RSM

RSM Danmark

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Diesel Denmark ApS

Østergade 12, 1100 København

Company reg. no. 11 10 99 77

Annual report

1 January - 31 December 2024

The annual report was submitted and approved by the general meeting on the 16 April 2025.

Stefano Bacchini
Chairman of the meeting

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Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Diesel Denmark ApS for the financial year 1 January - 31 December 2024.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 16 April 2025

Managing Director

Stefano Bacchini

Board of directors

Stefano Bacchini
Chairman

Cristian Collavo

The independent practitioner's report

To the Shareholders of Diesel Denmark ApS

Qualified conslusion

We have performed an extended review of the financial statements of Diesel Denmark ApS for the financial year 1 January - 31 December 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, except for the incomplete information described in the "Basis for Qualified Opinion" section of our report, the financial statements give a true and fair view of the Company's financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Qualified conclusion

Interest expenses is in our opinion recognized with DKK 488,448 too much, other operating expenses is in our opinion recognised with DKK 368,385 too little and payroll expenses is in our opinion recognized with DKK 181,091 too little. These corrections is due to the misstatement found in 2023 being corrected in 2024. The net result effect is DKK 61,028 as a loss.

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

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

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

The independent practitioner's report

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's Review

Management is responsible for the Management's Review.

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

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

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

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

Copenhagen V, 16 April 2025

RSM Danmark
Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45

Marco Mosegaard Brøndsted
State Authorised Public Accountant
mne49081

Company information

The company	Diesel Denmark ApS Østergade 12 1100 København
	Company reg. no. 11 10 99 77 Financial year: 1 January - 31 December
Board of directors	Stefano Bacchini, Chairman Cristian Collavo
Managing Director	Stefano Bacchini
Auditors	RSM Danmark Statsautoriseret Revisionspartnerselskab Ved Vesterport 6, 5. sal 1612 København V
Bankers	Danske Bank BNP Paribas
Parent company	Diesel S.p.A.

Management´s review

Description of key activities of the company

The company's business activity is trading Diesel clothes and accessories, most of them supplied within the Group by Diesel S.p.A. The company has a branch in Finland, and mainly operates into the retail distribution channels.

Since the end of 2019, the wholesale business has been processed and invoiced directly via Diesel S.p.A, with the Company providing local support services for the wholesale business (WHS Service Provider). In providing support services to the Wholesale activity of Diesel S.p.A, Diesel Denmark ApS is entitled to be paid an arm´s length service fee.

Significant changes in the company's activities and financial matters

Over the last year, the global economy has continued to face significant challenges, including ongoing geopolitical tensions and market uncertainty. Despite a slowdown in growth, some signs of stabilisation have emerged, supported by the adaptation of economies to an evolving context.
Central banks have initiated a gradual reduction in interest rates in response to the decline in inflation, which, however, remains above the target level.
In this scenario, the Company and the OTB Group have adopted strategies aimed at consolidating their market position by making targeted investments and strengthening their organisational structure. The measures taken aimed to ensure stability, addressing the challenges of the macroeconomic context with determination.

We referrer to note 1 regarding Going Concern.

Branches abroad

The company has a branch in Finland. Diesel Finland has limitied activities in 2024.

Accounting policies

The annual report for Diesel Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Diesel Denmark ApS and its group enterprises are included in the consolidated financial statements for OTB, S.p.A, Breganze (VI), Italy, reg. no. .

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises cost of goods less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of tangible assets.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to debt and transactions in foreign currency.

Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual entities are recognised in the income statement as a proportional share of the entities' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The activity in the Finnish branch is taxed according to Finish tax rules.

Statement of financial position

Intangible assets

Development project, patents, and licences

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 5 years.

Property, plant, and equipment

Other property, plant and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life

Accounting policies

Plant and machinery	3-5 years
Other fixtures and fittings, tools and equipment	3-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a measurement method.

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Deposits

Deposits are measured at amortised cost.

Accounting policies

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Inventories

Inventories are measured at the lower of cost, measured by reference to the reference to the average price method, and net realisable value.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. In order to meet expected losses, impairment takes place at the net realisable value.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Provisions

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Liabilities other than provisions

Liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Deferred income

Payments received concerning giftcards and straight-line adjustment on rent.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2024	2023
	Gross profit	**5.397.422**	**5.516.814**
2	Staff costs	-3.543.901	-4.035.016
	Depreciation and impairment of non-current assets	-832.438	-1.158.548
	Operating profit	**1.021.083**	**323.250**
	Income from investments in group enterprises	387.169	347.173
	Other financial income from group enterprises	21.003	6.978
	Other financial income	3.996	2.671
3	Other financial expenses	-1.496.026	-213.591
	Pre-tax net profit or loss	**-62.775**	**466.481**
	Net profit or loss for the year	**-62.775**	**466.481**
	Proposed distribution of net profit:		
	Transferred to retained earnings	0	466.481
	Allocated from retained earnings	-62.775	0
	Total allocations and transfers	**-62.775**	**466.481**

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		2024	2023
	Non-current assets		
	Other fixtures, fittings, tools and equipment	1.663.122	1.666.755
	Total property, plant, and equipment	1.663.122	1.666.755
	Investments in group enterprises	10.953.685	10.906.006
	Deposits	35.800	35.800
	Total investments	10.989.485	10.941.806
	Total non-current assets	**12.652.607**	**12.608.561**
	Current assets		
	Manufactured goods and goods for resale	3.017.210	2.471.854
	Total inventories	3.017.210	2.471.854
	Trade receivables	293.954	51.436
	Receivables from group enterprises	9.624.792	11.076.834
	Other receivables	113.330	258.129
	Prepayments	13.097	523.464
	Total receivables	10.045.173	11.909.863
	Cash and cash equivalents	534.636	2.333.709
	Total current assets	**13.597.019**	**16.715.426**
	Total assets	**26.249.626**	**29.323.987**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2024	2023
	Equity		
	Contributed capital	601.000	601.000
	Retained earnings	-5.418.746	-5.011.559
	Total equity	**-4.817.746**	**-4.410.559**
	Provisions		
	Other provisions	420.863	880.160
	Total provisions	**420.863**	**880.160**
	Liabilities other than provisions		
	Bank loans	0	400
	Trade payables	777.653	998.283
	Payables to group enterprises	27.535.029	29.521.688
	Other payables	793.144	1.081.210
	Deferred income	1.540.683	1.252.805
	Total short term liabilities other than provisions	30.646.509	32.854.386
	Total liabilities other than provisions	**30.646.509**	**32.854.386**
	Total equity and liabilities	**26.249.626**	**29.323.987**

1 Uncertainties relating to going concern

4 Contingencies

5 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2023	601.000	-5.524.348	-4.923.348
Retained earnings for the year	0	466.481	466.481
Adjustment of investments through foreign exchange adjustments	0	46.308	46.308
Equity 1 January 2024	601.000	-5.011.559	-4.410.559
Retained earnings for the year	0	-62.775	-62.775
Adjustment of investments through foreign exchange adjustments	0	-344.412	-344.412
	601.000	**-5.418.746**	**-4.817.746**

Notes

All amounts in DKK.

	2024	2023

1. Uncertainties relating to going concern

The Company's directors, having reviewed all the initiatives implemented during 2024, the results achieved, the budget for 2025 both economic and financial, along with financial structure and the role of the Company inside the wider OTB Group operations, do not consider that these impacts and/or uncertainties could affect the going concern basis on which this financial statement were prepared.

2. Staff costs

Salaries and wages	3.248.541	3.848.333
Pension costs	217.181	116.476
Other costs for social security	78.179	83.299
Other staff costs	0	-13.092
	3.543.901	**4.035.016**
Average number of employees	9	10

3. Other financial expenses

Financial costs, group enterprises	1.478.688	186.003
Other financial costs	17.338	27.588
	1.496.026	**213.591**

4. Contingencies

Contingent liabilities

Rent and lease liabilities include a rent obligation totalling DKK 4 million in interminable rent agreements with remaining contract terms up to 12 months.

5. Related parties

Consolidated financial statements

Diesel Denmark ApS' related parties comprise the following:

Related party	Domicile	Basis for control
Diesel S.p.A	Via Dell' Industria 4/6 36042 Breganze (VI), Italy	Participating interest

Information about consolidated financial statements

All amounts in DKK.

Parent	Domicile	Requistioning of the parent company's consolidated financial statements
OTB S.p.A	Via Dell' Industria 2, 36042 Breganze (VI), Italy	The consolidated financial statements and parent company financial statements can be requested at Diesel Denmark ApS in Copenhagen