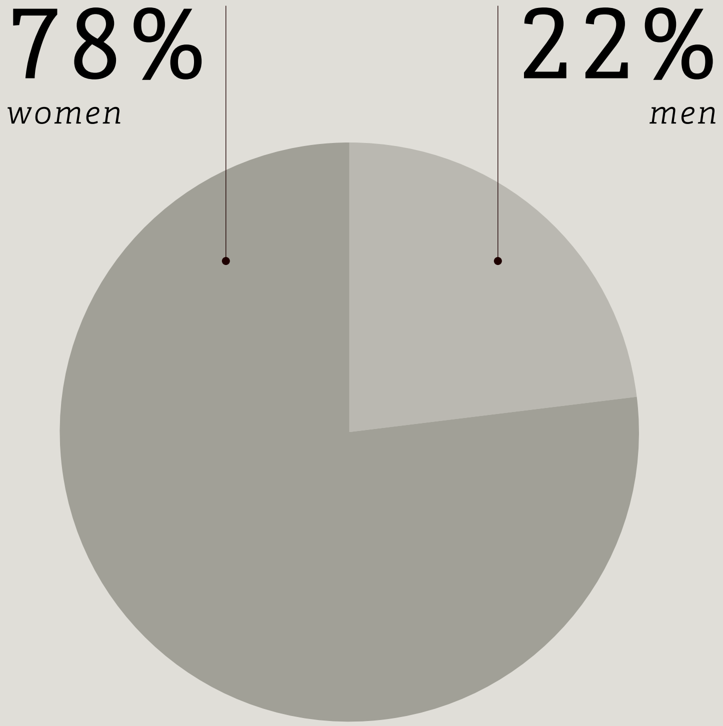
In all parts of our organisation in every country in every department, the informal atmosphere and the direct line of communication between us characterise the way we interact. No matter the nature of an assignment or the complexity, commitment and a positive approach bring us forward.

We've grown from being a company of one store, to having more than 3,000 stores around the world. We're more than 18,000 colleagues now, but it remains critical to ensure we retain our culture of family-ownership, trust and respect.

As per the Danish Financial Statements Act. section 99b regarding gender representation at the board of directors, BESTSELLER is subject to the rules on target figures and policies for the gender composition of management. We continue to believe that qualification and experience should be the decisive factor behind any job position.

The present board of directors of BESTSELLER A/S consists of five members, three men and two women, one of whom is the chair of the board. Therefore, there is an equal gender composition on the board of directors. At other management levels BESTSELLER A/S has an equal gender representation.

BESTSELLER colleagues	+18,000
Retail colleagues	+12,000
Office & warehouse colleagues	+6,000



OUR PARTNERS

We're committed to developing close connections with our partners. By staying loyal to our suppliers, wholesale customers and retail partners, we can create shared prosperity.

This is why many of our business partners have been part of the BESTSELLER family for decades. To foster these relationships requires regular contact, mutual trust and dedication from all parties. We have great respect for our longstanding partners and the effort they put in every day to make BESTSELLER better.

RETAIL PARTNERS

We firmly believe in mutual trust and long-term relations and have built strong relationships with our partners. We consider many of them our friends and take great pride in maintaining these relationships across borders and culture.

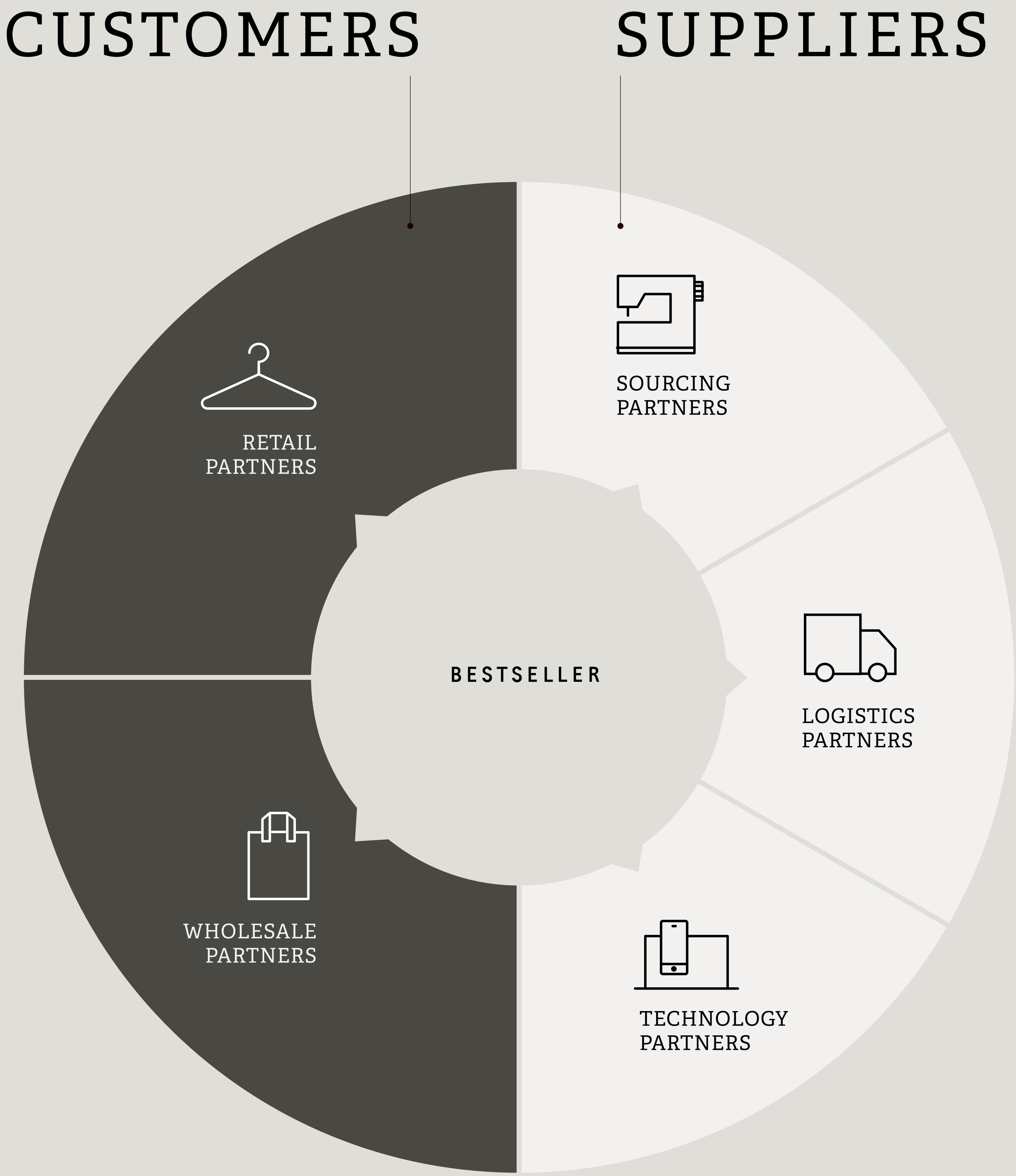
As the public face of many BESTSELLER brands, our retail stores are our most important marketing asset. Each store primarily sells their own brands' products. We create value for our partners by keeping our commitments to ensuring they have the best products at the right time. Helping them smoothly operate their business with minimum risk. Today we have more than 180 retail partners globally who operate more than 600 retail stores worldwide.

WHOLESALE PARTNERS

Our wholesale activities remain a solid foundation for BESTSELLER and constitute more than half of our business. Our products are marketed and sold to approximately 17,000 wholesale partner stores and many online retailers worldwide.

We are proud of our cooperation with all our wholesale partners whichever the size of their business, from world-leading department stores with many branches to wholesale partners with one or two small fashion stores. They all help ensure that our products reach customers everywhere, also in markets where we don't have our own retail stores.

All our retail and wholesale partners have a large stake in developing our business, expanding into new markets and increasing brand-awareness.



SUPPLY CHAIN PARTNERS

While we provide the inspiration for product design, it's our supplier partners who produce our products in the right quality to meet the demands of our customers and shoppers. 95 percent of our global Greenhouse Gas emissions (GHG) come from raw material production and our supply chain. The journey towards more sustainable fashion is the responsibility of all industry stakeholders, which is why we are committed to working with the most responsible and dedicated supply chain partners in this vital chapter in our planet's history.

Read more about our efforts on page 31-50

TECHNOLOGY PARTNERS

To achieve our sustainability goals and make our business more competitive we're investing in digital technology. Together with our parent company, HEARTLAND, we invest in technology partners who can help bring both BESTSELLER and the fashion industry forward.

Technology partners play an important role across our value chain. Starting with the way we use 3D design in the creation of styles, to investing in automation technology to help improve productivity in our distribution centres.

Digital technology is helping to facilitate sales interactions with our retail and wholesale partners. With new platforms helping partners gain a better overview of the latest products and delivery times, as well as placing orders. We also invest in flexible payment solutions and instore ordering to optimise retail shopping. While other technology partners help facilitate better ecommerce and live shopping experiences.

OUR PARTNERSHIPS

“There’s a great deal of excitement about this across the business, and we’ve been delighted to welcome BESTSELLER into the M&S Family, as brands at M&S continue to grow at pace.”

Neil Harrison, Director of Brands, Marks & Spencer

"The best part about working with BESTSELLER is sharing the same vision for a sustainable future and challenging each other on sustainable innovation."

Omer Ahmed, CEO of Artistic Milliners

“A partnership in BESTSELLER goes both ways. Both parties have an influence and are deeply involved in detail regarding operations and development. To me that’s what partnership is all about.”

Pernille Kvorning, PIECES Partner

“We try to be the best customer to our suppliers and the best supplier to our customers, which is and must be a defining priority for us. We’re focused on maintaining and continuing to increase our close collaboration with our customers and partners in the future.”

Anders Holch Povlsen, CEO & Owner of BESTSELLER

BESTSELLER FOUNDATION

OUR APPROACH

BESTSELLER Foundation is a private foundation, philanthropically funded by BESTSELLER. They support projects and invest in businesses with positive social and environment impacts.

The main priority of the BESTSELLER Foundation is to help reduce waste, as well as reuse and recycle valuable resources – not least in Sub-Saharan Africa – for the creation of a healthy ecosystem that benefits society, livelihoods and the environment across the world.

These efforts are currently focused on supporting aspiring circular economy ventures. As well as providing educational opportunities and creating jobs.

PROGRESS

In 2022 Jannek Hagen, Managing Director of BESTSELLER Foundation, relocated to Kigali, the capital of Rwanda, to set up the foundation's Africa office. Helping to grow its family of circular changemakers, directly tapping into the vast opportunities for supporting green and sustainable growth through entrepreneurship and innovation – in Rwanda, the wider region and the continent at large.

BESTSELLER Foundation has also adjusted its strategy for this year to include circular fashion and textiles in its priorities. Fashion and textiles are among *the five industries* regarded as offering immediate opportunities for increased circularity, which will improve the economy and jobs over the long term.

GOING FORWARD

Some of the immediate plans within fashion and textiles include investments in businesses in Rwanda that make fashionable products of recycled materials. Supporting the Green Access programme of the Lagos Fashion Week, encouraging designers to create social, economic and environmentally sustainable fashion brands.

In addition to their ongoing work in Africa, BESTSELLER Foundation is also working with wildlife protection in other countries with vulnerable ecosystems. As part of an Earth Day commitment and a new year's present to our colleagues, the BESTSELLER Foundation will plant 50,000 peatland trees in Borneo and 140,000 mangrove trees in the Philippines from August to December.

BESTSELLER Foundation's long-term ambition is to become a significant ecosystem developer and promoter of circular economy innovations.

2021-22 INVESTMENTS & PROJECTS:

ANKA *BESTSELLER Foundation invested in an African ecommerce platform known as ANKA. A platform for African designers that provides thousands of microentrepreneurs across Africa with access to the global market. ANKA has a growing portfolio of waste-to-value textile and fashion companies, for whom they create ground-breaking infrastructure. With ANKA, BESTSELLER Foundation looks forward to contributing to a sustainable textile and fashion industry in Africa.*

TAKATAKA SOLUTIONS *BESTSELLER Foundation partnered with TakaTaka Solutions – the largest waste management and recycling company in Kenya by investing in their textile recycling initiative.*

THE CLOTHING BANK *In South Africa BESTSELLER Foundation supported the TradeUp programme. An initiative of the The Clothing Bank, an internationally recognised social enterprise aiming to inspire and support underemployed South Africans. The new programme addresses the skills gaps in the creatives industry, while solving the issue of deadstock in the textile industry. The programme trains sewers with design, micro-manufacturing and textile repurposing skills. Read more.*

SOMO *In Kenya, the BESTSELLER Foundation partnered with Somo, a business accelerator in Kenya that supports micro and small business owners in low-income urban communities. Somo supports entrepreneurs with training, mentorship, financing and market access, as well as a set of digital tools that provide customised training and track business performance. The partnership provides loans to a portfolio of micro and small businesses turning waste into fashion products and furniture, among others.*

FASHION

Fashion is the heart of our company. Fashion is the ultimate form of personal self-expression. At BESTSELLER we know that our styles play an important part of people's daily lives. We aspire to provide stylish clothes at affordable prices.

OUR DESIGN PROCESS

Agility and adaptability are key to success in an ever-changing and competitive market. Our designers and buyers keep their fingers on the pulse of the latest fashion trend forecasting and styles around the world, while striving to be at the forefront of creating the next fashion break-throughs.

BESTSELLER takes a different approach to doing business than many other fashion companies. As we sell our products to both wholesale and retail partners as well as through our own retail and online channels, we must take a customer-centric approach to designing our collections. We need to understand what styles work well for each customer and use insights and experience to offer products at competitive prices which will generate value for both our customers, suppliers and ourselves.

Our collections are developed in many ways. The process of developing our styles starts with a close collaboration between our designers, buyers, suppliers as well as sales colleagues and retail stores.

Designers bring creativity and inspiration from the latest trends, while sales colleagues and retail stores bring the close feedback from our wholesale customers and shoppers. Buyers and suppliers inject the material and product understanding, bringing the entire collaboration from idea to a final product.

Working with our suppliers we exchange designs and inspiration to build a collection composed of both ideas from suppliers and developments from the design team.

The collection goes through a fitting process and design alterations. Once the final collection is settled, products are manufactured to support the buying process for wholesale and retail partners.

Going forwards, 3D and other digital technology will make our design process faster and more efficient. While our Circular Design Guide and use of Fashion FWD materials will enable designers to create styles with lower environmental impact than traditional materials.

OUR BRANDS

BESTSELLER's brand portfolio covers around 20 brands, each with their own identity.

We sell clothes and accessories for all ages, genders and occasions. Our products are based on the concept of good quality at competitive prices.

Our brands sell products through our owned branded retail stores and partner operated retail stores, as well as in more than 17,000 multi-brand and department stores across Europe, The Middle East, North America, South & Central America, Oceania and India.

+20
Brands

70
Markets

17,000
Multi-brand & department stores

3,000
Branded retail stores

mama:licious
name it
JDY
Lil'Atelier
VERO MODA CURVE
LMTD
JACK&JONES
JJXX
Y.A.S
AWARE BY VERO MODA
SELECTED FEMME / HOMME
VERO MODA
ONLY
QUAL
ONLY CARMAKOMA
ONLY & SONS
VILA
.OBJECT
ONLY PLAY
Vero Moda Copenhagen STUDIO
PIECES
KIDS ONLY
NOISY MAY
LITTLE PIECES
+

BRAND HIGHLIGHTS

In 2021-22 our brands continued to innovate and introduced many successful designs and styles. Working together with our retail and wholesale partners all brands experienced increased demand from shoppers across our biggest markets.

On the next few pages we have included some highlights from our brands from 2021-22.

Explore all brands at *bestseller.com*

JACK & JONES

"We have the greatest team that work closely together with focus on every aspect of our business – and make sure to keep it simple. We help each other to stay business-minded and on our toes at all times in order to react quickly to changes in a market that is shifting more rapidly than ever. It seems pretty simple; we deliver great results when we have fun working hard together."

Anders Gam, Brand Director

PIECES & Y·A·S

"At PIECES and Y.A.S, we keep things simple and stay true to our core purpose, which is our people and our products. We strive to be inspiring and relevant to shoppers. This year there was incredible growth in our wholesale business. We are proud of the team. We launched IIQUAL, the brand for shopping high-quality, gender-neutral staples, filling an important gap in the fashion market."

Jette Lykke Lorentzen, Brand Director

SELECTED

"Last year, we started our Creating the Future journey, defining our strategic and growth targets for the coming financial year and beyond. Having sharpened our understanding of ourselves as a brand, our markets and consumers, it is now about translating our mission into action and capturing market share. I am very proud to be part of this journey and impressed every day by the mindset of the SELECTED people around me."

Daniel Mayer, Brand Director

BRAND HIGHLIGHTS

NAME IT

"In NAME IT we had a strong 2021-22. We almost doubled our number of retail stores and our B2B customers had strong sales figures on the NAME IT collections. We have invested heavily in a digital transformation. We have successfully launched Digital Showrooms in most countries and 3D design becomes a more important part of our design process. Investments that are moving NAME IT towards a stronger digital and sustainable business model."

Michael Vinther, Brand Director

NOISY MAY

"At NOISY MAY we constantly strive to perform better. Our hard-working and dedicated colleagues are the key to our growth in 21-22, however this is only the beginning for NOISY MAY. We launched Droplets, our first ever rainwear collection and we are ready to conquer 22-23 with a winning team spirit."

Lisbeth Holm, Brand Director

VILA

"At VILA we take tremendous pride in the year we have just ended. An amazing team effort has seen our business experience unprecedented growth throughout all channels, which is quite simply a spectacular achievement. We successfully launched our new plus size brand "EVOKED" and upgraded line "ROUGE". Furthermore, our continued groundbreaking effort within 3D also brings us much pride."

Simon Khong Harbjerg, Brand Director

Explore all brands at *bestseller.com*

BRAND HIGHLIGHTS

VERO MODA

“VERO MODA is a brand for stylish women looking for new trends, accessible styles and fashionable must-have items. Our trademark is a vibrant and accessible approach to fashion. This year we launched many new styles, a new retail concept and a leaner, more agile business model. Going forward, our focus is to ensure we create even more value for partners and shoppers remain excited to see our new designs.”

Henrik Matthiesen, Brand Director

OBJECT

"The Object brand combines fashion, high quality, coolness and a high share of branded and/or certified fibers. We've seen a high growth rate over the last two years. With a promising year ahead of us, we will double the size of our brand in just three years."

Pascal Gilibert, Brand Director

ONLY

“What a remarkable year. 2021-2022 will forever stand out as a record-breaking year, where we grew our business across all channels. We reached our goals through a phenomenally strong team effort. It is all about people and products! In ONLY Brand House, this is the backbone of our philosophy. As a result, shoppers are buying into our brands like never before, and our upcoming collections are looking very promising. Even though we just landed our best result ever, everyone in our organisation is prepared to face the challenges that the new market situation will bring in the coming years.”

Finn Poulsen, Brand Director

Explore all brands at *bestseller.com*

TECHNOLOGY

Investing in the right technology across product development, logistics, ecommerce and digital sales will help build resilience in our business and keep us competitive in the challenging retail market.

OUR DIGITAL TRANSFORMATION

While we’ve always been good at designing and selling fashion products, BESTSELLER is uniquely placed to take advantage of the digital and technological transformation affecting our industry.

Working together with our parent company, HEARTLAND, we’re investing and innovating the retail platforms of the future. Benefitting not just BESTSELLER, but our retail and wholesale partners, as well as the wider fashion industry.

Investing in the right technology across product development, logistics, ecommerce and digital sales will help build resilience in our business and keep us competitive in the challenging retail market. We can build a flexible supply chain to ensure our products are available at the right place at the right time, while using data and digital sales tools to help our wholesale partners select and sell the best styles for their shoppers.

Technology will play a critical role in achieving our sustainability ambitions. By investing in upgrading our data and designing with 3D technology, we can reduce samples and work with our supply chain partners to create traceability and help them reduce their climate footprint.

THE 3D DESIGN REVOLUTION

OUR APPROACH

Since the beginning of the industrial revolution, the process to design clothes and accessories in the fashion industry has relied exclusively on physical materials.

In BESTSELLER alone our suppliers produce millions of physical samples annually, driving up costs and production time, increasing waste and unnecessary greenhouse gas (GHG) emissions.

Following the digital revolution, the latest 3D technology provides the fashion industry with opportunities to design styles using 3D software to significantly reduce and even eliminate the need for physical samples across the whole industry.

By working together with our supply chain partners to develop 3D style creation we can make the design process much more efficient, reducing design lead-times by up to 50 percent.

This way, we reduce our environmental impact and make our business more agile and able to respond faster to meet the needs of our customers.

OUR GOAL

By 2025, we have committed to significantly reduce the volume of samples we produce by investing in digital solutions and collaborating closely with our suppliers.

PROGRESS

This year more than 240 colleagues within BESTSELLER were trained in using 3D to design, buy and sell styles.

GOING FORWARD

Several of our brands, such as SELECTED and PIECES, will be investing in 3D design. In addition, Y.A.S, OBJECT and ONLY will start to collaborate with selected suppliers to incorporate 3D in the design process.

VILA'S USE OF 3D DESIGN

In 2021 VILA created and sold an entire collection digitally – the first time in BESTSELLER this has been achieved without using any physical samples. Since then, they have continued to develop and sell capsule collections based on 3D. The latest example is the VILA Key Account Event this June. The event took place in Portugal where their biggest customers were treated to an interactive shopping experience consisting of a 3D collection with 21 styles. Using 3D technology, the customers could view the collection in 360 degrees on large touchscreens. Using the zoom-in function from the turntable feature of the 3D and small swatches of the printed materials allowed the customers to be confident in their purchases. Not only was the 3D collection much faster and sustainable to design and develop, it also added value to the sales event. Each customer from the event purchased products from the 3D capsule, underlining the value of the technology. VILA successfully showed that having 3D as a part of the traditional sales events can contribute to record-breaking orders.

"3D design is the future of the fashion industry. By designing styles digitally using 3D technology we can eliminate samples, making our business more sustainable and decrease costs. But most importantly increase delivery speed, which is crucial to our retail and wholesale partners. I'm thrilled to see how the team was able to design and sell a collection entirely using 3D technology. The fact that all our most important customers purchased collections designed entirely using 3D without physical collections underlines that the technology works," Says Simon Khong Harbjerg, Brand Director, VILA.

DIGITAL TRANSFORMATION OF B2B SALES

OUR APPROACH

Through digitalisation we are making our company more efficient, more agile and more sustainable.

We are constantly trying to improve the experience for our customers wherever they meet us. Throughout the past years, the pandemic has accelerated the already rapid changes in customer behaviour, and we are therefore sharpening our focus on digital growth, further optimisation of the store portfolio and the integration of our sales channels.

We use two main channels for digitising the sales dialogues with our customers, DIRECT and Digital Showrooms. DIRECT is an interactive digital sales platform. It allows wholesale customers to facilitate their own ordering process. They have access to a personalised platform which we tailor to meet their business needs. We highlight the availability and expected delivery times for available and upcoming products. So, customers can easily create an overview of when they can receive and sell their styles.

Digital showrooms reimagine wholesale customer interactions. With the addition of touchscreen technology, the showrooms are transformed for the digital age, making it intuitive and simple for customers to match trends, styles and colours based on digital collections and support from analytics. Customers can browse collections, then select and place orders from one seamless experience.

BESTSELLER's sales colleagues can present new collections and relevant styles. In the showroom we focus on storytelling, using a marketing approach to combine products in context, and helping the customers imagine how they would best be able to sell the products in their distribution channels. The technology allows us to adjust collections during a sales period, showing customers the most relevant styles tailored for shoppers in their own market.

In the end, all of this results in a better customer experience and concurrently introducing a more sustainable sales process with fewer style cancellations and a minimum of physical sales samples.

Finally, this tool has proved to be a great way to offer remote customer meetings, allowing customers to optimise their schedule and travel arrangements.

Physical samples are a significant financial and environmental cost for BESTSELLER. Digital showrooms provide commercial advantages while providing a potentially significant reduction for physical samples, as our sales colleagues can present a collection of a limited number of physical samples combined with high resolution images, videos and 3D modelling to offer an even better customer experience.

BESTSELLER is committed to ensuring the continued development of the touchscreen software for our business and the wider retail industry. Our parent company, HEARTLAND, invested in the software company behind our digital showroom solution in order to provide the best possible conditions for continuously improving the solution.

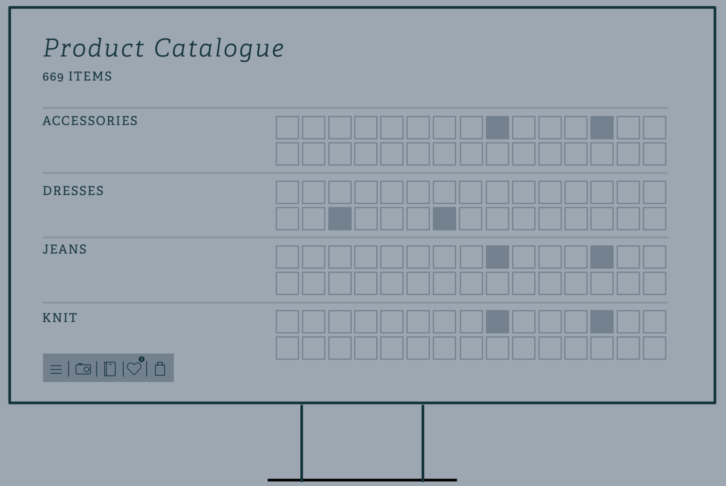
PROGRESS

In 2021-22 we rapidly expanded our digital showroom initiative with 70 new digital showrooms. The last 12 months we have increased this to 100 showrooms in more than 10 countries across the company. As of today, SELECTED, VILA, ONLY, NAME IT, VERO MODA and JACK & JONES are the brands using digital showrooms. Using digital showrooms, we increased wholesale sales globally on average by five percent while providing a superior buying experience for our customers and helping them grow their own businesses.

Turnover from the DIRECT platform increased by 20 percent and now accounts for more than 40 percent of our total wholesale turnover. Even more customers than ever now use the self-service functionality on the platform. With self-service orders on the platform increasing by seven percent and turnover by more than 20 percent.

GOING FORWARD

We expect digital showrooms to be an even more integrated part of our customer meetings going forwards. But while we have high ambitions for the technology, it must be rolled out correctly. As some markets and customers still expect to receive physical samples, we need to train our sales colleagues to ensure they can help their customers realise the full potential of digital buying.



"DIRECT is a great digital shopping platform for our B2B partners. In Spain we're using DIRECT to address our customer's immediate product needs. Over the last year we added more than 700 new customers to the platform, while sales through DIRECT grew by 64 percent. Now all our retail and wholesale partners in Spain can order thousands of products from all our brands any time. The products will be delivered to their store after only three to four days,"

Andrés Contreras, Regional Director, BESTSELLER Spain, Portugal and Latin America.

TRANSFORMING ONLINE SHOPPING

OUR APPROACH

BESTSELLER has been present in the ecommerce space since 2006. Each brand's webshop offers inspiration, fashion trends and in-season styles, aiming to be the fashion destination for brand-focused shoppers globally.

Our brands are sold online on our own platforms and across multiple online channels including leading international retailers and partners. We strive to give shoppers seamless buying experiences through our own and our partners channels, with the ambition of building brand loyalty. Through our ecommerce and digital setup, we provide our brands and business partners with flexible solutions to suit their business needs while securing high performance across channels and markets.

We sell through our own ecommerce platforms and through our integration with online partners. Here we sell BESTSELLER products through our partners' own ecommerce channels. All provided through a strong, flexible and scalable technical infrastructure. With logistics and delivery managed by our international fulfilment services.

PROGRESS

The last years have provided strong online growth across all brands, channels and markets during the COVID-19 pandemic. This year we saw this trend continue. Revenue across our own brands' ecommerce channels grew eight percent during 2021-22, on top of past year's doubling of the online business. Although ecommerce growth slowed during the second half of the year as shoppers returned to physical retail stores.

Like many other ecommerce stores, our costs for distribution, customer acquisition and handling increased last year. This impacted our profitability compared to the previous year.

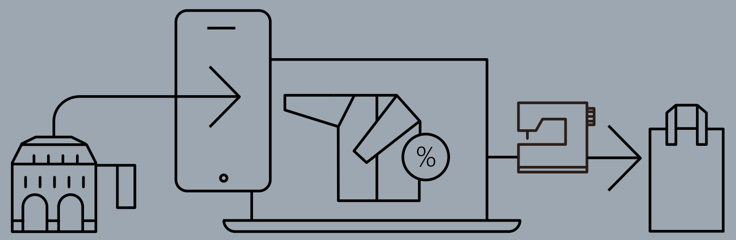
Around 40 percent of BESTSELLER's total sales today are online. This is across both our own and partner operated ecommerce channels, as well as the ecommerce integration directly with our partners. This also means that our focus going forward is securing even more seamless customer journeys across all channels. We are improving our ability to personalise shopper experiences to secure relevance and the right inspiration, and build stronger brand loyalty going forward. At the same time, we are increasing our omnichannel integration.

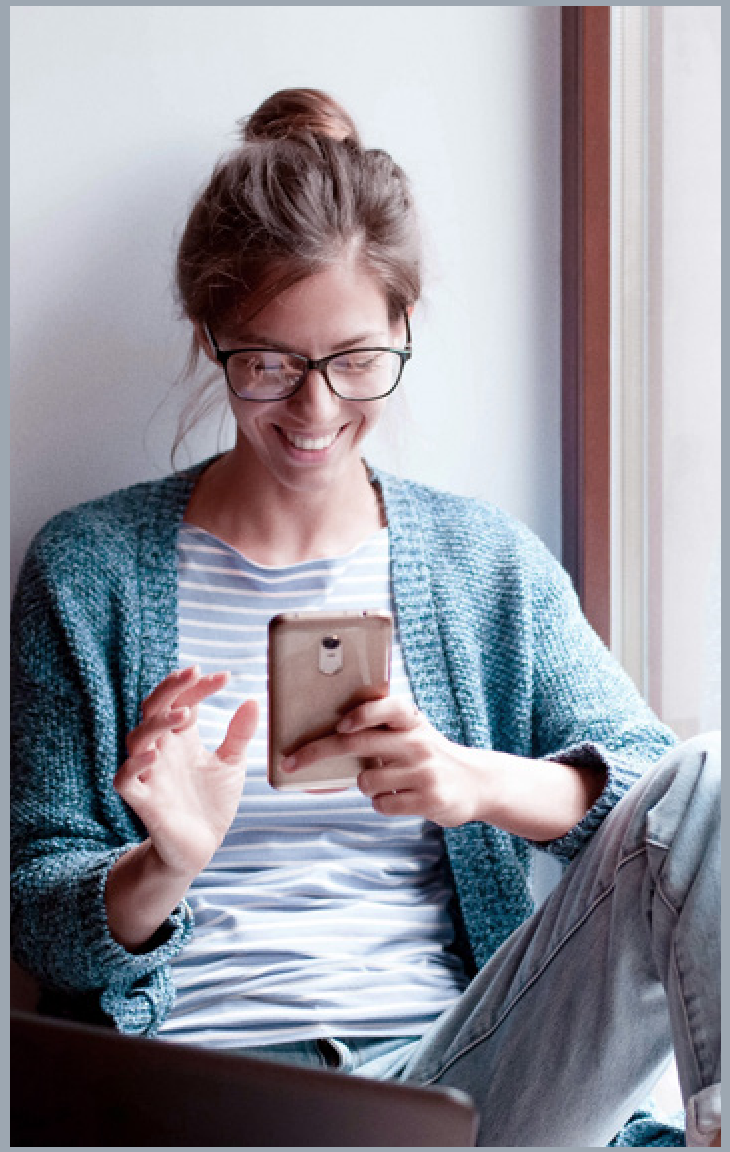
We simplified our tech setup and platforms in order to secure improved speed to marked, flexibility for our brands and improved integrations with our partners, which allows us to scale and expand to the next level across multiple markets and brands.

GOING FORWARD

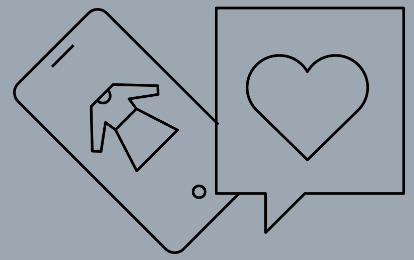
While there is potential for growth in our existing markets and customer base, we intend to realise this growth and build even better online shopping experiences. We also aim to expand our ecommerce and digital presence beyond our biggest markets in Europe to markets in North and South America.

We'll continue to increase the deep integration with our online partners, enabling them to have greater value from selling our products and deeper insight for developing together. We'll focus on personalising our shopper loyalty programmes to continue to offer even more value and relevance to our shoppers.





SOCIAL COMMERCE



OUR APPROACH

Shopper behaviour changed. Digital channels, such as Instagram, Tik Tok and Facebook, are now dominant platforms for reaching and inspiring shoppers.

Digital-only retailers have shaken up the way traditional brick-and-mortar retailers operate. Shoppers are just as comfortable making purchases online using mobile devices.

According to Statista, in 2021, *the global fashion ecommerce market* was valued at nearly 700 billion U.S. dollars. Just under half the size of the total global fashion market. It is expected to surpass that figure by the end of 2022, and in 2025, it could reach just over 1.2 trillion U.S. dollars.

Social Commerce is a new digital storefront, enabling owned and partner retail stores to sell styles through social media platforms. The main channels are Facebook and Instagram. Social Commerce provides retail stores with their own local ecommerce platform. It supplements the benefits of live shopping, integrating social media channels with the stores' products and combining the personal benefits of local retail with the ease of online shopping.

Shoppers can easily browse the stores' products online, collect in-store and order home delivery directly from the retail store, all within the same app. This provides a better experience for shoppers and ensures a new revenue stream for the retail stores.

PROGRESS

Social commerce was successfully tested during the COVID-19 lockdowns. It's now been rolled out across nine brands and 260 retail stores in 12 markets. By integrating social commerce, sales on social media platforms increased by 500 percent during 2021-22. 95 percent of traffic on social commerce channels came from local shoppers. These shoppers follow the profiles of the retailers' own channels, maintaining a more personal relationship with the store.

500%

Increased sales on social media platforms by integrating social commerce

"Using social commerce, we can leverage our social media channels to inspire shoppers and give them the opportunity to buy locally from our stores. This represents a substantial new revenue stream which benefits us directly," says Pernille Kvorning, PIECES Partner.

GOING FORWARD

We have high ambitions for social commerce and aim to be even better e-tailers in the future. In 2022-23 we aim to expand social commerce to more stores and double the revenue through social channels.

OMNICHANNEL SHOPPING

OUR APPROACH

BESTSELLER continues to take strides within digitalisation of the retail shopping experience. Over the last two years we've rolled out our Instore Ordering (ISO) solution, co-created with a digital partner.

ISO is one of BESTSELLER's most widespread digitalisation solutions. It links stores with their brand's web shop via a touchscreen in the store.

Through shopper exit talks we discovered not being able to find the right size or colour of a particular style is one of the most significant drivers for shoppers leaving a store without purchasing, despite their preferred style being available online, or at a nearby store.

By implementing ISO, shoppers who don't find a style in their size or preferred colour can conveniently browse through styles online, where all fits, sizes and colours are available. Shoppers who make a purchase instore receive free delivery when ordering from the ISO screens.

+650 ISO SCREENS

PROGRESS

More than 650 ISO screens have been rolled out across 10 countries with JACK & JONES, NAME IT, VERO MODA, VILA and SELECTED.

Most significantly, many stores run by retail partners have invested their own money in ISO screens., underlining the direct impact the solution has on their retail businesses.

GOING FORWARD

Next year we intend to expand this retail concept by including in the ISO catalogue not only items available online, but also styles available exclusively in retail. In addition, we intend to include shipping from other stores, to increase delivery speed to shoppers.

Our ambition is to create more than just a transactional universe, showing inspirational content and creating a true hybrid shopping experience.

We aim to create a more personalised shopping experience, offering shoppers the styles that they might be interested in, based on their purchase history.

We also intend to make ISO more mobile friendly via our brands' own shopper apps.

JACK & JONES' OMNICHANNEL APPROACH

JACK & JONES is the brand with the most ISO screens including more than 150 operated by JACK & JONES' retail partners. Across all their retail stores using ISO, shoppers placed over 200,000 orders last year. The shoppers received the products they wanted but couldn't find in store, delivered free to their home. This omnichannel solution provides value for shoppers and boosted sales revenue by an average of four percent.

The return rate from styles ordered using JACK & JONES' ISO screens is just six percent, which is significantly lower compared to ecommerce return rates across BESTSELLER and the wider fashion industry. This highlights the increased level of shopper satisfaction provided by the ISO platform.

Pablo Astorga Martin, Digital Manager at JACK & JONES, says the ISO system combines the best from physical and digital shopping into one experience.

"ISO provides shoppers the convenience of having more than 3,000 styles available on a high quality, simple to use, touchscreen. The screen is used as a styling guide so shoppers can see the product in context, with the guidance and advice of our retail colleagues. Free delivery is an extra benefit for the shoppers and the low return rate compared to ecommerce solutions underlines shoppers are more satisfied with the products they ordered."

DIGITALISING AND AUTOMATING LOGISTICS

OUR APPROACH

Logistics is an increasingly important focus area for BESTSELLER and the whole retail industry.

The global supply chain has been disrupted by the crisis in Ukraine, COVID-19 lockdowns and high transport prices. This presents significant risks to our business. Increasing capacity and creating an adaptable supply chain is crucial to getting our products to customers on time. To ensure flexibility we operate both our owned distribution centres, as well as 3rd party logistics (3PL) centres.

Ultimately, a more productive and flexible supply chain is critical to getting our products to customers on time. Investing in digital and automation technology ensures we meet customer demand.

PROGRESS

OUR BIGGEST SINGLE INVESTMENT

In June 2022 BESTSELLER started planning for the construction of an estimated DKK 2 billion logistics centre in the Netherlands, our biggest single investment.

The high-tech logistics centre in Lelystad, the Netherlands, will employ 500 highly skilled people, and will be critical for expanding the company's supply chain and supporting growth. The logistics centre will bring BESTSELLER closer to the biggest wholesale customers and largest retail markets in Europe. "Building this high-tech logistics centre will be a significant milestone for our future ambitions and growth, that's why we are investing ambitiously and building this high-tech, sustainable distribution centre," says Allan Kyhe Kjærgaard. Logistics Director at BESTSELLER.

It will be a high-tech facility, focusing on automation and sustainability – both inside and outside the centre. BESTSELLER's ambition is for the centre to be CO_2 neutral. The contract for the centre is for 28ha of land and the centre will be more than 100,000 m2. The centre will have a storage capacity of up to 2 million cartons and more than 5 million pieces picked per week. We expect the centre to be fully operational in 2026.

Additionally, we are investing a several automation technologies in existing logistics centres in order to reduce repetitive work processes, increase output and manage the complexity of customer requirements.

Among other things, the last three months of the financial year saw two automation projects going live. Semi-automated robots will assist employees in locating and transporting product boxes at one distribution centre, saving time and labour costs. Another centre has introduced a fully automated pick-to-man solution doubling output.

GOING FORWARD

We'll continue to invest in developing our own and third -party operated distribution centres to optimise from an output, close to market and sustainability perspective.

SUSTAINABILITY

At BESTSELLER, we want to accelerate the fashion industry's journey towards becoming more sustainable. Our industry has a significant impact on the environment, but we believe our company can be a positive force for change.

The following statement constitutes BESTSELLER's statutory reporting on corporate responsibility in accordance with the Danish Financial Statement Act §99a.

OUR SUSTAINABILITY VISION

OUR NORTH STAR

Our North Star is the ultimate ambition of our sustainability journey. We aspire to bring Fashion Forward until we are climate positive, fair for all and circular by design. Our North Star guides our strategy and goals as well as the action we take to make our business more sustainable, as soon as possible.

We take a holistic approach and strive to integrate sustainability into all elements of our business. We consider sustainability from both environmental and social perspectives.

We engage with our stakeholders to understand the risks and material issues our industry is facing. In the next financial year, we will conduct a new double materiality assessment. This will help us further define the key sustainability risks facing the business as well as measure how our business impacts the environment and society. This will prioritise our future sustainability strategy and actions.

To realise the ambitions of our North Star, we work across our value chain to implement existing solutions, as well as support and adopt innovative and disruptive solutions for the fashion industry. In collaboration with our parent company, HEARTLAND, we have set up an investment platform, Invest FWD.

Through Invest FWD we aim to bring innovative solutions to sustainability challenges to scale. We help accelerate action towards the future that we want for the whole fashion industry.

Going forward we will substantially increase investments into sustainable business opportunities. Addressing areas where we must bring fashion forward, including investing in materials with a lower environmental impact such as innovative, recycled and organic fabrics to expand our product portfolio for our customers and shoppers.

INTEGRATING SUSTAINABILITY INTO OUR BUSINESS

BESTSELLER is a global fashion company. Our business model is based on building strong partnerships throughout the value chain. We create value for our partners through buying and selling affordable fashion. We're on a journey to incorporate sustainability throughout our value chain. Going forward we're going to increase our investments in sustainability even more to achieve our goals.

Read more about our business model on page 10.

OUR NORTH STAR

Our North Star commits us to bring Fashion FWD until we are climate positive, fair for all and circular by design:

CLIMATE POSITIVE

Our business will have a positive impact on our planet's climate across our value chain by removing more greenhouse gases than we emit.

CIRCULAR BY DESIGN

Our business model will be based on design principles that prioritise efficiency and the reuse of resources at every level, from fibres to water and chemicals to post-consumer, in order to minimise waste and keep resources in use.

FAIR FOR ALL

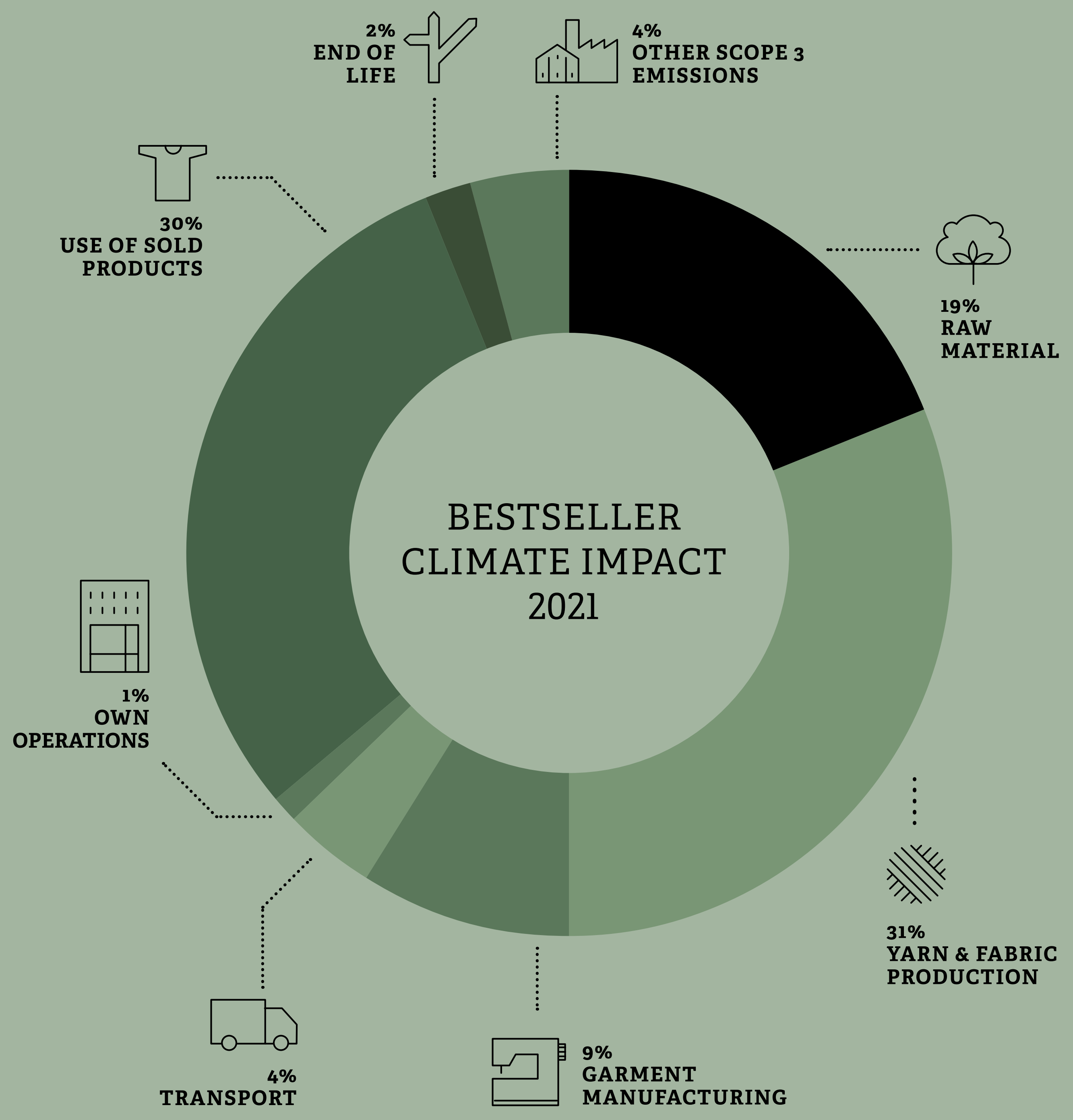
Everyone working in our value chain will be equally empowered by jobs that are safe, that protect human rights and provide fair incomes and opportunities for everyone to reach their personal potential.

CLIMATE POSITIVE

The fashion industry is heavily reliant upon our planet's natural resources. Due to the connection of all natural systems, climate change will impact all of them. This is a clear risk to our business and the wider fashion industry. That is why the first point of our North Star commits us to becoming climate positive.

We have a responsibility to do our utmost to reduce GHG emissions. But we must work with partners across the industry to reach our ambitious climate targets. To reduce our climate impact, we need to reconsider how we consume energy, water, chemicals and raw materials, as well as how to make our waste into a resource. BESTSELLER's work in this area is set out in the Fashion FWD strategy and considers the design, production and delivery of our products. As well as our own offices, logistics centres and retail stores.

Read more about our Climate positive goals on page 11 of our 2021 Sustainability report.



REDUCING GREENHOUSE GAS EMISSIONS

OUR APPROACH

To do our part in limiting the impacts of climate change, our North Star commits us to becoming climate positive where we will remove more greenhouse gases (GHG) than we emit.

Our approach is to track and reduce GHG emissions and progress towards our goals that have been approved by the Science Based Targets (SBT) initiative, the leading corporate collaboration organisation for climate change action.

Our SBTs are absolute targets and measured against a baseline year of 2018. Our total climate footprint across all scopes in 2018 was 2 million CO2e. We prioritise efforts within Scope 3 which are responsible for 95 percent of our GHG emissions. These include production of raw materials, manufacturing and transport.

Our second target focuses exclusively on purchased goods and services, and upstream and downstream transportation.

Other categories such as consumption and colleague commuting have been excluded in accordance with SBTi guidance. This means BESTSELLER's adjusted target, which will define our progress, is 1.5 million tonnes CO2e. To achieve these targets, we must decouple our growth from increasing GHG emissions.

OUR GOALS

By 2030, BESTSELLER commits to reducing absolute scope 1 and 2 GHG emissions by 50 percent from a 2018 base year.

By 2030, BESTSELLER commits to reducing absolute scope 3 GHG emissions from purchased goods and services, and upstream and downstream transportation by 30 percent from a 2018 base year.

PROGRESS

Last year our parent company, HEARTLAND, built a 207-megawatt solar power plant in Denmark. At the time, the largest in Northern Europe. Through a power purchase agreement (PPA), we are sourcing renewable electricity from the solar power plant to cover our electricity use in the European Economic Area. This is done according to best practice guidance from leading industry organisations RE100 and the CDP (Carbon Disclosure Project).

With this PPA we achieved our first SBT target in late 2021. In fact, renewable electricity has been the primary driver for reaching an 82 percent GHG drop in scope 1 and 2 emissions. But in 2021 scope 3 emissions increased nine percent compared to our baseline. This was due to the growth of our business with a corresponding increase in the number of products sold.

Steps to decrease Scope 3 emissions include partnering with Maersk – the leader in global shipping – to use carbon-neutral biofuel, Maersk ECO Delivery, for most of our sea freight. Maersk ECO Delivery is manufactured from hydrotreated vegetable oil. It is certified as a sustainable fuel by the International Sustainability and Carbon Certification (ISCC) body.

ABOUT THE SBT SCOPES

According to the Greenhouse Gas Protocol – the most widely used international accounting tool – greenhouse gas emissions are categorised into three groups or Scopes.

Scope 1 covers direct emissions from owned or controlled sources.

Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company.

Scope 3 includes all other indirect emissions that occur in a company's value chain.

GOING FORWARD

We'll continue our efforts to reduce our carbon footprint through the supply chain. We're committing to exploring opportunities to support tier 0 and 1 suppliers in sourcing countries to install onsite solar power, providing renewable energy directly to their production facilities.

We'll increase our portfolio of branded and certified materials which are produced using a lower GHGe footprint than traditional materials. We'll also prioritise transport solutions which also minimise GHGe and continuing the environmental programmes within our supply chain.

Read more about our work reducing GHGe on pages 12-19 of our 2021 Sustainability report.

REDUCING THE ENVIRONMENTAL IMPACT OF OUR SUPPLY CHAIN

OUR APPROACH

Our supply chain is where we have the biggest environmental impact. While we are responsible for the impact of our suppliers, it's beyond our direct control. All suppliers are required to meet our Environmental Requirements, and through our Factory Standards Programme we monitor each supplier's environmental management performance and collaborate with them on addressing instances of non-compliance.

At BESTSELLER, we are committed to phasing out hazardous chemicals from the manufacturing process of our products and the industry. Through our Chemical Testing Programme, we systematically test our products and materials at accredited global independent laboratories to ensure that all products made for us comply with our requirements, and rework those that do not meet these requirements.

BESTSELLER uses The BHive app, a digital restricted substances list. The data from which is uploaded and automatically cross-checked across a database and BESTSELLER's restricted chemicals list. This provides both the factory and BESTSELLER with detailed information about the chemicals at that production site in real-time.

At BESTSELLER, we believe in empowering our suppliers to make more sustainable decisions for the benefit of their own businesses, their local communities, our business and – ultimately – the health of our planet.

In 2021, we unveiled a new programme that aims to improve factory environmental performance, by upskilling factory management.

The FWD>ENV programme, aims to not only identify processes that can be improved, but create a generation of qualified environmental experts with the hard and soft skills to effect real change.

OUR GOALS

By 2025, 75 percent of all product orders will be placed with suppliers that are highly rated in our Sustainability Evaluation.

By 2025, all our core products will have been produced using approved and traceable chemistry.

PROGRESS

We continued to roll out the Supplier Environment Rating. The Supplier Environment Rating enables us to better identify suppliers that are performing poorly, flagging suppliers that need help and support in improving their environment management systems.

At the end of the 2021-22 financial year, 96 percent of our products comes from rated suppliers (257), up from 86 percent of production at 173 suppliers in 2020-21.

This year, we incorporated BHive data into our Supplier Environment Rating. One of the focuses of the rating is robust environmental management systems. Using the BHive is one way for suppliers to demonstrate compliance with our RSL and PRSL and transparency on chemical inventories, and is rewarded accordingly in our rating.

In 2022, through our Chemical Testing Programme, we tested 12,800 different styles. 5.2 percent of styles failed to meet our standards, down from 5.6 percent last year. The largest failure groups are shoes and accessories.

GOING FORWARD

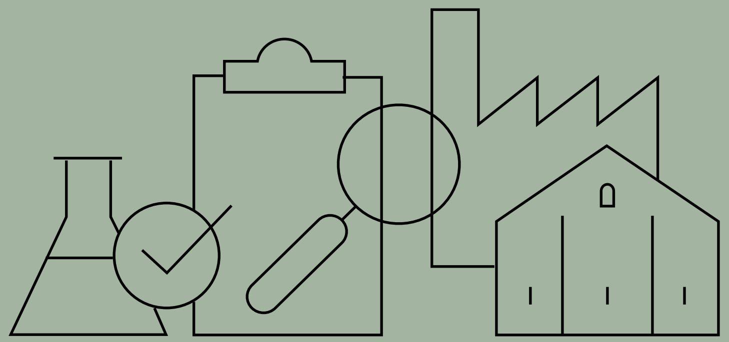
In 2022, we will continue to work with suppliers to address low performance and will monitor whether brands use the ratings to inform their purchasing decisions.

We will also be exploring the opportunities to support technology financing for suppliers that share our commitment to reaching our climate goals.

In 2022, we will be extending our Preferred Material Supplier Programme to increase the transparency we have over our supply chain.

Together with our in-country teams, we will continue to monitor usage and support uptake of The BHive app. Based on what we learn from FWD>ENV, BESTSELLER plans to replicate the initiative in other sourcing markets in the coming years.

Read more about our work with suppliers on pages 20-27 of our 2021 Sustainability report.



PRESERVING WATER RESOURCES

OUR APPROACH

BESTSELLER has a responsibility to help create a healthy watershed in the locations we source from. While our own water use is not high, our focus is to reduce water use in our supply chain.

For the raw material production, we will increase the uptake of materials with verified water reductions, like Better Cotton, and work with suppliers who continuously strive to improve their water stewardship practices. The water stewardship approach also means we will look beyond water management at factory level.

We collect data about our suppliers' water usage through the Higg FEM and as part of our Factory Standards Programme, and suppliers' performance data is incorporated into suppliers' environment rating.

Water is particularly important in the production of denim, one of the most iconic and popular products in the modern fashion industry. Denim is a key material for BESTSELLER. Traditional methods of denim production can be harmful to the environment due to the significant amounts of water and chemicals involved. To produce the denim products of the future, our brands are constantly analysing how they can improve the jeans and other denim-based products they sell, as well as working with innovative manufacturers to identify and apply alternative solutions.

For example, since 2020, all cotton in SELECTED's jeans is organic and all jeans go through Jeanologia's Environmental Impact Measuring software to assess and lower the impact of the garments' finishing processes, such as water, energy and chemicals.

PROGRESS

We developed a Water Framework which identifies key impact areas and outlines actions we take towards structured water stewardship practices.

We have been working on defining our baseline to identify key focus areas and risks to enable us to continuously improve.

The baseline will be set with help from data from the suit of HIGG tools. BESTSELLER's environmental requirements mandate tier 1 factories reporting to Higg FEM to set year-on-year targets based on performance in water and each of the other areas of Higg FEM. We work with our partner suppliers to achieve their year-on-year improvements.

GOING FORWARD

Our baseline will serve as a starting point for possible interventions across our value chain.

We are planning to develop a pilot programme to improve water management systems at suppliers that operate in countries of high water stress. We are exploring potential partners to help develop a water management system that can help suppliers track their water usage and report that information easily, as well as develop strategies and/or implement technologies that suppliers can use to create our products without compromising local water resources.

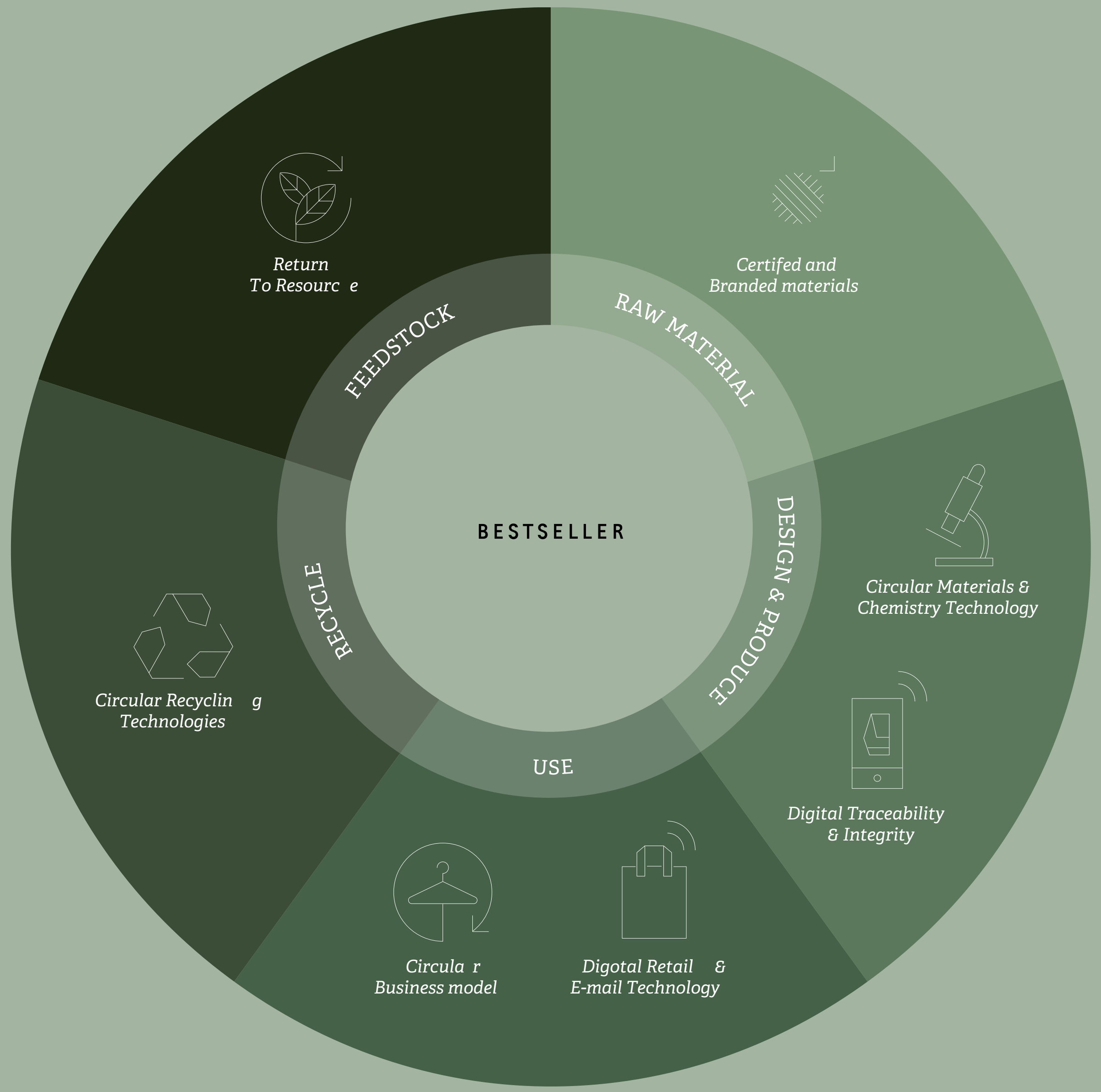
Read more about our work to protect water resources on pages 28-31 of our 2021 Sustainability report.

CIRCULAR BY DESIGN

The increasing scarcity of resources due to climate change can lead to a risk of unstable supply and availability. This will require replacing the traditional linear model of the fashion industry of take-make-waste with circular solutions that safeguard the world's finite resources and eliminate waste.

That is why the second point of our North Star commits us to becoming circular by design. Our future business model will be based on principles that prioritise efficiency and the reuse of resources at every level, from fibres to water and chemicals to post-consumer, to minimise water and keep resources in use.

Read more about our work to make products circular by design on pages 37-38 of our 2021 Sustainability report.



PRODUCT INNOVATION

OUR APPROACH

Our Innovation Lab focuses on pilot collaborations with cutting-edge innovators and entrepreneurs. It is an experimental platform that seeks to identify the ideas of tomorrow. Invest FWD seeks to scale such ideas through capital investment for the benefit of BESTSELLER and the global fashion industry.

PROGRESS

Since 2021, Invest FWD has invested more than DKK 100 million across seven different sustainability innovators. We developed a concrete innovation strategy, which has led to the allocation of more resources to our innovation work. Furthermore, in the first half of last year, we opened our physical Fashion FWD Lab at our office in Aarhus where our colleagues can see and touch some of the innovative solutions we are working with.

BESTSELLER is now ready to scale the first pilots of a new traceability solution. By expanding our partnership with innovator TextileGenesis, we can trace man-made cellulosic fibres and direct-to-farm cotton throughout our supply chain.

Specifically, we will trace 25 million pieces of garments from raw material to end product. Through Invest FWD, BESTSELLER invested in VitroLabs – a company that can grow leather in just a few weeks via cultivated laboratory cells. Through their financing round with other investors, the total investment of USD 46 million will help VitroLabs to build and scale the world's first pilot production of cell cultivated leather.

JACK & JONES released a range of shirts made from post-consumer textile waste. The materials from Once-More® Södra are based on the world's first process for industrial-scale recycling of blended fibres.

GOING FORWARD

We will invest further into materials with a lower footprint (Fashion FWD materials) providing our customers and shoppers with a larger portfolio of more sustainable products. We will continue to search for, investigate, collaborate with and invest in more cutting-edge solutions. We will continue our focus on waste and transforming it into future resources.

FASHION FWD MATERIALS

Approved Fashion FWD Materials are certified and branded materials proven to have less environmental impact, when compared to conventional materials of the same category. Examples of this could be the preservation of water resources, using renewable energy and safer chemicals during production.

MAMALICIOUS PIONEERS BIOFIBRE GARMENTS

MAMALICIOUS is the first-ever brand within the fashion industry to launch garments containing Agraloop™ Flax BioFibre™ which is a type of fibre made from agricultural waste. More specifically the fibre is derived from oilseed flax crop residue and processed using a specialised technique that refines the fibres.

MAMALICIOUS uses Fashion FWD materials in more than 70 percent of their garments. They're constantly looking for new alternatives in the development of more innovative materials.

REDUCING THE IMPACT OF COTTON

OUR APPROACH

In BESTSELLER, cotton is our most important raw material by volume. As conventional cotton farming can have a significant environmental impact, we are committed to using cotton which is sourced responsibly and has a lower environmental impact.

For BESTSELLER the type of cotton we aim to source from is: Organic cotton, recycled cotton, In-conversion cotton, CmiA (Cotton made in Africa) and Better Cotton.

Our approach focuses on actively supporting more sustainable cotton farming practices through investments and our sourcing policies. We're official partners of both the Organic Cotton Accelerator (OCA) – the only multi-stakeholder organisation fully dedicated to organic cotton – as well as Better Cotton, which is the largest cotton sustainability programme in the world.

We have initiated a direct-to-farm sourcing model to create a secure market and a premium payment for organic cotton farmers.

When sourcing through direct-to-farm, we know where our raw materials come from and the communities that grow it, as well as transparency on the impact of our investment.

Organic cotton continues to be a very premium fibre, only representing 1 percent of the global supply. To increase the supply of organic cotton available on the market over time, we have added in-conversion cotton to our portfolio. In-conversion cotton refers to cotton that is being grown by farmers who are making the switch to organic farming methods which can take up to three years. We've invested in farmer programmes to support this transition period.

OUR GOALS

BESTSELLER is committed to sourcing 100 percent of our cotton from preferred sources by 2022.

30 percent of our preferred cotton supply must be organic by 2025.

PROGRESS

In 21-22 we reached 97 percent cotton with reduced environmental impact, with organic cotton accounting for 13 percent. Unfortunately, this was a reduction in our overall organic share – down from 23 percent last year. This was due to the limited amount of organic cotton available due to industry wide integrity issues and traceability of organic cotton. As well as inflationary pressures on the global supply chain and flooding and fires in India and Pakistan.

BESTSELLER increased its direct-to-farm approach markedly in 2021 as a response to the severe imbalance between global demand and supply of organic cotton and to make sure the investments benefit the farmers directly. JACK & JONES signed an agreement with Pakistan-based supplier Artistic Milliners to source organic cotton via a direct-to-farm agreement. In total JACK & JONES has committed to sourcing a significant amount of organic cotton from the November 2022 harvest in Pakistan and India. JACK & JONES's organic cotton t-shirt was the brand's #1 sold t-shirt across all owned and partner operated retail stores. Representing more than nine percent of retail revenue from t-shirt sales.

97%

Of cotton used came from preferred sources

	2020-21	2021-22
Number of organic cotton farmers:	1,800	4,800
Organic cotton sourced directly - in metric tonnes:	1,100	2,300
Percentage of BESTSELLER's organic cotton consumption:	23%	13%

GOING FORWARD

To support achieving our Fashion FWD goal regarding 100 percent cotton with reduced environmental impact by the end of 2022, Better Cotton has been set as a minimum requirement for all suppliers. This prerequisite has also been added as a minimum onboarding requirement for new suppliers.

In 2022-23 we aim to source almost 10,000 tonnes of organic cotton, from more than 10,000 farmers.

Read more about our work here on pages 39-42 of our 2021 Sustainability report.

RECYCLED MATERIALS

OUR APPROACH

We are committed to improving recyclability at company, industry and societal level. Using recycled materials enables us to decouple from virgin resources and we see recycling as an essential element to reach our sustainability ambitions. Here we focus on polyester, cotton and wool.

Most recycled polyester is based on the recycling of PET plastic bottles, the plastic most commonly used in single use drink bottles. But BESTSELLER is also tracking innovation focused on textile-to-textile recycling of post-consumer polyester garments, as this could be a breakthrough for the fashion industry.

OUR GOAL

By 2025, we will source 50 percent of our polyester from recycled polyester or other alternatives.

PROGRESS

In 2021-22, use of recycled polyester grew from 11 percent to 13 percent. Our Innovation Lab joined the innovative ReSuit project – led by Danish Technological Institute. With ReSuit, we are working with various stakeholders to help establish a textile industry in Denmark that can facilitate the recycling of all textile waste.

To support the development of alternatives to polyester, we also joined Fashion for Good's Full Circle Textiles Project for polyester, which aims to scale promising chemical recycling options for polyester, as well as their Renewable Carbon Textiles Project, which prioritises PHA polymer fibres.

Invest FWD invested in Ambercycle, an American company specialising in polyester recycling.

GOING FORWARD

BESTSELLER will continue to evaluate, test and adopt innovative solutions within textile recycling, while our brands will work to increase their sourcing of recycled fibres.

Read more about our work to use more recycled materials on pages 43-45 of our 2021 Sustainability report.

MAN-MADE CELLULOSIC FIBRES

OUR APPROACH

Man-made cellulosics (MMC) more commonly known as Viscose, Lyocell and Modal, are made of dissolved pulp, usually sourced from wood. The pulp undergoes extensive processing to create fibres that can be woven into fabric.

We have partnered with the environmental organisation Canopy to help set a framework for the production and wood-sourcing criteria. We've developed a Forest Protection Policy, while we are tracing the wood pulp sources in our supply chain. This is a vital step as a CanopyStyle partner, as we have committed to sourcing all MMC from low-risk pulp suppliers (also known as 'Green Shirt Fibre Producers').

Due to challenges with transparency in the supply chain, only the MMC sourced from officially Branded and Certified MMC suppliers can be regarded as coming from Green Shirt Fibre Producers. Other MMC fibres could be sourced from these approved suppliers, but due to the lack of transparency, if we can't trace the material to the source we can't claim the material meets our ambitions.

OUR GOAL

By 2022, 100 percent of our MMC fibres will be sourced responsibly from Green Shirt Fibre Producers.

PROGRESS

At the end of the 2021-22 financial year, we sourced 43 percent Branded and Certified MMC fibres from Green Shirt Fibre Producers. An increase from 39 percent the previous year. While this falls well short of our target, due to the lack of transparency in the supply chain, we can't be sure how much of the other MMC fibres meet our highest standards.

We invested in two innovative solutions through Invest FWD. The first investment was with Infinited Fiber Company to secure access to the Finnish innovator's patented fibre Infinna – a unique, premium regenerated textile fibre with the natural, soft look and feel of cotton.

The second investment was with Evrnu – a textile innovations company that has invented a new engineered fibre called NuCycl that is made from discarded clothing and can be recycled multiple times.

We collaborated with LENZING™ to explore and test the capabilities of their new carbon neutral fibres, CARBON-ZERO TENCEL™, certified CarbonNeutral® fibres for the textile industry. We sold more than 24,000 garments using these fibres last year.

GOING FORWARD

BESTSELLER will further integrate Canopy's criteria for Green Shirt Fibre Producers into our sourcing strategy. By expanding our partnership with innovator TextileGenesis, we also expect to finalise our roadmap for tracing 100 percent of our MMC volume back to wood pulp sources throughout our supply chain.

Read more about our work to use more MMC on pages 46-47 of our 2021 Sustainability report.

Branded and Certified MMC Fibres from Green Shirt Producers

2020-21	39%
2021-22	43%

Two brands contributed the most to sourcing Branded and Certified MMC Fibres from Green Shirt Producers (Percentage of total BESTSELLER consumption).

VERO MODA	36%
ONLY	34%

EXTENDING PRODUCT LIFECYCLE

OUR APPROACH

We have a two-pronged approach when it comes to circularity. We want to design our products to fit into circular systems and we want to provide shoppers with circular business models that extend the life of our products and keep resources in use for longer.

OUR PRODUCT LIFECYCLE COVERS THE FOLLOWING FOUR STAGES:

RAW MATERIAL
Made with renewable, safe, recycled materials
Design with Better or Best Materials

PRODUCTION
Made with optimal use of resources
Design to Minimise or Avoid Waste

USE
Made to last
Design for Durability and Longer Use

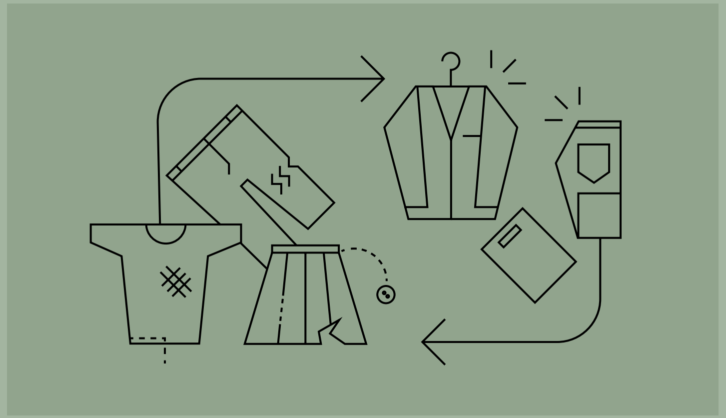
RECOVERY
Made to be made again
Design for Recyclability and Disassembly

To extend the life of our products, we have published a Wear & Care Guide, while BESTSELLER ecommerce has a repair station at our Return Centre to keep returned items in circulation. Our *Circular Design Guide* provides a framework for all designers and product developers on how we create circular garments in BESTSELLER. The guide is also available on our website to inspire others.

PROGRESS

We updated our internal circular design training based on our new Circular Design Guide, including the adoption of a new platform. In January 2022, we also re-launched our 'Circular Design Challenge'.

A new initiative from SELECTED FEMME/HOMME allows shoppers to give their used clothes a second life. As of March 2022, clothes and shoes can now be donated for reuse or recycling at any Danish SELECTED store.



GOING FORWARD

We'll continue to roll out Circular Design training to more colleagues. In 2022, the European Commission published the EU Strategy for Sustainable and Circular Textiles. The proposed legislation includes initiatives on product design, waste management, new business models and regulated green claims. While much of the proposals are already incorporated into our Fashion FWD strategy, the legislation stresses the importance of strategy progress and speed.

To comply with any future legislation, we will strengthen our focus on data and data streams, traceability and transparency measures and legal legislative insight.

Read more about our work to extend product lifecycle on pages 54-56 of our 2021 Sustainability report.

ENGAGING WITH SHOPPERS ON SUSTAINABILITY

OUR APPROACH

At BESTSELLER, we are committed to transparency, as we believe better informed shoppers will make better choices and become active partners in the development of a more sustainable fashion industry.

We believe the shoppers who buy our products will play an integral role in our transition to a sustainable reality. There is a material risk to our business if shoppers perceive our brand as not meeting their expectations for sustainability.

To increase the demand for more certified and branded products and, by extension, create a business case for the changes we are implementing, we must engage with our shoppers. Through shopper engagement, we not only increase transparency, but we also help them make more sustainable choices.

To achieve this, BESTSELLER is working with the Sustainable Apparel Coalition (SAC) and utilising their Higg Tools – a suite of tools for the standardised measurement of value chain and product sustainability.

OUR GOAL

By 2023, we will provide our customers and shoppers with information on the environmental impacts of our core products, and we will show year-on-year improvements.

PROGRESS

SELECTED conducted life-cycle assessments on two denim styles using the Higg Product Module. This was a great learning experience, collaborating across our organisation to calculate the environmental impact of a product. Everything from data collection to communication of results was trialed, providing a lot of good lessons for future work on transparency towards shoppers.

GOING FORWARD

In 2022, we will continue to develop the framework to calculate the environmental and social impact of products, so that brands can communicate this information in a robust and transparent way.

We have initiated development work of an online platform allowing customers and shoppers to extend the lifetime of our products via reselling used products.

Read more about our work to use more engage with shoppers on pages 33-34 and page 57 of our 2021 Sustainability report.

REUSABLE, RECYCLED OR COMPOSTABLE PACKAGING

OUR APPROACH

We've implemented our policies for Paper-Based Packaging and Plastic Packaging.

Our polybags are made from certified recycled polyethylene (PE). We estimated our suppliers use 175 million polybags per year to protect our products in transit and storage. The switch to recycled polybags will save an estimated 1,750 metric tonnes of virgin plastic per year.

We expanded the scope of our goal regarding shopper-facing packaging. In terms of paper-based trim, we begun working with shoe boxes and packaging related to underwear to identify preferred alternatives that meet our requirements.

OUR GOALS

By 2025, all shopper-facing packaging will be 100 percent reusable, recyclable or compostable.

By 2025, we will have phased out single use virgin plastic wherever possible.

PROGRESS

All packaging materials including for shoes and accessories, bags, tags and labels are now included in our policies. This is also in line with the new French and Italian packaging regulations.

GOING FORWARD

Going forward, we will expand the scope of our goal regarding shopper-facing packaging. We will investigate how store decoration and merchandise items can become a part of our packaging policies.

Read more on pages 61-62 of our 2021 Sustainability report.

FAIR FOR ALL

At BESTSELLER, we have a responsibility to make a positive impact on the lives of the people who design, manufacture, transport and sell our products, as well as on the extended communities where we operate. That is why the third point of our North Star commits us to work towards becoming fair for all.

Fair For All sets our direction and builds upon the learnings of decades of social sustainability work in BESTSELLER. It commits us to promote dignity, equality and safe working conditions for all people across our value chain.

Our Fair For All initiatives such as our Code of Conduct are aligned with our commitment to international standards. These include the UN Guiding Principles for Business and Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the OECD's Guidelines for Multinational Enterprises.

Our *Code of Conduct* outlines the ethics and behaviour we expect from the suppliers and subcontractors we partner with. We publish an annual statement on Modern Slavery, you can read the latest statement *here.*

Read more about Fair for all goals on page 64 of our 2021 Sustainability report.

SUPPORTING A RESPONSIBLE SUPPLY CHAIN

OUR APPROACH

Our supply chain is where we have the largest human rights risks, and the biggest opportunity to make a positive impact on people's wellbeing. Our commitment is that everyone working in our value chain will be equally empowered by jobs that are safe, protect human rights and provide fair incomes and opportunities for everyone to reach their personal potential.

Our supply chain is divided into multiple tiers. Tier 0 are suppliers who we place orders with. Tier 1 refers to the production unit where the products are assembled and finished. Tiers 2-4 are indirect suppliers who we have a limited influence on.

Our Factory Standards Programme is aligned with the OECD's Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. This is the primary tool for holding tier 1 factories accountable to our social and labour, environmental and chemical requirements.

BESTSELLER is a signatory to the Social & Labour Convergence Program (SLCP). We accept SLCP assessments and the SAC's Higg Facility Social & Labour Module as equal to third-party audits. We are a signatory to the United Nations International Accord and a member of ACT (Action Collaboration Transformation) – an agreement between 21 major global brands and IndustriALL Global Union, who represent the workers in the textile industry.

We engage in industry initiatives, such as ACT and the International Accord, and we also enrol suppliers in a range of workplace programmes, such as BSR's HERproject, ACEV, LABs, and Quizrr.

OUR GOAL

By 2025, 75 percent of all product orders made with suppliers that are highly rated in our sustainability evaluation.

PROGRESS

BESTSELLER has introduced a Social and Labour Supplier Rating that measures suppliers' human rights performance. This rating incentivises suppliers to improve their social and labour performance across the indicators. This rating will be key to meeting our goal.

During the 2021-22 financial year, we conducted 73 investigations into allegations of critical non-compliance across labour rights, health and safety, and/or environmental concerns. One case was dismissed after investigators and stakeholders (e.g. Local unions or law enforcement) agreed there was no evidence of non-compliance.

The remaining 72 were resolved in accordance with relevant ILO and OECD-aligned escalation and remediation protocols. In one case, although the issues were partly or fully resolved, the unsatisfactory resolution process led us to re-evaluate our relationship with the suppliers, and we decided to offboard them from our supply chain.

21 of these cases were identified through the Factory Standards Programme, 18 from the Accord/RSC, and ten by local federations, unions and Industriall

By 2021, we committed to achieving 100 percent remediation and safety training for our Bangladesh factories under the Accord, which is now managed by the RSC. We did not reach this goal – not because we haven't pushed our suppliers to remediate problems, but because factory safety isn't a one-time fix and our supply chain isn't static. As of the end of the second quarter of 2022, we have an average RSC-verified remediation rate of 88 percent, and 84 percent of our factories have completed safety training.

In August 2021, BESTSELLER signed the new *International Accord* for Health and Safety in the Textile and Garment Industry, which goes a step further than previous iterations of the Accord in committing to exploring the expansion of the programme to other countries. BESTSELLER supports this development and is actively supporting feasibility studies.

In India, 14 factories were enrolled in the LABS factory safety programme in 2021, up from nine in 2020, and are implementing the advised remediations.

After achieving the Fashion FWD Goal of empowering 100,000 women in our supply chain, we have expanded the target in a commitment to support women to better understand their rights and advocate for their own concerns. By 2025, all women employed with our strategic suppliers are provided with and have access to the resources to make their own informed decisions about health and professional development.

In total we have reached more than 128,126 women through our women empowerment programmes.

GOING FORWARD

BESTSELLER is developing a Migrant Labour Strategy, which will include a policy to better safeguard migrant workers in our supply chain from human and labour rights risks, and develop social impact initiatives designed to mitigate these risks in our suppliers' factories.

In Bangladesh, we will continue to aim for 100 percent remediation and, as per our commitment to the RSC and new International Accord, we will continue to support feasibility studies in other countries.

We will continue to enrol more suppliers in women empowerment initiatives and explore potential partners to develop a wider toolbox of social impact initiatives that can address some of the salient human rights risk we face in the supply chain.

Read more about our work to safeguard workers' rights in our supply chain on pages 65-80 of our 2021 Sustainability report.

SOCIAL DIALOGUE

OUR APPROACH

Strong social dialogue is key to ensuring the opinions of factory workers and factory management come together in factory decision-making processes. It is a key mechanism for empowering workers to address a wider range of human and labour rights risk including but not limited to discrimination, occupational health and safety, sexual harassment and gender-based violence, as well as wages and working time.

There are a few tools and initiatives we engage with to promote social dialogue. On a factory level we work with Quizrr – a company that provides digital training to workers on a range of subjects, from rights and responsibilities, to forced labour, wage management systems, etc.

We recognise that there needs to be a wider industry culture that enables workers to negotiate their working conditions on their own terms, therefore we support ACT to develop tools, such as dispute resolution mechanisms, freedom of association guidelines, and collective bargaining agreements to facilitate this.

PROGRESS

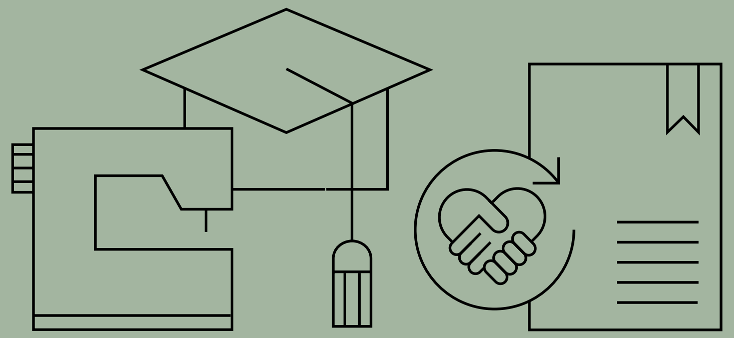
In the past 12 months, 11 factories (seven in Bangladesh and four in China) have been completing Quizrr training modules – 4,671 employees have completed 18,279 training modules. The modules include wage management systems, worker engagement, migrant parenting, rights and responsibilities and forced labour.

Separately, we have also participated in the 2021 ACT Purchasing Practice Survey, the largest survey into the specific purchasing practices of major international brands and retailers carried out to date, and are using the data internally to develop training and resources that will help BESTSELLER improve our efforts to ensure the full implementation of best purchasing practices. Responsible purchasing practices contribute to an environment that enables improvement in working conditions and wages.

GOING FORWARD

We will continue to promote consensus-building and democratic involvement among the main stakeholders across our tier 1 factories – both among our peers in the industry and at state level via appropriate mechanisms.

Read more about our work to promote social dialogue on pages 74-77 of our 2021 Sustainability report.



OUR PEOPLE

OUR APPROACH

BESTSELLER's strength comes from the combined strengths of our colleagues. We strive to cultivate a culture that prioritises initiative and responsibilities. In BESTSELLER we have a shared responsibility to shape the best possible workplace. Colleagues make their voices heard by joining our global employee engagement survey, Our People's Voice (OPV). Through the OPV, we ask colleagues about their role, leadership, their team and BESTSELLER in general.

PROGRESS

We invited more colleagues to complete the OPV, which meant that by March 2022 we asked almost 9,000 colleagues to voice their opinion about working at BESTSELLER, with a completion rate of 80 percent and a high engagement score of 79. Although this fell slightly from a record high of 81 in 2021.

GOING FORWARD

In 2022, we expect to complete the global rollout of the OPV, meaning all BESTSELLER colleagues will be invited to participate. Our long-term ambition is to introduce further surveys to learn more about the employee experience. We will therefore also implement an onboarding and exit survey when the programme is rolled out to all colleagues.

SUPPORTING A DIVERSE AND INCLUSIVE WORKPLACE

OUR APPROACH

It's vital to have an inclusive environment with a diverse workforce to bring sustainable fashion forward.

To succeed with our mission, we strive to link our Diversity, Equity & Inclusion (DE&I) initiatives to our business strategy.

Our work in this area is defined and guided by our Diversity & Inclusion Policy and our Code of Ethics.

As a company operating in more than 32 countries, our colleagues have different backgrounds. We believe that this promotes diversity, strong values and good results. We always look beyond our own borders, embracing the benefits of having different views and approaches, contributing to the continued expansion of our company.

At BESTSELLER, we provide equal opportunities for everyone, irrespective of gender, age, ethnicity, national origin, sexual orientation, disability or religious background. We hire our employees based on their personality, skills and experience.

A diverse workforce is an important factor in competing globally and bringing sustainable fashion forward. We aim to have a workforce that is truly representative of society.

Fairness, opportunities and a sense of responsibility is part of our vision in BESTSELLER. We treat each other as family, which means that we take each other's differences into account, while creating an empowering environment where people can thrive and develop. We always put our family first and this is what unites us and makes us stronger together.

PROGRESS

We launched an updated and expanded anti-harassment policy titled 'Stand Together Against Harassment'. The expanded policy includes an upgraded description of BESTSELLER's company culture, while gender-abusive behaviour has been added to the list of harassment types alongside bullying and psychological harassment, physical harassment and sexual harassment. In the UK, we partnered with Glint to launch the first BESTSELLER Diversity & Inclusion (D&I) Survey, aiming to measure and improve the way we encourage all aspects of diversity and belonging. Results show colleagues feel our strengths lie in acceptance and equal opportunities, with growth areas in inclusion and transparency.

GOING FORWARD

We will revise our policy and rename it as Diversity, Equity and Inclusion (DE&I) in 2022. The findings of the UK survey will be used to shape our DE&I policy and initiatives going forward.

IIQUAL'S NEW INCLUSIVE COLLECTION

In August 2022 BESTSELLER launched IIQUAL, the first gender-neutral brand within BESTSELLER. IIQUAL is the brand for shopping commercial, high-quality, gender-neutral staples. The new brand states that: "Fashion is a language, and we use it as our freedom of speech."

UPHOLDING ETHICAL BUSINESS PRACTICE

OUR APPROACH

Due to the size of our business and different levels off transparency in countries where we operate, we face risks relating to unacceptable and unethical behaviour. These risks are more likely in regions where political and social structures are weakened, which reduces transparency.

To ensure we conduct business with ethics and integrity, and to protect our company from unethical practices that we may meet, BESTSELLER has a Code of Ethics, which is updated biannually. Our Code of Ethics is a wide-ranging policy, which sets out the proper way to do business in BESTSELLER, including anti-bribery and corruption.

We respect and protect the personal rights of our customers, employees and business partners. When assessing new business ideas, the protection of personal data has highest priority. We safeguard the personal data that we process and have implemented data protection and IT security policies and guidelines.

The main areas where BESTSELLER processes data are HR and recruitment, customer-related activities (both B2C and B2B), business development and finance activities. Each of these areas as well as their sub-areas are covered by separate guidelines, process descriptions and privacy policies.

BESTSELLER wants to ensure the best shopping experience for our customers, however, at all times we respect the privacy of our customers and want to earn their trust by being transparent about how we collect and process their data.

OUR GOAL

To ensure a thorough understanding of BESTSELLER's guiding principles and that we conduct business in an honest manner, all colleagues must complete Code of Ethics training every second year.

PROGRESS

In 2021-22 we completely changed the format of the training. To make the training more easily accessible, it was updated from one course based on animations to several small videos where each topic of the training was presented by our colleagues from around the world. Offering simple guidance to colleagues on how to act when confronted with difficult situations such as bribery, confidentiality and harassment. The videos were made available to colleagues on a new performance and learning app, as well on PCs.

For the first time, we set an ambitious goal to roll out the Code of Ethics training to all colleagues, including 10,000 colleagues at our retail stores. This posed a significant challenge, as many of these colleagues don't have access to a computer as part of their work. Ensuring all these colleagues have access to the training proved to be difficult, which was reflected in our completion rates for these colleagues.

During the past year, BESTSELLER has implemented a Data Ethics Policy. The policy sets out BESTSELLER's data ethics principles, which must be adhered to by all colleagues within our organisation. The data ethics principles have a broad scope and concern various aspects of our business, including data protection, digitalisation, transparency, confidentiality, discrimination, diversity, awareness, etc.

CORE CONTENT OF DATA ETHICS POLICY

We respect and protect the personal rights of our customers, colleagues and business partners. When assessing new business ideas, the protection of personal data has highest priority. We safeguard the personal data that we process and have implemented data protection and IT security policies and guidelines.

We are aware that digitalisation and the use of new technology such as artificial intelligence are evolving fast and therefore, we consider data protection of key importance. BESTSELLER has a proactive approach to working with data ethics that goes beyond legal compliance.
Our use of data is responsible and sustainable meaning that we only collect data from reliable sources and only use it for relevant business purposes.

We want to be transparent and ensure that information about our use of data is honest, genuine and easily accessible to our customers, colleagues and business partners. Our customers will always have the possibility of receiving customer service and complaint handling by a physical human being.

We only share data with third parties for lawful purposes. We do not sell personal data.

GOING FORWARD

Based on our series of interviews with key colleagues regarding BESTSELLER's anti-corruption efforts, we are now developing a new specialised training resource for all colleagues exposed to such risks.

We'll continue to roll out the Code of Ethics training to all colleagues and expect to reach even more next time during 2024.

Read more about our work to safeguard business ethics on page 88 of our 2021 Sustainability report.

GROUP

Consolidated Financial Statement

INCOME STATEMENT
1 August - 31 July

(mDKK)	Note	2021/22	2020/21
Revenue	1	**35,248**	**26,405**
Other operating income		310	480
Cost of sales		-17,714	-13,386
Other external costs		-5,643	-4,064
Gross profit		**12,201**	**9,435**
Staff costs	2	-5,293	-4,372
Depreciation, amortisation and impairment losses	7-8	-645	-605
Profit before net financials		**6,263**	**4,458**
Income from investments in associates		4	-2
Financial income	3	328	295
Financial costs	4	-510	-148
Profit before tax		**6,085**	**4,603**
Tax on profit for the year	5	-942	-994
Profit for the year		**5,143**	**3,609**

DISTRIBUTION OF PROFIT

Proposed dividend for the year	3,000	2,500
Minority interests' share of net profit of subsidiaries	145	12
Retained earnings	1,998	1,097
Profit for the year	**5,143**	**3,609**

BALANCE SHEET

31 July

Assets (mDKK)	Note	2022	2021
Software		9	17
Goodwill		138	171
Key money/leasehold rights/trademark rights		35	45
Intangible assets	**7**	**182**	**233**
Land and buildings		2,756	2,559
Other fixtures and fittings, tools and equipment		394	290
Leasehold improvements		564	532
Property, plant and equipment in progress		508	103
Property, plant and equipment	**8**	**4,222**	**3,484**
Investments in associates	9	13	11
Other non current investments		47	44
Deposits		170	126
Fixed asset investments		**230**	**181**
Total non current assets		**4,634**	**3,898**

Assets (mDKK)	Note	2022	2021
Inventories		**8,055**	**4,633**
Trade receivables		3,178	2,662
Receivables from group enterprises		2,627	2,535
Other receivables		1,010	578
Deferred tax asset	11	181	216
Corporation tax		135	114
Prepayments	10	303	265
Receivables		**7,434**	**6,370**
Cash and cash equivalents		**2,185**	**3,345**
Total current assets		**17,674**	**14,348**
Total assets		**22,308**	**18,246**

BALANCE SHEET
31 July

Equity and liabilities (mDKK)	Note	2022	2021
Share capital		110	110
Reserve for exchange rate adjustments		195	-21
Reserve for hedging adjustments		366	0
Retained earnings		7,809	5,843
Proposed dividend for the year		3,000	2,500
Equity before non controlling interests		**11,480**	**8,432**
Non controlling interests		401	302
Equity		**11,881**	**8,734**
Deferred tax	11	86	4
Other provisions	12	1,445	1,729
Total provisions		**1,531**	**1,733**
Mortgage loans		71	75
Total non current liabilities	**13**	**71**	**75**

Equity and liabilities (mDKK)	Note	2022	2021
Credit institutions		354	1
Mortgage loans	13	4	3
Trade payables		4,597	4,089
Payables to group enterprises		46	38
Corporation tax		1,203	1,010
Other payables		2,568	2,528
Deferred income	14	53	35
Total current liabilities		**8,825**	**7,704**
Total liabilities		**8,896**	**7,779**
Total equity and liabilities		**22,308**	**18,246**

STATEMENT OF CHANGES IN EQUITY

(mDKK)	Share capital	Reserve for exchange rate adjustments	Reserve for hedging adjustments	Retained earnings	Proposed dividend for theyear	**Equity before non controlling interests**	Non controlling interests	**Total**
Equity at 1 August 2021	**110**	**-21**	**0**	**5,843**	**2,500**	**8,432**	**302**	**8,734**
Exchange adjustments	0	216	0	0	0	**216**	-21	**195**
Ordinary dividend paid	0	0	0	0	-2,500	**-2,500**	-40	**-2,540**
Purchase of non controlling shares	0	0	0	-15	0	**-15**	15	**0**
Fair value adjustment of hedging instruments	0	0	470	0	0	**470**	0	**470**
Tax on transactions on equity	0	0	-104	0	0	**-104**	0	**-104**
Other equity movements	0	0	0	-17	0	**-17**	0	**-17**
Net profit for the year	0	0	0	1,998	3,000	**4,998**	145	**5,143**
Equity at 31 July 2022	**110**	**195**	**366**	**7,809**	**3,000**	**11,480**	**401**	**11,881**

THE SHARE CAPITAL CONSISTS OF:	**Nominal Value**
220.000 shares of DKK 500	110,000

§

ACCOUNTING POLICY

Reserve for exchange rate adjustments
The reserve for exchange rate adjustment comprises the share of foreign exchange rate differences arising on translation of financial statements of entities that have a functional currency othe than DKK, foreign exchange rate adjustments of assets and liabilities considered part of the Parent's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange rate adjustments will be included in this equity reserve instead.

Dividends
Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Reserve for hedging transactions
The reserve for hedging transactions includes the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future payment flows and the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer xpected to be realised or if the hedging is no longer effective. The reserve does not represent a company law binding and may therefore be negative.

CASH FLOW STATEMENT

(mDKK)	Note	2021/22	2020/21
Net profit for the year		**5,143**	**3,609**
Adjustments	21	1,684	1,266
Change in working capital	22	-3,319	270
Corporation tax paid		-958	-426
Cash flows from operating activities		**2,550**	**4,719**
Purchase of intangible assets		-11	-6
Purchase of property, plant and equipment		-1,371	-378
Purchase of non current investments		-3	-108
Sale of property, plant and equipment		81	54
Sale of intangible assets		5	5
Dividends received from associates		2	0
Deposits		-43	-6
Cash flows from investing activities		**-1,340**	**-439**
Repayment/raising of loans from credit institutions		350	-1,606
Changes in receivables/payables to group enterprises		-162	-2,000
Dividend paid		-2,540	-30
Cash flows from financing activities		**-2,352**	**-3,636**
Change in cash and cash equivalents		**-1,142**	**644**
Cash and cash equivalents at 1 August 2021		3,345	2,714
Exchange rate adjustment		-18	-13
Cash and cash equivalents at 31 July 2022		**2,185**	**3,345**

§

ACCOUNTING POLICIES

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

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities
Cash flows from operating activities comprise cash flows presented according to the indirect method and are calculated as the share of the profit for the year adjusted for changes in the working capital, paid corporate taxes and non-cash income statement items such as depreciation, amortisation and impairment losses and provisions made. The working capital comprises current assets less current liabilities – exclusive of the financial statement items included in cash and cash equivelants.

Cash flows from investing activities
Cash flows from investing activities comprise cash flows from payments associated with the purchase of sale of companies, activities and financial non-current assets as well as purchase, development, improvement and sale etc. of intangible assets and property, plant and equipment.

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

Cash and cash equivalents
Cash and cash equivalents comprise cash at hand and in bank.

TABLE OF NOTES

GENERAL ACCOUNTING POLICIES

–

NOTES TO INCOME STATEMENT

–

NOTES TO BALANCE SHEET

–

OTHER NOTES

–

ACCOUNTING POLICIES

This section introduces BESTSELLER's accounting policies. A detailed description of accounting policies is disclosed in the respective notes.

The annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied are consistent with those of last year. The annual report for 2021/22 is presented in mDKK.

BASIS OF RECOGNITION AND MEASUREMENT

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All costs, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group's and the parent company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the group's and the parent company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

RECOGNITION AND MEASUREMENT OF BUSINESS COMBINATIONS

Newly acquired or newly established subsidiaries are recognised in the consolidated financial statement from the date of acquisition or the date of establishment respectively. When subsidiaries are sold or liquidated, they cease to be recognised in the consolidated financial statement at the time of transfer or time of liquidation and earnings or losses at the time of sale or liquidation are recognised in the profit and loss account. The comparative figures are not adjusted for acquisitions or disposals.

Gains and losses on the disposal of subsidiaries and associates are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal including any non-amortised goodwill and anticipated disposal costs.

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities acquired are measured at their fair value at the date of acquisition. Costs for restructuring recognised in the acquired entity before the date of acquisition and not an agreed part of the acquisition is part of the acquisition balance sheet and hence the calculation of goodwill. Costs relating to restructuring decided by the acquiring entity must be recognised in the income statement. The tax effect of the restatement of assets and liabilities is considered.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (badwill), representing an anticipated adverse development in the acquired enterprises is recognised in the income statement at the date of acquisition when the general revenue recognition criteria are met.

If, at the date of acquisition, the identification or measurement of acquired assets, liabilities and/or contingent liabilities or the size of the purchase consideration are associated with uncertainty, initial recognition will be based on preliminary calculated amounts. If it subsequently turns out that the identification or measurement of the purchase consideration, acquired assets, liabilities and/or contingent liabilities was not correct on initial recognition, the calculation will be adjusted with retrospective effect, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments made will be recognised as error.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed, and equity instruments issued. If part of the purchase consideration is contingent on future events or compliance with agreed terms, such part of the purchase consideration is recognised in the income statement.

Costs incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

RECOGNITION AND MEASUREMENT OF INTRAGROUP BUSINESS COMBINATIONS

The uniting of interests method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, additions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided the combination is considered final at the time of acquisition with restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity are recognised in the equity.

Expenses defrayed in connection with acquisitions are recognised in the income statement in the year in which they are defrayed. If, at the date of acquisition, the identification or measurement of acquired assets, liabilities and/or contingent liabilities or the size of the purchase consideration are associated with uncertainty, initial recognition will be based on preliminarily calculated amounts. If it subsequently turns out that the identification or measurement of the purchase consideration, acquired assets, liabilities and/or contingent liabilities was not correct on initial recognition, the calculation will be adjusted with retrospective effect, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments made will be recognised as error.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the Parent company BESTSELLER A/S and subsidiaries in which the Parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, cf. the Group chart.

The consolidated annual accounts are prepared as a consolidation of the accounts of the Parent company and the individual subsidiaries. Adjustments are made for intercompany turnover and expenditure, shareholdings, intra-group balances and dividends, as well as unrealized internal income and loss. The accounts used for the consolidation are prepared in accordance with the Group's accounting policies.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date at which control is obtained. Entities sold during the year are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

NON-CONTROLLING INTERESTS

The annual accounts of the Group's subsidiaries are included 100 % in the consolidated figures. The non-controlling interests proportionate share of the profit and loss as well as the equity in subsidiaries not 100% owned by the Group are included as a part of the Group's profit and loss but are disclosed separately.

On initial recognition, non-controlling interest are measured at the fair value of the non-controlling interests' proportionate share of the fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities. Goodwill relating to the non-controlling interests' share of the acquiree is thus recognised.

FOREIGN CURRENCY TRANSLATION

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial costs. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity. Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date.

The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial costs. Non-current assets acquired in foreign currencies are measured at the exchange rate at the transaction date.

Foreign subsidiaries, associates and participating interests are considered separate entities.

The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of such entities opening equity at closing rate and on translation of the income statements from the exchange rates at the transaction date to closing rate are taken directly to the fair value reserve under 'Equity' in the consolidated financial statements.

Foreign exchange adjustments of balances with separate entities which are considered part of the investment in the subsidiary is taken directly to equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments entered into to hedge net investments in such entities are taken directly to equity.

DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in 'Other receivables' or 'Other payables', respectively. Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets or liabilities are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future cash flows are recognised in other receivables or other payables and in equity. If the future transaction results in recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or costs, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

As for derivative financial instruments that do not qualify for hedge accounting, fair value adjustments are recognised in the income statement on a current basis.

OTHER OPERATING INCOME

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

OTHER EXTERNAL COSTS

Other external costs comprise costs for distribution, marketing and administration, including office costs, etc.

AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

LIABILITIES OTHER THAN PROVISIONS

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

IMPAIRMENT OF NON-CURRENT ASSETS

The carrying amount of intangible assets and property, plant and equipment is reviewed in general to determine whether there is any indication of impairment in addition to that expressed by amortisation or depreciation. The impairment test is performed for each individual asset or group of assets. The recoverable amount of the asset is calculated as the value in use or the fair value less disposal costs, whichever is higher.

Where there is indications of impairment, an impairment test is performed for each individual asset or group of assets, respectively. If it is not possible to determine the recoverable amount for individual assets, the assets are reviewed jointly in the smallest identifiable group of assets to determine a reliable recoverable amount.

The recoverable amount is the higher of the net selling price and the value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Domicile properties and other assets, for which it is not possible to calculate an individual capital value as the asset, in itself, does not generate future cash flows, are subject to a test for indication of impairment together with the group of assets, to which they may be attributed.

Previously recognised impairment losses are reversed when the reason for recognition no longer exist. Impairment losses on goodwill are not reversed.

INVENTORIES

Inventories are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value. The cost of inventories comprises the purchase price plus delivery costs. The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

COST OF SALES

Cost of sales comprises costs incurred in generating the revenue for the year. Cost of sales includes provisions for loss on returned goods.

RECEIVABLES

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

OTHER NON-CURRENT ASSETS

Other non-current assets consists of deposits in leaseholds, measured at cost and securities, which consists of listed shares and bonds, that is measured at fair value at the balance sheet date.

DEFERRED INCOME

Deferred income consists of payments received in respect of income in subsequent financial years. Etc. rent income, tenant allowance and other deferred income.

PREPAYMENTS

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

NOTE 1

REVENUE

(mDKK)	2021/22	2020/21
Revenue	35,248	26,405
Total Revenue	**35,248**	**26,405**
Denmark	1,918	1,694
Rest of Europe	30,297	23,204
Rest of the world	3,033	1,507
Total revenue	**35,248**	**26,405**

The Group's revenue is disclosed by geographical markets. The Group's activities consists of one business segment why the revenue is only disclosed by geographical markets. The segment information is consistent with the Group's applied accounting policies, risks and internal controlling.

§

ACCOUNTING POLICY

Revenue from the sale of goods is recognised in the income statement when delivery is made, and risk has passed to the buyer and that the income can be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted and estimated returns.

NOTE 2

STAFF COSTS

(mDKK)	2021/22	2020/21
Wages and salaries	4,400	3,660
Pensions	208	171
Other social security costs	475	383
Other staff costs	210	158
	5,293	**4,372**
Average number of employees	17,847	16,132

Executive Board received remuneration of mDKK 38 (2020/21: mDKK 14). The remuneration is dependent on the Groups profit. The Board of Directors received no remuneration.

§

ACCOUNTING POLICY

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the employees. The item is net of refunds made by public authorities.

NOTE 3

FINANCIAL INCOME

(mDKK)	2021/22	2020/21
Financial income, group enterprises	3	0
Other financial income	325	295
	328	**295**

NOTE 4

FINANCIAL COSTS

(mDKK)	2021/22	2020/21
Financial costs, group enterprises	0	0
Other financial costs	510	148
	510	**148**

§

ACCOUNTING POLICY

Financial income and costs comprise interest income and costs, realized and unrealized gains and losses on securities, payables and transactions denominated in foreign currencies, dividends received on other investments, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme.

NOTE 5

TAX ON PROFIT FOR THE YEAR

(mDKK)	2021/22	2020/21
Current tax for the year	996	1,077
Change in deferred tax for the year	-3	-46
Adjustment of tax concerning previous years	-40	-30
Adjustment of deferred tax concerning previous years	-11	-7
	942	**994**

§

ACCOUNTING POLICY

The parent company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

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

NOTE 6

DISTRIBUTION OF PROFIT

(mDKK)	2021/22	2020/21
Proposed dividend for the year	3,000	2,500
Non-controlling interests	145	12
Retained earnings	1,998	1,097
	5,143	**3,609**

NOTE 7

INTANGIBLE ASSETS

(mDKK)	Software	Goodwill	Key money Leasehold rights
Cost at 1 August 2021	**88**	**587**	**235**
Exchange adjustment	2	7	9
Additions for the year	4	0	6
Disposals for the year	-4	-1	-3
Cost at 31 July 2022	**90**	**593**	**247**
Impairment losses and amortisation at 1 August 2021	**71**	**416**	**190**
Exchange adjustment	2	5	2
Impairment losses for the year	0	0	13
Amortisation for the year	8	35	11
Reversal of amortisation of sold assets	0	-1	-4
Impairment losses and amortisation at 31 July 2022	**81**	**455**	**212**
Carrying amount at 31 July 2022	**9**	**138**	**35**

§

ACCOUNTING POLICY

Intangible assets are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Interests are not included in the cost. Where individual components of an item of intangible assets have different useful lives, they are accounted for as separate items, which are depreciated separately. Non-current assets are depreciated on a straight-line basis, based on cost and on the following continually estimated useful lives:

Software is amortized according to the straight-line method over the expected useful life of 3-5 years.

Leasehold rights/key money/trademark rights is amortized according to the straight-line method of the non-terminable leaseterm. In case such term does not exist, the leasehold right/key money/trademark rights is amortized over 5 to 7 years.

Goodwill is amortised over the estimated useful life between 5-20 years. The estimated useful life is determined by management based on their experience within each area of business. The amortisation period is determined based on to what extent the purchase concerns a strategically acquired company with a strong market position and a long-term profitability and to what extent the goodwill includes temporary intangible resources which has not been able to spin off and recognise as individual assets.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs.

NOTE 8

PROPERTY, PLANT AND EQUIPMENT

(mDKK)	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
Cost at 1 August 2021	**3,540**	**2,441**	**2,727**	**103**
Exchange adjustment	-2	37	51	1
Additions for the year	314	326	328	402
Disposals for the year	0	-131	-103	-8
Transfers for the year	-11	-97	98	10
Cost at 31 July 2022	**3,841**	**2,576**	**3,101**	**508**
Impairment losses and depreciation at 1 August 2021	**981**	**2,151**	**2,195**	**0**
Exchange adjustment	8	29	41	0
Impairment losses and reversals for the year	0	42	70	0
Depreciation for the year	96	157	213	0
Reversal of depreciation of sold assets	0	-112	-67	0
Transfers for the year	0	-85	85	0
Impairment losses and depreciation at 31 July 2022	**1,085**	**2,182**	**2,537**	**0**
Carrying amount at 31 July 2022	**2,756**	**394**	**564**	**508**

§

ACCOUNTING POLICY

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Interests are not included in the cost.

Where individual components of an item of property, plant and equipment have different useful lives, and the individual component is a significant part of the total cost, the cost is divided into separate components, which are depreciated separately.

Non-current assets are depreciated on a straight-line basis, based on cost and on the following continually estimated useful lifes:

Buildings: 10-50 years
Other fixtures and fittings, tools and equipment: 3-5 years
Leasehold improvements: 5-10 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life. The depreciation periode and the residual value are determined at the time of acquisition and are reassessed every year. 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.

Property, plant and equipment are written down to its recoverable amount if this is lower than the carrying amount.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

NOTE 9

INVESTMENTS IN ASSOCIATES

(mDKK)	2022	2021
Cost at 1 August 2021	**27**	**27**
Cost at 31 July 2022	**27**	**27**
Revaluations at 1 August 2021	**-16**	**-15**
Exchange adjustment	0	1
Net profit/loss for the year	4	-2
Received dividend	-2	0
Revaluations at 31 July 2022	**-14**	**-16**
Carrying amount at 31 July 2022	**13**	**11**

For ownership in associates, see group chart on page 89

NOTE 10

PREPAYMENTS

Prepayments comprise prepaid costs regarding rent, insurance premiums, subscriptions and interest.

§

ACCOUNTING POLICY

Investments in associates

Investments in associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the Group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Investments in associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Income from investmens in associates

The proportionate share of the profit/loss for the year of associates is recognised in both the consolidated and the Parent company's income statement after elimination of the proportionate share of intra-group profits/gains and amortisation of goodwill. In situations of sales of associates gains/losses are recognised in the income statement.

NOTE 11

DEFERRED TAX

(mDKK)	2022	2021
Deferred tax at 1 August 2021	**212**	**159**
Exchange adjustment	-1	-2
Adjustment of deferred tax for the year	3	46
Deferred tax recognised on equity	-104	0
Other movements on deferred tax	-26	2
Deferred tax concerning previous years	11	7
Deferred tax at 31 July 2022	**95**	**212**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	181	216
Deferred tax liabilities	-86	-4
	95	**212**

§

ACCOUNTING POLICY

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. 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. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity. Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

NOTE 12

OTHER PROVISIONS

(mDKK)	2022	2021
Balance at beginning of year	1,729	2,022
Exchange adjustment	1	0
Provision in year	360	211
Applied in the year	-645	-504
	1,445	**1,729**
The expected due dates of other provisions are:		
Within one year	647	887
Between 1 and 5 years	679	707
Over 5 years	119	135
	1,445	**1,729**

Other provisions primarily compromise pending disputes, onerous lease contracts and other liabilities, etc.

§

ACCOUNTING POLICY

Provisions are measured at net realizable value or fair value. If the obligation is expected to be settled far into the future the obligation is measured at fair value. Provisions comprise anticipated costs for losses on returned goods, obligations concerning leases and other contractual liabilities. Provisions are recognised when the Group has a legal or constructive obligation at the balance sheet date and there is a probability of an outflow of resources required to settle the obligation.

NOTE 13

MORTGAGE LOANS

(mDKK)	2022	2021
After 5 years	57	61
Between 1 and 5 years	14	14
Non current portion	**71**	**75**
Within 1 year	4	4
Current portion	**4**	**4**
Mortage loans at 31 July 2022	**75**	**79**

§

ACCOUNTING POLICY

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

NOTE 14

DEFERRED INCOME

Deferred income consists of payments received in respect of income in subsequent financial years.

NOTE 15

EVENTS AFTER THE BALANCE SHEET DATE

No events materially affecting the financial position have occurred after the balance sheet date.

NOTE 16

RENT & LEASE LIABILITIES

(mDKK)	2022	2021
Within 1 year	1,651	1,535
Between 1 and 5 years	3,189	2,755
After 5 years	719	537
	5,559	**4,827**

NOTE 17

CONTINGENT LIABILITIES

GUARANTEE COMMITMENTS

The Group has issued guarantee commitments for mDKK 387.

OTHER CONTINGENT LIABILITIES

The Group has other obligations amounting to a total of mDKK 24.

The Group is party to a number of pending disputes that are not deemed to have any material effect on coming financial years.

The Group has provided collateral for mortgage debt and bank debt totalling mDKK 75 (2020/21: mDKK 79) which is secured by land and buildings, with a carrying amount of mDKK 130 (2020/21: mDKK 130)

CONTINGENT LIABILITIES

The Danish group participates in a joint Danish taxation arrangement with HEARTLAND A/S serving as the administrationcompany. According to the joint taxation provisions of the Danish Corporation Tax Act, the Group is therefore secondarily liable for income taxes etc for the jointly taxed entities as well as to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

NOTE 18

FINANCIAL INSTRUMENTS

Group BESTSELLER seeks to reduce foreign currency risks by hedging currency exposure on purchase of goods. At 31 July 2022, Group BESTSELLER has entered into foreign exchange forward contracts relating to future transactions in foreign currency of mUSD 905 with a value of mDKK 451 before tax. Furthermore we have also entered into foreign exchange forward contracts relating to future transactions in foreign currency of contracts of mCNY 453 with a value of mDKK 19 before tax. Both are recognised on other recivables and equity.

All transactions is to be realised within the next financial year 2022/23.

Group BESTSELLER has also entereed into foreign currency options. The market value amounts to mDKK 6 at 31 July 2022. The underlying asset spend (in USD) represents a higher value than the value of the foreign currency options

The agreements is made with the companys banking partners, Nordea and Danske Bank, as the counterparties, it is our assement that there is no payment risk associated with these counterparties.

(mDKK)	**Derivate financial instruments**
Fair value, at 31 july 2022	476
Value djustments in the income statement	6
Changes recognised in the reserve for hedging transactions	470

NOTE 19

RELATED PARTIES AND OWNERSHIP STRUCTURE

Controlling interest: BESTSELLER United A/S, Fredskovvej 5, 7330 Brande (Majority owner)

Transactions (mDKK)

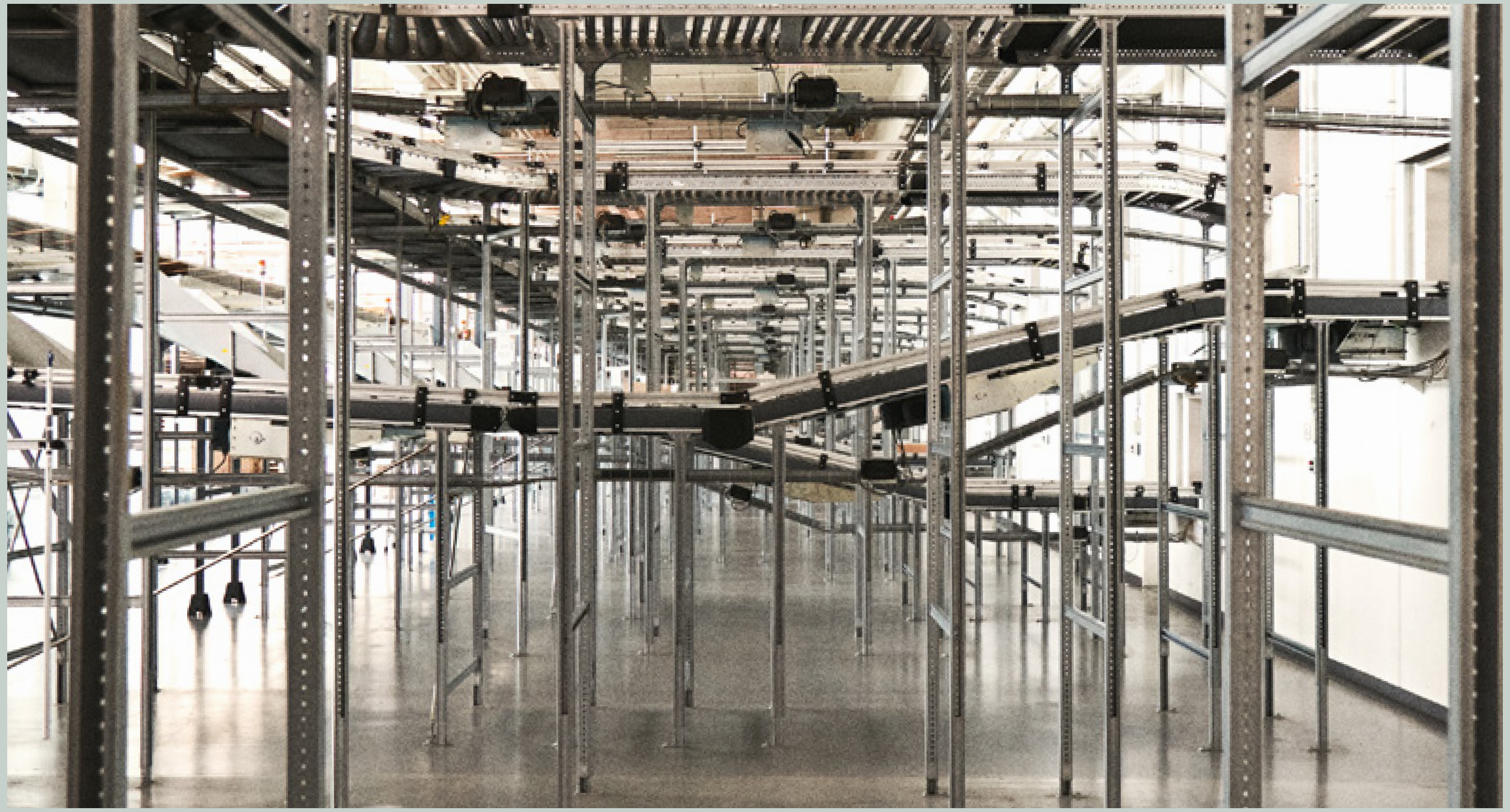
Sale of goods to related parties	263
Sale of services to related parties	4
Purchase of goods from related parties	7
Purchase of services from related parties	358
Interest income from related parties	3
Interest costs to related parties	0
Paid dividend	2,540
Receivables from related parties	2,627
Payables to related parties	46

No other transactions were carried through with shareholders in the year. Remuneration/fees to members of the Executive Board are reflected in note 2.

NOTE 20

FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING

(mDKK)	2021/22	2020/21
EY Godkendt Revisionspartnerselskab:		
Fees regarding statutory audit	5	5
Assurance engagement	1	1
Tax assistance	1	1
Other assistance	1	1
	8	**8**



NOTE 21

CASH FLOW STATEMENT — ADJUSTMENTS

(mDKK)	2021/22	2020/21
Gain from sale of assets	-18	0
Unrealised exchange rate adjustment	201	0
Depreciation, amortisation and impairment losses	645	605
Income from investments in associates	-4	2
Tax on profit for the year	942	994
Change in other provisions	-82	-343
Other adjustments	0	8
	1,684	**1,266**

NOTE 22

CASH FLOW STATEMENT — CHANGE IN WORKING CAPITAL

(mDKK)	2021/22	2020/21
Change in inventories	-3,422	-1,365
Change in receivables	-446	-613
Change in trade payables, etc.	549	2,248
	-3,319	**270**

PARENT

Financial Statement

INCOME STATEMENT
1 August - 31 July

(mDKK)	Note	2021/22	2020/21
Revenue	1	**20,878**	**16,362**
Other operating income		221	185
Cost of sales		-14,416	-11,250
Other external costs		-1,770	-974
Gross profit		**4,913**	**4,323**
Staff costs	2	-1,595	-1,387
Depreciation, amortisation and impairment losses	7	-132	-127
Profit before net financials		**3,186**	**2,809**
Income from investments in subsidiaries		2,464	1,337
Financial income	3	171	226
Financial costs	4	-391	-83
Profit before tax		**5,430**	**4,289**
Tax on profit for the year	5	-432	-692
Profit for the year		**4,998**	**3,597**

DISTRIBUTION OF PROFIT 6

Proposed dividend for the year		3,000	2,500
Reserve for net revaluation under the equity method		2,464	1,337
Retained earnings		-466	-24
Profit for the year		**4,998**	**3,597**

BALANCE SHEET
31 July

Assets (mDKK)	Note	2022	2021
Land and buildings		2,131	2,193
Other fixtures and fittings, tools and equipment		140	74
Leasehold improvements		27	20
Property, plant and equipment in progress		58	20
Property, plant and equipment	**7**	**2,356**	**2,307**
Investments in subsidiaries	8	8,212	5,495
Deposits		1	1
Fixed asset investments		**8,213**	**5,496**
Total non current assets		**10,569**	**7,803**
Inventories		**5,666**	**3,153**
Trade receivables		38	31
Receivables from group enterprises		5,182	4,423
Other receivables		478	85
Deferred tax asset	10	0	31
Prepayments	9	85	54
Receivables		**5,783**	**4,624**
Cash at hand and in bank		**280**	**1,835**
Total current assets		**11,729**	**9,612**
Total assets		**22,298**	**17,415**

Equity and liabilities (mDKK)	Note	2022	2021
Share capital		110	110
Reserve for hedging adjustments		366	0
Retained earnings		8,004	5,822
Proposed dividend for the year		3,000	2,500
Equity before non controlling interests		**11,480**	**8,432**
Deferred tax		40	0
Provisions relating to investments in group entities		375	268
Other provisions	11	526	498
Total provisions		**941**	**766**
Credit institutions		350	0
Trade payables		1,037	2,031
Payables to group enterprises		7,147	4,703
Corporation tax		623	719
Other payables		720	764
Total current liabilities		**9,877**	**8,217**
Total liabilities		**9,877**	**8,217**
Total equity and liabilities		**22,298**	**17,415**

STATEMENT OF CHANGES IN EQUITY

Equity (mDKK)	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging adjustments	Retained earnings	Proposed dividend for the year	Total
Equity at 1 August 2021	**110**	**0**	**0**	**5,822**	**2,500**	**8,432**
Ordinary dividend paid	0	0	0	0	-2,500	**-2,500**
Exchange adjustments	0	216	0	0	0	**216**
Fair value adjustment of hedging instruments	0	0	470	0	0	**470**
Tax on transactions on equity	0	0	-104	0	0	**-104**
Other equity movements	0	-17	0	-15	0	**-32**
Net profit for the year	0	2,464	0	-466	3,000	**4,998**
Distributed dividends from investments in subsidiaries	0	-156	0	156	0	**0**
Transfers	0	-2,507	0	2,507	0	**0**
Equity at 31 July 2022	**110**	**0**	**366**	**8,004**	**3,000**	**11,480**

THE SHARE CAPITAL CONSISTS OF:	Nominal Value
220.000 shares of DKK 500	110,000

§

ACCOUNTING POLICY

Reserve for net revaluation according to the equity method
The reserve for net revaluation according to the equity method in the company's financial statements comprises net revaluation of investments in subsidiaries and associates relative to the cost.

Dividends
Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Reserve for hedging transactions
The reserve for hedging transactions includes the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future payment flows and the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer xpected to be realised or if the hedging is no longer effective. The reserve does not represent a company law binding and may therefore be negative.

TABLE OF NOTES

NOTES TO INCOME STATEMENT

NOTES TO BALANCE SHEET

OTHER NOTES

ACCOUNTING POLICY

For a summary of the general accounting policies please refer to page 58 in the notes to the consolidated financial statements.

NOTE 1

REVENUE

(mDKK)	2021/22	2020/21
Revenue	20,878	16,362
Total Revenue	**20,878**	**16,362**
Denmark	1,333	1,302
Rest of Europe	19,272	14,917
Rest of the World	273	143
Total revenue	**20,878**	**16,362**

The Company's revenue is disclosed by geographical markets. The Company's activities consists of one business segment why the revenue is only disclosed by geographical markets. The segment information is consistent with the Company's applied accounting policies, risks and internal controlling.

§

ACCOUNTING POLICY

Revenue from the sale of goods is recognised in the income statement when delivery is made, and risk has passed to the buyer and that the income can be reliably measured and is expected to be received. Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

NOTE 2

STAFF COSTS

(mDKK)	2021/22	2020/21
Wages and salaries	1,438	1,254
Pensions	85	63
Other social security costs	16	15
Other staff costs	56	55
	1,595	**1,387**
Average number of employees	2,146	1,945

Executive Board received remuneration of mDKK 38 (2020/21: mDKK 14). The remuneration is dependent on the Groups profit. The Board of Directors received no remuneration.

§

ACCOUNTING POLICY

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the employees. The item is net of refunds made by public authorities.

NOTE 3

FINANCIAL INCOME

(mDKK)	2021/22	2020/21
Financial income, group	49	35
Other financial income	122	191
	171	**226**

NOTE 4

FINANCIAL COSTS

(mDKK)	2021/22	2020/21
Financial costs, group	13	6
Other financial costs	378	77
	391	**83**

§

ACCOUNTING POLICY

Financial income and costs comprise interest income and costs, realized and unrealized gains and losses on securities, payables and transactions denominated in foreign currencies, dividends received on other investments, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme.

NOTE 5

TAX ON PROFIT FOR THE YEAR

(mDKK)	2021/22	2020/21
Current tax for the year	479	762
Adjustment of tax concerning previous years	-3	-63
Adjustment of deferred tax concerning previous years	-14	-1
Change in deferred tax for the year	-30	-6
	432	**692**

§

ACCOUNTING POLICY

The parent company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

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

NOTE 6

DISTRIBUTION OF PROFIT

(mDKK)	2021/22	2020/21
Proposed dividend for the year	3,000	2,500
Reserve for net revaluation under the equity method	2,464	1,337
Retained earnings	-466	-24
	4,998	**3,597**

NOTE 7

PROPERTY, PLANT AND EQUIPMENT

(mDKK)	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
Cost at 1 August 2021	**3,035**	**518**	**41**	**20**
Additions for the year	27	103	16	42
Disposals for the year	0	-46	0	-3
Transfers for the year	0	1	0	-1
Cost at 31 July 2022	**3,062**	**576**	**57**	**58**
Impairment losses and depreciation at 1 August 2021	**842**	**445**	**20**	**0**
Depreciation for the year	89	33	10	0
Reversal of impairment and depreciation of sold assets	0	-42	0	0
Impairment losses and Depreciation at 31 July 2022	**931**	**436**	**30**	**0**
Carrying amount at 31 July 2022	**2,131**	**140**	**27**	**58**

§

ACCOUNTING POLICY

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Interests are not included in the cost.

Where individual components of an item of property, plant and equipment have different useful lives, and the individual component is a significant part of the total cost, the cost is divided into separate components, which are depreciated separately.

Non-current assets are depreciated on a straight-line basis, based on cost and on the following continually estimated useful lifes:

Buildings: 10-50 years
Other fixtures and fittings, tools and equipment: 3-5 years
Leasehold improvements: 5-10 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life. The depreciation periode and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

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

Property, plant and equipment are written down to its recoverable amount if this is lower than the carrying amount.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

NOTE 8

INVESTMENTS IN SUBSIDIARIES

(mDKK)	2022	2021
Cost at 1 August 2021	**8,451**	**8,379**
Additions for the year	265	73
Disposals for the year	-51	-1
Cost at 31 July 2022	**8,665**	**8,451**
Revaluations at 1 August 2021	**-3,578**	**-4,267**
Disposals for the year	23	0
Exchange adjustment	216	-21
Net profit for the year	2,464	1,337
Received dividend	-156	-595
Other equity movements, net	-17	-31
Equity investments with negative net asset value amortised over receivables and provisions	595	621
Revaluations at 31 July 2022	**-453**	**-2,956**
Carrying amount at 31 July 2022	**8,212**	**5,495**
Remaining positive difference included in the above carrying amount at 31 July 2022	**79**	

§

ACCOUNTING POLICY

Investments in subsidiaries

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the Group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Investments in subsidiaries, with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost.

Income from investmens in subsidiaries

The proportionate share of the profit/loss for the year after tax of subsidiaries is recognised in the Parent company's income statement after full elimination of intra-group profits/losses and amortisation of goodwill. In situations of sales of subsidiaries gains/losses are recognised in the income statement.

NOTE 9

PREPAYMENTS

Prepayments comprise prepaid expenses regarding rent, insurance premiums subscribtions and interest.

NOTE 10

DEFERRED TAX

(mDKK)	2022	2021
Deferred tax at 1 August 2021	**31**	**-39**
Adjustment of deferred tax for the year	30	63
Deferred tax recognised on equity	-104	0
Deferred tax concerning previous years	3	7
Deferred tax at 31 July 2022	**-40**	**31**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	0	31
Deferred tax liabilities	-40	0
	-40	**31**

§

ACCOUNTING POLICY

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account. Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value. 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. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity. Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

NOTE 11

OTHER PROVISIONS

(mDKK)	2022	2021
Balance at beginning of year	498	449
Provision for the year	237	49
Applied for the year	-209	0
	526	**498**
The expected due dates of other provisions are:		
Within one year	419	496
Between 1 and 5 years	107	2
Over 5 years	0	0
	526	**498**

Other provisions primarily compromise pending disputes, donations and other liabilities, etc.

§

ACCOUNTING POLICY

Provisions are measured at net realizable value or fair value. If the obligation is expected to be settled far into the future the obligation is measured at fair value. Provisions comprise anticipated costs for losses on returned goods, obligations concerning leases and other contractual liabilities. Provisions are recognised when the Group has a legal or constructive obligation at the balance sheet date and there is a probability of an outflow of resources required to settle the obligation.

NOTE 12

RENT AND LEASE LIABILITIES

(mDKK)	2022	2021
Within 1 year	75	52
Between 1 and 5 years	240	60
After 5 years	87	0
	402	**112**

NOTE 13

CONTINGENT LIABILITIES

GUARANTEE COMMITMENTS

The Parent has issued guarantee commitments for DKK 77 millions.

OTHER CONTINGENT LIABILITIES

The Group is party to a number of pending disputes that are not deemed to have any material effect on coming financial years.

The Parent company has issued letters of support for subsidiaries. Furthermore the Parent company has issued a guarantee of payment for the liabilities of a number of subsidiaries totalling mDKK 301 pr. 31 July 2022.

CONTINGENT LIABILITIES

The Company participates in a joint Danish taxation arrangement with HEARTLAND A/S serving as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore secondarily liable for income taxes etc for the jointly taxed entities as well as to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

NOTE 14

EVENTS AFTER THE BALANCE SHEET DATE

No events materially affecting the financial position have occurred after the balance sheet date.

NOTE 15

FINANCIAL INSTRUMENTS

BESTSELLER A/S seeks to reduce foreign currency risks by hedging currency exposure on purchase of goods. At 31 July 2022, BESTSELLER A/S has entered into foreign exchange forward contracts relating to future transactions in foreign currency of mUSD 905 with a value of mDKK 451 before tax. Furthermore we have also entered into foreign exchange forward contracts relating to future transactions in foreign currency of contracts of mCNY 453 with a value of mDKK 19 before tax. Both are recognised on other recivables and equity.

All transactions is to be realised within the next financial year 2022/23.

BESTSELLER A/S has also entereed into foreign currency options. The market value amounts to mDKK 6 at 31 July 2022. The underlying asset spend (in USD) represents a higher value than the value of the foreign currency options

The agreements is made with the companys banking partners, Nordea and Danske Bank, as the counterparties, it is our assement that there is no payment risk associated with these counterparties.

(mDKK)	Dericative financial instruments
Fair value, at 31 july 2022	476
Value djustments in the income statement	6
Changes recognised in the reserve for hedging transactions	470

NOTE 16

RELATED PARTIES AND OWNERSHIP STRUCTURE

Controlling interest: BESTSELLER United A/S, Fredskovvej 5, 7330 Brande (Majority owner)

The financial statement for BESTSELLER A/S is included in the consolidated financial statement for HEARTLAND A/S, Inge Lehmanns Gade 2, 8000 Aarhus C being the largest group.

Transactions (mDKK)	
Sale of goods to subsidiaries	20,694
Sale of services to subsidiaries	223
Sale of goods to other related parties	115
Sale of services to other related parties	4
Purchase of services from subsidiaries	360
Purchase of services from other related parties	72
Interest income from subsidiaries	46
Interest income from other related parties	3
Interest costs to subsidiaries	13
Capital contribution	265
Dividend recieved	156
Dividends paid	2,500
Receivables from group companies	2,576
Payables to group enterprises	7,138
Receivables from other related parties	2,605
Payables to other related parties	9

No other transactions were carried through with shareholders in the year.
Remuneration/fees to members of the Executive Board are reflected in note 2.

MISC.

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and executive board have today discussed and approved the annual report of BESTSELLER A/S for the financial year 1 August 2021 - 31 July 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 July 2022 and of the results of the group and the company operations and consolidated cash flows for the financial year 1 August 2021 - 31 July 2022.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Aarhus,
7 October 2022

EXECUTIVE BOARD

—
CHIEF EXECUTIVE OFFICER
Anders Holch Povlsen

—
CHIEF FINANCIAL OFFICER
Thomas Børglum Jensen

BOARD OF DIRECTORS

—
CHAIR OF THE BOARD
Merete Bech Povlsen

—
MEMBER OF THE BOARD
Anders Holch Povlsen

—
MEMBER OF THE BOARD
Troels Holch Povlsen

—
MEMBER OF THE BOARD
Finn Poulsen

—
MEMBER OF THE BOARD
Lise Kaae

INDEPENDENT AUDITOR'S REPORT

To the shareholder of BESTSELLER A/S

OPINION

We have audited the consolidated financial statements and the parent company financial statements of BESTSELLER A/S for the financial year 1 August 2021 - 31 July 2022, which comprise income statement, accounting policies, balance sheet, statement of changes in equity, cash flow statement and notes, for both the group and the parent company. The consolidated financial statements and the parent company financial statements are prepared under 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 group and the parent company's financial position at 31 July 2022 and of the results of the group and the parent company's operations and cash flows for the financial year 1 August 2021 - 31 July 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

MANAGEMENT'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements unless management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 company to cease to continue as a going concern.

— Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company 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 for the group's entities or business activities to express an opinion on the consolidated financial statements.

— We are responsible for directing, supervising and conducting the audit of the group. We alone are responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for management's review.

Our opinion on the consolidated financial statements and parent company financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and parent company financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements and parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that management's review is in accordance with the consolidated financial statements and parent company 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 management's review.

Aarhus, 7 October 2022

EY GODKENDT REVISIONSPARTNERSELSKAB
CVR NO. 30 70 02 28

MORTEN FRIIS
State Authorised Public Accountant — mne32732

SØREN JENSEN
State Authorised Public Accountant — mne34132

COMPANY DETAILS

BESTSELLER A/S
Fredskovvej 5
7330 Brande

CVR no.: 88 21 65 12

Reporting period:
1 August 2021 - 31 July 2022

Domicile:
Ikast-Brande

BOARD OF DIRECTORS
Merete Bech Povlsen, Chair
Anders Holch Povlsen
Finn Poulsen
Lise Kaae
Troels Holch Povlsen

EXECUTIVE BOARD
Anders Holch Povlsen
Thomas Børglum Jensen

AUDITORS
EY Godkendt Revisionspartnerselskab
Værkmestergade 25
8000 Aarhus C

GROUP CHART SYMBOL OVERVIEW:
• Subsidiary
• • Subsidiary of subsidiary
* Associated company

GROUP CHART

COMPANY	LOCATION	OWNERSHIP
BESTSELLER A/S	**Brande, Denmark**	
AHPK GmbH	Hamburg, Germany	75%
24.5.2011 US Corporation	Wilmington, Delaware, USA	100%
• BESTSELLER Wholesale US LLC	Wilmington, Delaware, USA	100%
AM PIECES Retail A/S	Brande, Denmark	51%
BESTSELLER AS	Olso, Norway	100%
BESTSELLER Logistics A/S	Brande, Denmark	100%
BESTSELLER Australia PTY Ltd.	Mosman, Australia	100%
BESTSELLER Birlesik Tekstil Ltd.	Istanbul, Turkey	90%
BESTSELLER Commerce B.V.	Amsterdam, Netherlands	100%
• BESTSELLER Handels B.V.	Amsterdam, Netherlands	100%
• BESTSELLER Service B.V.	Amsterdam, Netherlands	100%
• BESTSELLER Commerce Poland Sp. z O.O.	Lozienica, Poland	100%
• BESTSELLER Handels Portugal, Unispessoal LDA	Lisbon, Portugal	100%
BESTSELLER Lease Management A/S	Brande, Denmark	100%
BESTSELLER Italy SpA	Castel San Pietro Terme, Italy	100%
• BESTSELLER Stores Italy SpA	Castel San Pietro Terme, Italy	100%
BESTSELLER Stores Austria GmbH	Wienna, Austria	100%
• BESTSELLER Handels GmbH	Wienna, Austria	100%
• BESTSELLER MENA GmbH	Wienna, Austria	100%
BESTSELLER Retail Europe A/S	Brande, Denmark	75%
• BESTSELLER Retail Benelux B.V.	Leusden, Netherlands	100%

• BESTSELLER Retail Sp. z O.O.	Warsaw, Poland	100%
• BRE Ireland Retail Limited	Dublin, Ireland	100%
• ONLY Stores Austria GmbH	Vienna, Austria	100%
• Grønhaug Retail AS*	Bergen, Norway	50%
• ONLY Stores A/S	Brande, Denmark	100%
• • ONLY Stores Belgium BVBA	Antwerp, Belgium	100%
• • ONLY Stores Denmark A/S	Brande, Denmark	100%
• • ONLY Stores Finland OY	Espoo, Finland	100%
• • ONLY Stores France SaS	Paris, France	100%
• • ONLY Stores Germany GmbH	Viersen, Germany	100%
• • ONLY Stores Ireland Ltd.	Dublin, Ireland	100%
• • ONLY Stores Holland B.V.	Leusden, Netherlands	100%
• • ONLY Stores Luxembourg S.a.r.l.	Luxembourg, Luxembourg	100%
• • ONLY Stores Norway AS	Bergen, Norway	100%
• • ONLY Stores Sweden AB	Solna, Sweden	100%
• • ONLY Stores Switzerland AG	St. Gallen, Switzerland	100%
• • Retail-Fabrikken A/S *	Haderslev, Denmark	50%
BESTSELLER Retail Ireland Limited	Dublin, Ireland	100%
BESTSELLER Retail UK Ltd.	Birmingham, England	100%
BESTSELLER (Schweiz) AG	Glattbrugg, Switzerland	100%
BESTSELLER Stores A/S	Brande, Denmark	100%
BESTSELLER Stores Belgium BVBA	Antwerp, Belgium	100%
• Belalan Meir Leasehold SRL	Antwerp, Belgium	100%
BESTSELLER Stores Czech Republic s.r.o.	Prague, Czech Republic	100%
BESTSELLER Stores Denmark A/S	Brande, Denmark	100%
BESTSELLER Stores Finland OY	Helsinki, Finland	100%
BESTSELLER Stores Germany GmbH	Hamburg, Germany	63,6%
BESTSELLER Stores Netherlands B.V.	Amstelveen, Netherlands	100%
• BESTSELLER Wholesale Benelux B.V.	Amstelveen, Netherlands	100%
• BESTSELLER United NL B.V.	Amstelveen, Netherlands	100%
• • BESTSELLER Fashion India Pvt. Ltd.	Mumbai, India	100%
• • BESTSELLER Wholesale India Pvt. Ltd.	Mumbai, India	100%
BESTSELLER Stores Luxembourg Sarl	Luxembourg, Luxembourg	100%
BESTSELLER Stores Norway AS	Bergen, Norway	100%
BESTSELLER Stores Sverige AB	Solna, Sweden	100%
BESTSELLER Stores Slovak Republic s.r.o.	Bratislava, Slovakia	100%
BESTSELLER Stores Switzerland AG	Glattbrugg, Switzerland	100%
BESTSELLER Sverige AB	Solna, Sweden	100%
• Hagamagasinet AB	Solna, Sweden	100%
BESTSELLER Textilhandels GmbH	Hamburg, Germany	100%
BESTSELLER United China Ltd.	Kowloon, Hong Kong	100%
BESTSELLER United Singapore Pte. Ltd.	Singapore, Singapore	100%
• BEST United India Comforts Pvt. Ltd.	Mumbai, India	100%
• ONLY Retail Pvt. Ltd.	Mumbai, India	99%
• SELECTED Retail Private Limited	Mumbai, India	100%
• VERO MODA Retail Pvt. Ltd.	Mumbai, India	100%
BESTSELLER Wholesale A/S	Brande, Denmark	100%
BESTSELLER Wholesale Belgium BVBA	Antwerp, Belgium	100%
BESTSELLER Wholesale Canada Inc.	Montréal, Canada	100%
• BESTSELLER Retail Canada Inc.	Montréal, Canada	100%
BESTSELLER Wholesale Finland OY	Helsinki, Finland	100%
BESTSELLER Wholesale France SaS	Paris, France	100%
• BESTSELLER Stores France SaS	Paris, France	100%
• 9/9 - 49 France Sarl	Paris, France	100%
• Paris Property SASU	Paris, France	100%
BESTSELLER Wholesale (Ireland) Ltd.	Dublin, Ireland	100%
BESTSELLER Wholesale Spain S.L.U.	Churriana, Spain	100%
BESTSELLER Stores Spain S.L.U.	Churriana, Spain	100%
• BESTSELLER Tekstil Ltd.	Istanbul, Turkey	90%
• BS Company of 14.12.2014 Sociedad Limitada	Churriana, Spain	100%

• • BESTSELLER Textil Whs Uruguay S.A.	Montevideo, Uruguay	100%
• • BESTSELLER Latam ZF S.A.	Montevideo, Uruguay	100%
• • BESTSELLER Wholesale Chile SpA	Santiago, Chile	100%
• • BESTSELLER Wholesale Mexico S.A. C.V.	Ciudad de México, Mexico	100%
• • BESTSELLER Textil Mexico S.A. de C.V.	Ciudad de México, Mexico	100%
BESTSELLER Wholesale UK Ltd.	London, England	100%
Best Whs Clothing Greece LLC	Athens, Greece	100%
Bluetide Ltd.	Dubai, United Arab Emirates	100%
BRN Best Retail Norge AS	Namsos, Norway	51%
Toast (Mail Order) Limited	London, United Kingdom	100%
VILA A/S	Skanderborg, Denmark	100%
• VILA Belgium BVBA	Antwerp, Belgium	100%
• VILA Benelux B.V.	Amstelveen, Netherlands	100%
• • VILA Stores B.V.	Amstelveen, Netherlands	100%
• VILA Clothes AG	Glattbrugg, Switzerland	100%
• VILA Clothes Handels GmbH	Vienna, Austria	100%
• VILA Clothes Ltd.	Dublin, Ireland	100%
• VILA Clothes Ltd.	London, United Kingdom	100%
• VILA Finland Oy	Espoo, Finland	100%
• VILA France SaS	Paris, France	100%
• VILA Italy S.R.L.	Castel San Pietro Terme, Italy	100%
• VILA Norge AS	Oslo, Norway	100%
• VILA Spain S.L.U.	Torremolinos, Spain	100%
• VILA Stores A/S	Skanderborg, Denmark	100%
• BESTSELLER Stores Germany GmbH	Hamburg, Germany	36,4%
• • VILA GmbH	Hamburg, Germany	100%
• VILA Sweden AB	Solna, Sweden	100%
• VILA Wholesale A/S	Skanderborg, Denmark	100%

BESTSELLER