23 24

Annual Report
Wehkamp Retail Group Holding

STRATEGIC PROGRESS AND A RESILIENT FINANCIAL PERFORMANCE IN CHALLENGING TIMES

Annual Report Wehkamp Retail Group Holding **2023-2024**

OUR FACIAS

wehkamp

Focused on Fashion and Home & Living, Wehkamp has a long history in the Netherlands, offering its family customer base curated ranges of own brand products, alongside local and global brands through its e-commerce site and app.

kleertjes.com

A leading kidswear e-commerce operator in the Netherlands, acquired by WRG in 2021, kleertjes.com offers Wehkamp and kleertjes.com own brand ranges and third party brands, alongside a broader product assortment for babies and children including beds and bedroom furniture.

[union river]

The latest facia to be added to the WRG portfolio, Union River targets the Dutch male consumer with a growing range of own brand and third-party brands covering fashion, active wear, classic/formal wear and sportswear ranges, alongside male beauty products.


GEOLOGY
1972
M

Table of Contents

01 *About us* — *page 8*

02 *CEO review* — *page 11*

03 *Our business model & strategy* — *page 21*

04 *Financial review* — *page 26*

05 *Risk management* — *page 30*

06 *Culture & Diversity* — *page 34*

07 *Corporate Social Responsibility* — *page 39*

08 *Report of the Supervisory Board* — *page 44*

09 *Financial Statements* — *page 46*

01

ABOUT US

Wehkamp Retail Group Holding B.V. ("WRG"), formerly Wehkamp Retail Group B.V., is a leading Dutch online retailer, trading from three facias; Wehkamp, kleertjes.com and Union River. To simplify the structure of the group on January 1, 2024 Wehkamp B.V. and Kleertjes.com B.V. merged and Wehkamp B.V. was renamed into Wehkamp Retail Group B.V. On December 31, 2023 Wehkamp Retail Group B.V. was renamed into Wehkamp Retail Group Holding B.V.

Wehkamp sits at the heart of WRG and is a leading Dutch online retailer in Fashion and Home & Living with an iconic brand and a rich retail history.

We are not a marketplace with unlimited choices. In a world of too much choice, we work hard to inspire our customers, with curated ranges from leading global and local brands, as well as our own brands, to ensure we meet the needs of our family-oriented customer base. We know our customers very well and use data, combined with in-house analytics, to carefully present relevant ranges offering highly personalised selections and tailored promotions for Fashion and Home & Living.

Kleertjes.com is the specialised facia for kidswear, everything for the kidsroom, playcorner and more. Wehkamp and kleertjes.com retain their separate brand identities and consumer facing websites. Combined, Wehkamp and kleertjes.com are one of the leading online kidswear retailers in the Netherlands.

Union River was created by our in-house teams and launched as a new facia designed to specifically target male customers, with a growing range of menswear and male beauty products.

All facias are plugged into our world class logistics and delivery network and are migrating onto a new multi-facia designed technology platform to fully harness the benefits of scale.

WRG in numbers[1]

3 facias
Wehkamp, kleertjes.com and Union River

72
years young

2.3
million active customers

300+
social media ambassadors

44%
of Wehkamp orders come through the app

97%
brand awareness

948
team members

15.9%
of Group customers sales are own brand

1 Unless stated otherwise, here and below the data for financial year 2023-2024 includes kleertjes.com pro forma data for the full year.


GIORGIO ARMANI

02

CEO REVIEW

"Profits are up in a challenging year for retail and our business is better prepared than ever to capture the market upturn."

Graham Harris - CEO

The market may be slow but we have been busy. We have been implementing our strategy, preparing the business for further profitable growth, whilst substantially improving the operational performance and unit economics of our model. We have never been in better shape, with a new proven and sustainable business model which has demonstrated its ability to generate profits through the cycle. Underlying profits (adjusted EBITDA) grew 30% above last year despite significant challenges.

Whilst we have no crystal ball, the economic recovery will materialise and when it does we will be ready, with increased consideration from our latest marketing campaigns, combined with major operational upgrades during the year. We now have a new multi-facia technology platform, a singular stock pool in our highly automated Zwolle warehouse, capacity for further growth without the need for additional capital investment and a lower cost base, supported by the recent off-shoring of customer service to Suriname. All of this combined with our new charging for returns policy and home delivery has significantly increased profit per item, whilst improving our environmental impact. Our multi-facia strategy is central to our plans for future topline growth. We have completed the full integration of kleertjes.com and substantially improved both the customer service proposition and the unit economics, including the launch of the kleertjes.com app. kleertjes.com is now generating a healthy return on our investment.

With our operational upgrades and spare capacity, combined with our learnings from kleertjes.com and the organic launch of Union River, we have a ready to go playbook for further topline growth through facia expansion.

It is all too easy to forget that a difficult economic environment is not just challenging for the business but also personally for our employees and their families. I want to thank them all for their continued dedication, loyalty and remarkable resilience through the difficult times of the last few years. Together we have built a stronger business with a bright future ahead.

HIGHLIGHTS OF THE YEAR

The CoolCat generation

In June 2023, we acquired the IP of CoolCat, a well established youth fashion brand in the Netherlands, which sells clothing and accessories. CoolCat adds a further own brand to our portfolio and will be sold across our Wehkamp and kleertjes.com facias. New autumn/winter ranges, designed by our in-house own brand team take influence from how the 'Alpha generation' live their lives, and will launch in September 2024.

Building on the success of Kidswear

Following the development of our multi-facia tech platform we now offer a full assortment of products for the bedroom alongside our fashion ranges for both kleertjes.com and Wehkamp.

Building on the success of Beauty

We have an opportunity in the Beauty category which is only now just starting to be realised. Historically our success in Ladies Fashion has not been replicated in the adjacent product category of Beauty, a market which offers great growth potential. This in part has been due to challenges in sourcing the most desirable products from the high end, global cosmetics giants. We are delighted with the cooperation with BeautyX, which provides us with direct access to the brands we know our customers desire.

Wehkamp Home rebrand

There is a big opportunity to grow our Home & Living own brand ranges, which are already extremely popular with our Wehkamp customers. As a first step to realising this growth potential we commenced the rebranding of our own brand Wehkamp Home during the year into two newly created brands; NOUS Living and Studio Livit. The rebranding will take time as we clear existing stock lines but we expect these two new brands will have greater reach and traction on non-Wehkamp channels in the future.

Championing new circular retail models

The cost of living crisis and increasing environmental awareness has sparked exciting new retail business models, including a growing market for clothing rental. We are proud to have taken our first steps on the path to circularity by supporting Hulaaloop, a children's rental business for those aged up to 2 years. During this time children can grow through as many as eight clothing sizes. The idea behind Hulaaloop is to recycle children's clothing during those first years. In addition to our Wehkamp and kleertjes.com clothing ranges, Hulaaloop benefits from access to our Zwolle logistics and delivery network as well as other coaching and support.

Marketing success

In September 2023 we launched our new brand strategy for Wehkamp, 'The beauty of now' to update and refresh people's perceptions of Wehkamp. It is working and our latest data shows an bps increase for all seasonal campaigns since September 2023 in the proportion of consumers polled, who would consider purchasing products from Wehkamp. This increase in consideration reflects our latest TV campaign fronted by well-known TV personality and former teen model for Wehkamp, Leonie ter Braak, greater use of hyper local out of home advertising, more lifestyle photography with the support of AI and CGI and continued success on social media.

Our social media ambassadors have been a great success not only growing reach and engagement but increasingly driving direct conversion to sales. We continue to learn and refine how best to work with them for maximum impact. We have refreshed and increased the number of ambassadors for Wehkamp from 200 to 250 during the year and in November 2023 we launched a similar programme for kleertjes.com; kleertjes Family which has already reached 50 ambassadors by our financial year end.

At the end of March 2024, Wehkamp's Instagram followers totalled 134,000, a year-on-year increase of 33%, with TikTok followers growing 34% to 55,000. For kleertjes.com, Instagram is our key platform, and during the year we achieved a 25% increase in followers, supported by the launch of our ambassador programme which is seeing strong engagement with its young parent customer base. Since launching on TikTok in December 2023, Union River has already secured over 7,000 followers thanks in part to creative content, including interviews of men on the street sharing their real life experiences.

One such Union River TikTok received 1.8m views, making it the most successful post of the year across all of our facias.

134,000

Instagram followers

55,000

TikTok followers

1.8M

Views Union River TikTok post

The most successful post of the year across all of our facias

OPERATIONAL UPGRADES

Industry leadership on delivery and returns pays off

We made a bold decision to lead the industry and address one of the biggest issues for all e-commerce operators; customer returns. To highlight the impact of returns, in 2022-2023 Wehkamp processed approximately 14 million returned items, an average of almost 40,000 each and every day. In addition to the environmental impact, the time and cost of processing these items is enormous because managing returns is a mainly manual process.

In April 2023 Wehkamp introduced a new return policy; charging € 0.50 for each item returned at a time when it was free throughout the industry. The charge itself is small compared to the full cost of handling a return but it was believed that this modest fee would change consumer behaviour. One year on from its introduction, the results testify to the success of the policy, achieving a 14% less in returns. Customers are now placing fewer size and colour options of the same product in their baskets. The new return policy was extended to kleertjes.com and Union River from the end of March 2024.

In October 2023 we updated Wehkamp's delivery policy to address the impact of delivering direct to customer homes, compared with transporting ordered goods to one of DHL's over 4,400 ServicePoints in the Netherlands. To encourage customers to be more aware of the environmental consequences of their choices and to further improve the efficiency of Wehkamp's delivery process, a modest charge of € 0.50 was introduced for home deliveries from October 2023.

The new delivery policy has driven positive behavioural change with a threefold increase in the number of customers choosing to collect their orders from a DHL ServicePoint, as well as a 20% reduction in failed first time deliveries, as people become more aware of the consequences of their choices. The new policy was extended to kleertjes.com and Union River in March 2024.

€ 0.50

charge for each item returned, started in the year

600

basis points ***reduction in the return rate***

4,400

DHL ***ServicePoints in the Netherlands***

20%

Reduction ***failed first time deliveries***

A share of the delivery charge is donated to the charity Jantje Beton to fund more outside play spaces for children to further amplify the new policy's environmental benefits.

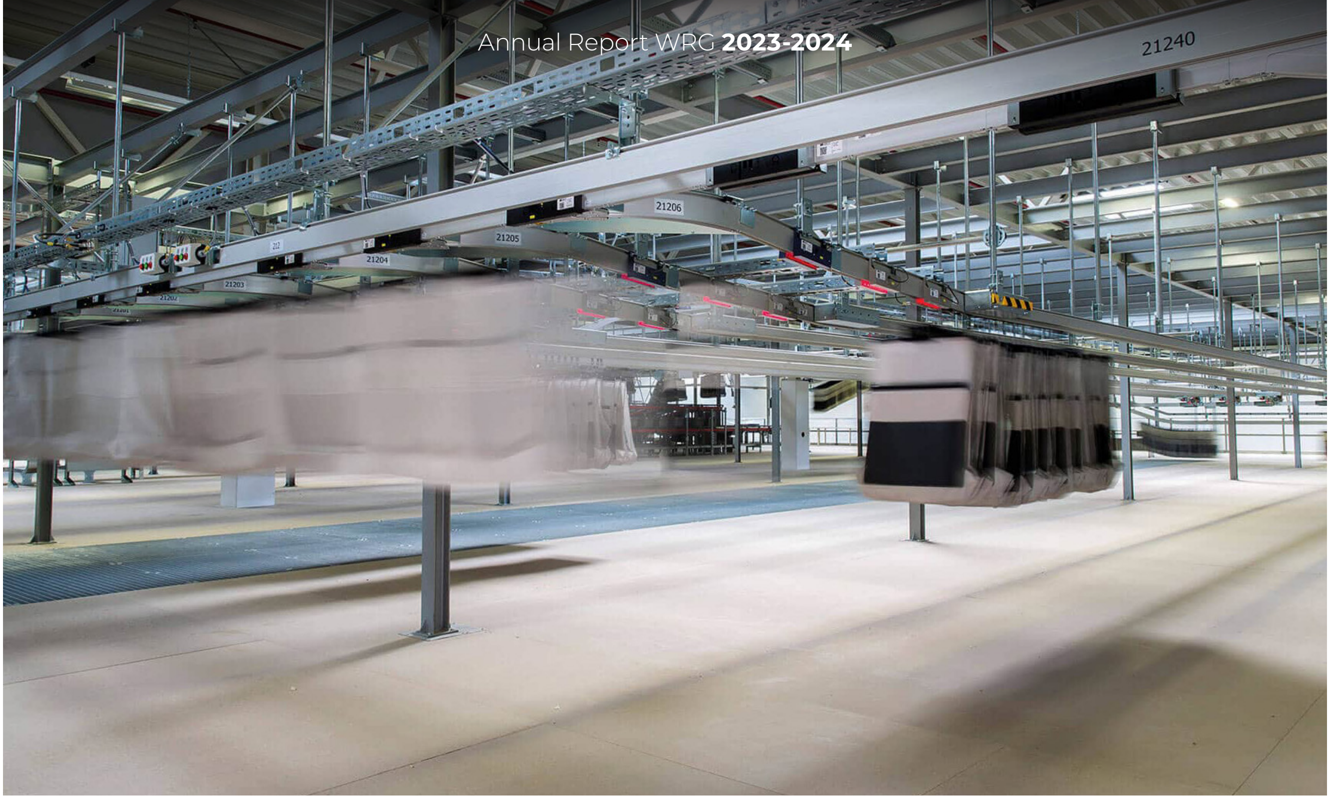
These changes have been positive for our business from both a sustainability and financial perspective. Customer sales and net revenues are both lower in 2023-2024 compared with the prior year, in part due to some high returning customers choosing to shop elsewhere as well as the subdued market backdrop. However, the unit economics have improved considerably, with contribution margin [as a % of Customer Sales, excl. electricals] up on the comparative period by 3.9pp. There is an added benefit of increased capacity for future growth, resulting from the lower stock and reduced warehouse space required to service our customer base.

Launch of a new multi-facia tech stack

The development of a completely new multi-facia tech stack is never risk free. However, the build completed during the financial year and the subsequent migration of the core Wehkamp facia is now well underway. Already the back and front ends of kleertjes.com and Union River have been successfully migrated onto the new platform during the financial year.

The transfer of all facias onto one technology stack enables the capture of substantial cost synergies as well as increased efficiency from a singular process for each operation. This will also simplify the process of selling products across multiple facias.

An early benefit of the new platform has been the launch of the kleertjes.com app in October 2023, using the new architecture. The kleertjes.com app provides a superior customer journey with greater scope for personalisation relative to the website and is quicker and cheaper to scale and upgrade.



The app has proved very popular and has already achieved over 80,000 downloads by the end of March 2024.

Zwolle capacity and automation upgrade completed

In May 2023, 33,000m2 of planned additional space was opened at our Zwolle warehouse with the additional solar panels being added this year to make the site self-sufficient of power. The extra capacity has enabled us to consolidate all WRG stock into one facility, with kleertjes.com products transferred over during the summer of 2023. Picking of kleertjes.com stock had previously been a manual process but following the move to Zwolle it is now automated, which has improved the unit economics. Furthermore, kleertjes.com customers now benefit from our leading service proposition, including midnight cut-offs for next day delivery and 1pm for same day delivery.

Following our investment into pocket sorter technology, which went live during the financial year, approximately 90% of all outbound stock is now fully automated in terms of picking and packing. The pocket sorter adds flexibility and improves warehouse economics. It is a fast, efficient and highly accurate way to pick and combine stock from different storage zones into a singular customer delivery at a lower financial and environmental cost.

Furthermore we invested in automation of the returns process, with two folding machines. These machines fold, pack and wrap suitable products to make them ready for sale. These machines are twice the speed of manual processing. As a business we strive continuously to find lower cost opportunities for our operations. Returns handling is one of our most expensive services we perform as we endeavour to put 99% of the returned products back into sellable stock.

FINANCIAL DELIVERY

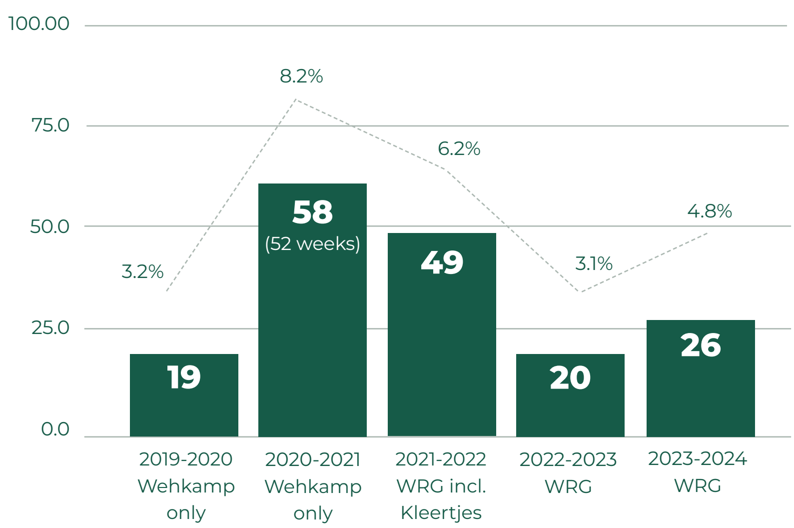
Our focus on profit growth through continued operational improvements and cost discipline has been validated. In a market which has remained challenging throughout the year in terms of both consumer demand and inflationary pressures, particularly with regards to labour, we have delivered year-on-year adjusted EBITDA growth of 29.5%. Adjusted EBITDA for the year of € 26.3 million is 38.6% above pre-Covid levels for the financial year 2019-2020.

This is our fifth consecutive year of adjusted EBITDA profitability, which clearly demonstrates the permanence of the improvements made to our business model and our ability to trade profitability through the cycle.

Our revenue performance is less meaningful and harder to unpick given the challenging market conditions, unfavourable seasonal weather which impacted fashion sales, as well as our new charging policy for returns and the introduction of shipping charges for deliveries to your door. Charging for returns from April 2023 not only saw a reduction in basket size but also the loss of some high ordering but also high returning customers. As a result of the above, Customer orders declined year-on-year by 23%, with Customer Sales down 11.0% (excluding Electronics category which was exited during financial year 2022-2023) to € 552 million but our unit economics and profitability have improved significantly.

We achieved a year-on-year increase in our gross profit margin and our adjusted EBITDA margin of 290 bps and 170 bps respectively, as customers who chose to shop elsewhere following the changes to our returns policy were largely loss making.

Adjusted EBITDA (EUR millons)
Adjusted EBITDA as % of Customer Sales



POST BALANCE SHEET EVENTS

In April 2024 Wehkamp announced that it would no longer offer credit to customers in the form of spread payments since Tinka B.V., Wehkamp's financial services partner, has decided to stop offering this service as of 30 April 2024. Customer purchases on credit have fallen in recent years and are minimal. The withdrawal of credit is expected to only have a marginal effect on sales.

03

OUR BUSINESS MODEL AND STRATEGY

"Our multi-facia strategy is already demonstrating its worth, whilst increasing the size of our future growth opportunity."

Graham Harris - CEO

WRG's business model has been developed over many years with a differentiated and compelling customer proposition. The model is powered by a well-invested, technology enabled and scalable operational platform, which is fully aligned with our strategy for profitable growth. The strength of the model is in its end-to-end capability seamlessly connecting WRG's technology, data, automated warehousing operations with a market-leading delivery offering. This provides customers with an exemplary service and the business with a highly efficient and profitable online shop.

Until 2021 WRG operated from one e-commerce site, wehkamp.nl. This strategy served us well historically given our long history and high brand awareness; almost everybody in the Netherlands knows Wehkamp. Since 2021 a multi-facia strategy has been adopted utilising our singular technology, logistics and delivery platform.

WRG has learned and refined its approach to facia expansion from its experience with kleertjes.com and Union River. WRG's strategy is focussed on adding new facias to the business, as opportunities arise both organically and acquisitively, each facia with a slightly different customer proposition in order to expand the Group's potential market opportunity.

We expect new facias to be the main engine of future top line growth, supported by our world class technology, logistics and delivery infrastructure, which has the capacity for further scaling, as well as margin enhancement.

Our differentiated and compelling customer proposition

We distinguish ourselves by being:

Inspirational

- Dutch and leading global brands sold across the site and app.
- Contemporary look, feel and ease of use, including beautiful photography from our

in-house studios.
- Engaging social media content, including live streams and ambassadors.
- Exclusive ranges with Dutch celebrity Miljuschka and exclusive collaborations with local influencers.

Curated
- Wehkamp offers customers an edited range of selected brands across a good, better and best range - purposely carrying less SKUs per brand than the market place operators.
- Increasing our focus on growing our own brands, which are currently only available through WRG facias, such as CoolCat.

Relevant
- Personalised offering and tailored promotions e.g. personal celebrations, personal preferences and a personal assistant with sizing suggestions.
- 20+ years of cohort data and insights to help anticipate needs and wants.

We distinguish ourselves by:

Offering a superior user journey
- Mobile first strategy with 78% of weekly Wehkamp orders originating from mobile.
- Wehkamp app, which achieves an average app store rating of 4.7 out of 5.
- Kleertjes.com app launched during the year.

Offering a leading delivery position
- 12pm cut-off for next day delivery, even for larger items.
- 1pm cut-off for same day delivery.

Continue to grow our own brands

Increasing our mix of own brand products is important for the growth of WRG. It is our 'unique selling point' in a competitive market. It offers higher margins as we source directly with factories around the world. We have full control on the product development, so we can deliver the right product for our customers at the right price. We want to grow our existing brands like Anytime and Me and My Monkey, while introducing new brands like Ruby and CoolCat.

Own brand is a major revenue contributor to our Home & Living category. However, to facilitate the selling of own brand products across our multi-facias and in the future to third party websites to reach a wider customer base beyond Wehkamp, a rebranding commenced during the year. The Wehkamp Home brand is replaced by two new internally created brands; NOUS Living and Studio Livit.

WRG's own brand sales have grown from approximately 9.3% of Customer Sales in 2020-2021 to 15.9% in 2023-2024. As an additional indicator of own brand success, across all brands sold by WRG, Anytime ranks in the top ten by customer sales.

Continue to Inspire our customers

We sell to approximately half of Dutch families, who shop with us for everything they need for their family in our categories. This is a key strength of the business and equally presents a substantial opportunity. By offering customers enhanced offers, in terms of both own and third party brands we can further grow our customer loyalty, spend and share of wallet.

Beauty is an increasingly important category for the business category for WRG. We have again increased our beauty ranges and signed up more leading brands.

Across the business we continue to add new brands to refresh the offering, whilst remaining relevant and inspiring. Brands we have added during the year include: Alix the label, Homage to denim, Mads Norgaard, Saint, Steve Madden kids and BOSS female and kids.

Continue to drive sales through app

Wehkamp has long had its own app and during the year we launched an app for kleertjes.com, following the facia's migration onto the new technology platform. Downloads of the app have already surpassed 80,000 with a target to transfer over 50% of customers to the mobile platform.

Personalisation is made easier through our apps because customers viewing us over this medium are virtually all logged in. By contrast a far lower percentage of customers visiting us through our websites log in, even if they are registered customers. Logging in enables us to access a larger pool of relevant data from which to personalise the shopping experience real time as customers are shopping.
Our app customers on average have a higher sales conversion rate than those using the website. They also have longer dwell times and a greater number of sessions per year. This all translates into an average annual spend for app customers being 2.5 times higher than those purchasing through the website.

Leveraging our data and advancements in AI to drive personalisation and to support our business processes

By applying generative AI and machine learning technology to our customer interaction data such as click and purchase behaviours, we are able to automatically personalise both the websites and mobile apps to our customers' tastes.

Our product overview pages feature multiple products, with the order of the products shown based on ranking KPI's to display the most relevant items first. Improvements to this algorithm has resulted in a meaningful uplift in revenues.

Tailoring the products and pages shown to our customers helps them to find the products that meet their preferences, and leads to a more inspiring and satisfying shopping experience.

The Wehkamp and kleertjes.com apps are real strengths of the business as they facilitate greater personalisation. Both apps generate very good customer KPIs on session times, number of annual sessions, conversion rate and customer spend compared to those using the website.

Using AI has significantly expanded the possibilities in our creative designs, assisting our designers in their daily tasks. Generative AI now supports the creation of compelling blog posts and advertisements, enhancing our SEO by generating optimised product descriptions. This allows for cost-effective and scalable creation of new product texts and the ability to rewrite existing texts in various tones for different markets. We continue to generate more model photography using AI, enabling fast, dynamic, and cost-effective production of images for our websites.

The power behind the customer proposition - the tech infrastructure

Supporting the customer proposition is a well invested, end-to-end platform that powers a seamless and first class user experience across all three facias.

Over the last two years WRG has built a new microservices based front and back end tech platform specifically designed to host all WRG facias. During the year kleertjes.com was successfully migrated onto the new front and back end systems, with minimal disruption or customer impact. Union River already operated on the new platform. The migration process for Wehkamp is well underway and is expected to be completed during the 2024-2025 financial year.

The move to a new, singular platform is essential to fully capture the economies of scale made possible from adding new facias. These benefits concern both revenue and cost synergies. From a revenue perspective the operation of one platform makes it far simpler to sell products across multiple sites. The move to a singular platform has driven significant savings in terms of hosting and software licensing costs, reduced time from there being just one process for each back end operation, as well as a more efficient team to manage the platform. The new tech platform itself continues to be refined and upgraded by engineers looking to further increase its speed, efficiency and perhaps most importantly its key differentiators to competitors. This will also speed up the playbook for bringing new brands onto the platform in the future and capturing their full benefits.

Offshoring Customer Care

Customer care has always been an important part of the Wehkamp shopping experience. Teleperformance has provided this service for the last 5 years and this year we decided in partnership with them to offshore the first line team to Suriname. This has enabled us to continue our first class service whilst reducing costs significantly, the second line team continues to support in Zwolle.

Highly automated, singular logistic centre

With the closure of the Kleertjes.com warehouse in ‘s-Heerenberg in October 2023, and the previous closure of the warehouse in Maurik, WRG now solely operates from the logistic centre in Zwolle, which is one of the most sophisticated in Western Europe. WRG operates a singular stock pool for both shipments and returns across all three facias, which has created

OUR LOGISTIC CENTRE IN ZWOLLE IS ONE OF THE MOST **SOPHISTICATED** *IN WESTERN EUROPE*

substantial economies of scale. Importantly, consolidating the kleertjes.com stock in Zwolle also enables customers of the brand to benefit from WRG's superior delivery proposition, including later cut-offs and same day delivery, as well as substantial cost savings.

With all logistics now centred under one roof, there is a continuing focus on increasing the levels of automation and robotics. Already, approximately 90% of outbound stock for delivery is fully automated in terms of picking and packing.

During the year the pocket sorter went live. The pocket sorter is an automated system which uses pockets hanging from rails in a fast and efficient way to pick and combine stock from different storage zones into a singular delivery, including combining items picked automatically with those larger items selected manually. The technology ultimately increases the speed of pick and enables WRG to meet customer expectations of rapid delivery even during peak trading periods. The pocket sorter reduces delivery costs and the environmental impact by combining all items ordered by a customer into one rather than multiple deliveries.

With 90% of outbound deliveries now fully automated, the focus is shifting to the need to increase automation of returns coming back into the distribution centre. During the year two folding machines went operational, which automatically folds and re-package newly returned products. Although the machines are not suitable for all returning items, they are processing suitable returns including clothing twice as quickly as manual operations, which not only saves time and money but also facilitates the quick availability of stock back on sale.

With the increased logistics capacity and a growing automation and robotics capability, WRG is now able to quickly service higher volumes and integrate bolt on acquisitions to further leverage the infrastructure, improve the logistical performance and lower the cost of picking, packing and delivery. This enables a very high delivery on promise, always enabling a best-in-market experience to our customers.

Industry leading delivery proposition, combined with new charging policy

WRG partners with courier DHL for most items, and with Dynalogic for large products. As one of the largest and longest standing Dutch customers, WRG has very close and strong working relationships with both couriers.

WRG has designed its operations to seamlessly connect with their hubs. This ensures maximum speed and minimum cost for each order across any of the Group's three facias as there is no need for goods to be first sent to their sorting centres, before then being sent onto the local distribution hubs.

It is this close relationship and integration that enables WRG to offer a midnight cut off time for next day delivery and same day delivery for most orders received before 1pm.

In April 2023 Wehkamp introduced a € 0.50 charge for every item returned by customers to address one of the biggest issues in e-commerce; the high and unsustainable level of returns.

The charge itself is small compared to the full financial cost of processing a return, but it was thought that this modest fee would deliver behavioural change.

The new policy has been a success,- reducing our environmental footprint whilst also improving order economics. Sales and to a lesser extent net revenues have fallen, as some high returning customers have opted to shop elsewhere, but the unit economics have improved considerably, given the flexibility in costs of handling returns.

Aligned with the change to Wehkamp's returns policy, there was also a change to shipping charges. From October 2023 Wehkamp customers were charged € 0.50 for home deliveries to reflect the greater financial and environmental cost of deliveringn direct to customer homes, compared with transporting ordered goods to one of DHL's 4,400 customer ServicePoints in the Netherlands. Since the introduction of the charge there has been a three fold increase in the number of customers choosing to collect their orders from a ServicePoint, which has had a beneficial impact on profitability. Both policies were extended to cover kleertjes.com and Union River from the end of March 2024.

International expansion into adjacent markets

There is a strategic rationale for selling into territories adjacent to the Netherlands, utilising all of the technology and infrastructure that WRG has already built up over many years. WRG already sells into the adjacent market of Belgium following our acquisition of kleertjes.com, albeit in a small way. With the transfer of kleertjes.com stock into our Zwolle distribution centre, we are already supplying Belgium customers directly from our existing infrastructure and delivery partners. Given that over half of the 11.6 million population of Belgium speak Dutch there is a ready made market, which we can easily serve from our existing set-up, without the need for significant investment and therefore Wehkamp will follow suit later this coming year.

Acquisitions

In addition to the focus on driving organic growth there is the opportunity for further acquisitions. Over and above the specific attractions of any businesses acquired, there is the potential to generate both revenue and cost synergies. There is scope for revenue synergies from shared learnings and the implementation of best practices across our WRG portfolio of facias as well as increased opportunities for cross selling. Acquisitions would also help us to target the remaining customers who currently don't shop at Wehkamp.

The utilisation of WRG expertise, infrastructure and scale should ensure acquisitions deliver substantial cost synergies. For potential target companies gaining access to a highly efficient, scalable multi-facia platform rather than having to make the necessary large investment themselves may be a more viable and more attractive option. The acquisition of kleertjes.com was the management team's first acquisition. Having now completed the full integration in terms of team, warehouse, logistics and technology platform migration, WRG is well placed to take advantage of further acquisition or merger opportunities that may arise in these challenging economic conditions.

PAID RETURNS CHANGED
OUR ORDER ECONOMICS

04

FINANCIAL REVIEW

FINANCIAL REVIEW

Chris Rostron - CFO

Group Performance

In the financial year 2023-2024 we continued to suffer from weaker macro-economic conditions and inflationary pressures in our supply chain, labour force and with our delivery partners, which resulted in an absolute lower revenue and gross profit compared to last financial year. However, in 2023-2024, we have implemented a number of initiatives that contributed significantly to an improved underlying (adjusted EBITDA up 29.5% versus last year) profitability, of which the introduction of paid returns as of the end of April 2023 and a charge to our customers for deliveries at home as of mid-October 2023 (whereas deliveries at DHL ServicePoints are still free of charge) where the most contributing ones.

The introduction of paid returns to our customers has significantly changed our order economics, with customers being more aware of ordering items in the suggested size range and therefore ordering less but also returning less. As of the end of April, we see a consistent but stable decrease in the number of order lines and a corresponding decrease in our operational costs, distribution costs and payment service provider costs, while we receive a small contribution from our customers for returns as of that moment. Although a number of the implemented initiatives have led to a decrease in our revenue and gross profit in financial year 2023-2024, it has also strongly improved our operating results compared to last financial year. Whereas most initiatives have contributed only part of the financial year under review, they will begin to contribute fully in the upcoming financial year.

WRG's total customer sales for the financial year decreased by 16.8% to € 552 million (2022-2023: € 663 million). The year-on-year reduction in customer sales reflects the change in order economics as described above, the weaker macro-economic conditions but also the exiting of the Electronics category during financial year 2022-2023. Excluding the Electronics category in the prior year shows an underlying reduction in customer sales of 11.0%.

On an IFRS basis, reported annual revenue in the financial year decreased by 12.4% to € 379 million (2022-2023: € 433 million). Excluding the Electronics category in the prior year shows an underlying reduction in revenue of 11.3%.

Our gross profit margin as a percentage of customer sales increased from 33.9% to 36.8% owing to a further sharpening of our core retail skills, including improvements in supplier terms and sales mix.

Adjusted EBITDA amounts to € 26.3 million (2022-2023: € 20.3 million), an increase of 29.5% despite the reduction in Customer Sales and inflationary pressures in our supply chain, labour force and with our delivery partners. Having delivered another year of profitability, WRG has demonstrated that it has retained the necessary scale and efficiency of operations, even in the most challenging of years and we emerge as a smaller but stronger business.

Operations results amount to a loss of € 3.4 million and include an one-off income of € 0.8 million. Adjusted for this, operating results came in at a loss of €4.2 million compared to an adjusted operating loss of € 8.2 million in the financial year 2022-2023, an improvement on a like for like basis of € 4.0 million. For the adjustments, further reference is made to note 4 in the table below.

In thousands of euros	**Year ended**		
	2024	**2023**	**2022 *1)**
Customer Sales *2)	551,581	663,084	746,863
Retail customer sales - Growth Y-o-Y	-16.8%	-11.2%	2.4%
Revenue (Annual Report)	378,794	432,631	458,987
Gross Profit	203,086	224,563	248,495
Gross profit as a % of Customer Sales	36.8%	33.9%	33.3%
Gross profit as a % of Revenue	53.6%	51.9%	54.1%
EBITDA	24,165	37,757	17,720
Adjusted EBITDA *3)	26,299	20,304	46,492
Operating results *4)	(3,378)	(13,189)	(5,992)

*1) 2021-2022 includes the figures for kleertjes.com as of 8 September 2021, the date of acquisition.

*2) We define Customer Sales as all gross and third party sales, including VAT and excluding the difference between drop-shipment sales and drop-shipment fee and the difference between alliance sales and alliance fee.

*3) EBITDA is adjusted for one-off costs/benefits and restructuring costs. Adjusted EBITDA comparative figures have been restated where necessary to conform to current period presentation.

*4) Operating results 2023-2024 include an income of € 0.8 million with regard to the change in fair value of the management incentive scheme (2022-2023 an income of € 23.4 million). In addition 2022-2023 include a goodwill impairment charge in the amount of € 28.5 million.

Operating cash flow in the financial year 2023-2024 resulted in a cash inflow of € 3.5 million versus a cash inflow of € 0.2 million in the financial year 2022-2023.

Cash flow from investing activities resulted in a cash outflow of € 17.2 million, mainly related to investments in warehouse machinery and equipment, in intangible assets (development of our new multi-facia tech stack) and all the intellectual property (including the trade name) of Coolcat (prior year: an outflow of € 12.9 million).

Cash flow from financing activities resulted in a cash outflow of € 8.4 million (prior year: an outflow of € 8.1 million).

As a result, the group reported on the Balance Sheet a net debt at the year-end of € 59.7million, compared to a net debt of € 37.0 million in the previous year.

In thousands of euros	Year ended		
	2024	**2023**	**2022**
Operating cash flow	3,510	210	(11,042)
Investments in PPE, software and other	(17,169)	(12,947)	(58,382)
Financing cash flow	(8,374)	(8,097)	31,723
Net cash flow of continued operations	**(22,033)**	**(20,834)**	**(37,701)**
Cash and cash equivalents	3,003	20,875	41,709
Senior facility and bank overdraft	(62,703)	(57,904)	(57,637)
Net debt	**(59,700)**	**(37,029)**	**(15,928)**

Financing

On 18 March 2022 the Group entered into a refinancing of its senior facility programme, including a term loan and a revolving credit facilities agreement, with a syndicate of banks. As of that date, the Group is party to an English law governed financing agreement. The facilities made available under this agreement include:

- a term loan facility with a principal amount of € 60.0 million and a duration of 5 years, with a repayment of the outstanding principal amount on the termination date 24 March 2027.
- a multicurrency revolving credit facility in an aggregate amount of € 30.0 million and a duration of 4.5 years. The termination date of this facility is 24 September 2026.
- an interest at a rate per annum equal to (a positive) EURIBOR plus a margin based on the ratio of consolidated total net debt to consolidated EBITDA ('leverage ratio') based on the pricing arrangement within the terms and conditions of the loan agreement and carries a base rate per annum in relation to the term loan of 4.0% and in relation to the revolving credit facilities of 3.5%. If certain conditions set out in the senior facilities agreement are satisfied the margin can decrease to a base rate per annum in relation to the term loan of 3.5% and in relation to the revolving credit facility of 3.0%.

Since our new multi-facia tech stack and the new warehouse are in place, for 2024-2025 total investments are expected on a lower level at approximately € 11 million.

05

RISK MANAGEMENT

“Our performance through what have been unprecedented multi-year events demonstrates our ability to manage risk effectively.”

Chris Rostron - CFO

As an e-commerce operator with a long history, we understand our market and our customer base very well and the regulatory and compliance environment that we operate in. We operate in a competitive and fast moving market with a large number of local and international competitors. We have developed a risk management framework which suitably balances team level responsibility for the identification, monitoring and managing of specific risks, with the need for central oversight and control at the senior management and board level.

Strategic risks

In pursuing our strategy it is crucial that we balance the objectives of top line growth and profitability, with the need to protect our long term interests and those of our stakeholders. Changing macroeconomic conditions in the Netherlands including slowing GDP growth, inflation, declining real wages, growing unemployment and higher energy costs caused in part by the ongoing war in Ukraine and the conflict in the Middle East can all impact consumer confidence and consequently the spending power of our custom. We need to stay at the forefront of changing customer trends through our ongoing consumer research, building more personalised customer relationships, analysing economic developments and the weekly performance of the business, which not only identifies shortfalls but delves into the reasons for any difference and the actions to be taken.

Operational risks

Operational risks include adverse unexpected developments resulting from internal processes, people and systems, or from external events that are linked to the actual running of each business. We aim to minimise downside risks by investing in reliable IT-systems, conducting regular audits and compliance programmes and executing in a sustainable way. Disruption of critical business processes may result in non-availability of products for consumers. Disruption of global supply chains have been an indirect and regular feature since the beginning of the pandemic, the subsequent war in Ukraine and more recently the conflict in the Middle East, but they can also be caused by many other factors including political unrest and the broader global trend to protectionism.

These have the potential to slow down our growth by limiting the amount of timely stock we have for sale and with it our progress towards the achievement of our strategic goals.

We have a broad product base to ensure we can always offer customers sufficient choice across product categories. Our close and long standing supplier relationships, many of which go back over 20 to 30 years, helps secure important stock when supply is more limited than usual and also alerts our in-house teams early to any potential issues. We have also increased the contribution from our own brands.

As a pure-play e-commerce operator we rely on our own IT-systems and those of third party providers. Any system outages, disruption of critical business processes, cyber-crime and databreaches, including the disclosure of confidential customer information could have a material adverse impact on our financial position, results of operations, liquidity, customer perception and reputation.

With our distribution operations centralised at our distribution centre in Zwolle any disruption or forced closure of this site caused by any means, such as fire, flood or mechanical failure would likely impact significantly on our stock and ability to meet customer demand.

We have extensive monitoring systems both on our own platform and interfaces with partner systems, to observe the platform and a pager system to ensure early notification of any issues. Normally we are able to mitigate problems before they have any impact on our primary processes or our customers. There are also incident and calamity procedures to ensure involved parties are notified early in order to mitigate all potential risks.

Our systems have resilience built into them, so should a certain system fail, another system will automatically kick-in until the failing system is repaired. Issues identified are quickly resolved, usually the end customer will never know about any disturbance.

We continue to maintain and invest in business continuity plans and information security and data breaches. To protect our systems and our data, we have extensive protection systems that block access to unwanted traffic. Monitoring systems are installed to ensure adequate defences are always in place. Regular security reviews and audits are conducted by internal and external security and audit teams.

In our distribution centre we aim to provide a safe workplace for our employees and visitors, and the continuity of the goods moving processes that ultimately lead to the fulfilment of our customer promise. Therefore a fire safety plan has been implemented and a formalised safety policy.

Due to the increasing uncertainty of energy supply, we have installed no-break installations in our distribution centre to ensure we can provide for our own power needs in case of small energy interruptions.

Financial risks

In the course of our regular activities, we are exposed to credit risks, liquidity risks, currency and interest rate risks. The aim of financial risk management is to limit risks resulting from operational activities. Clear objectives and policies for risk management regarding the use of financial instruments and related risk management are in place.

We are exposed to foreign currency risk on purchases that are denominated in a currency other than the euro. A weakening of the euro relative to the currencies of other countries could result in higher costs for WRG, which we may be unable to pass onto our end consumers in terms of higher pricing. The US dollar/euro exchange rate is our main currency exposure.

Interest rate risk policy is aimed at managing the risk of fluctuations in interest rates for our financial results in what has been a rising rates environment.

We continue to monitor the outlook for interest rates and regularly review the merits of using financial derivatives to hedge a substantial proportion of our interest rate exposure. External reports and economic forecasts, alongside discussions with our bankers are used as inputs into Board level discussions on this issue.

The Board and the Finance team also regularly review the appropriateness of the debt/equity funding mix.

Our policy for managing liquidity is to ensure that we will always have sufficient liquidity to meet our liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses. More specifically, this means that we hold sufficient cash to meet expected operating expenses. In addition, we maintain lines of credit.

Legal, Regulatory & Compliance risks

WRG is subject to a variety of national and international laws and regulations, including but not limited to, various privacy, data protection and information security rules, rules governing online retail, consumer protection, a lot of new and upcoming ESG law and regulations and competition laws. We primarily focus on consumer protection, privacy (including cookies), website compliance and compliance with new and upcoming ESG law and regulations. Other compliance-related topics we focus on are ABC and ethical trade issues. We use a compliance check programme for the onboarding of all our suppliers from countries considered to be high risk. We are under the supervision of the Dutch Data Protection Authority and the authority for Consumers and Markets.

WRG is a member of the e-commerce network, Thuiswinkel.org and we have been certified and may carry the Shopping Secure trustmark ("Thuiswinkel Waarborg"). To earn this trustmark we go through a certification process and are recertified by Thuiswinkel.org annually.

The certification process consists of three parts: a legal test, financial monitoring and a security scan. This trustmark is earned by e-commerce operators who comply with strict requirements with regard to rules and regulations, security and financial stability. Membership of Thuiswinkel.org and the annual recertification helps us to keep our knowledge of the evolving laws and regulations applicable to online retail up to date.

06 CULTURE & DIVERSITY

"We believe that our employees are key to the success of our business and critical to maintaining and developing our relationships with customers, brands and suppliers. We aim to create an inspiring, flexible and winning work environment for our people"

Graham Harris- CEO

Our purpose and culture

"Together we bring joy into every home" is our internal purpose. We are here to make a difference. For our customers, for ourselves and for us altogether. We use business as a force for good, as we have the duty to leave the planet a little brighter than it was.

We have transformed our organisation into a multi-facia company. All facia's (Wehkamp, kleertjes.com and Union River) are now part of the Wehkamp Retail Group. We have rebranded our offices and established our corporate identity.

Our purpose combined with the following four defined corporate values describe our culture.

- **We are customer centric**
- **We work together**
- **We are entrepreneurial**
- **We are engaged**

With the created WRG Value Award we celebrate successes and share the things we are proud of. We experience more initiatives that drive our purpose and values that can be nominated.

Our loyal employees are a key part in the success of WRG. We have quite a unique mixture of employees in terms of years of WRG experience, age and backgrounds. We know our employees and create opportunities to grow, learn and inspire, and develop them to their full potential. We strive to have a safe workplace where teamwork and mutual trust are promoted and where employees are treated with dignity and respect. We have an inappropriate conduct policy in place to give guidance and support in case our employees experience inappropriate behaviour. We expect all employees to be fair, honest and transparent in business dealing with colleagues and business partners.

We aim to create an inspiring, flexible and winning work environment for our people. We want our employees to experience our company and our locations as 'a Great place to be'. We have an open culture in which we encourage everyone to think ahead and find smart new ways to offer our customers the best online shopping experience. Every person in WRG is a crucial link in the chain to achieve this.

As of 31 March 2024, we had 948 employees, representing 840 FTEs, compared to the prior year of 1,158 employees, equating to 923 FTEs. During the financial year, the average number of FTEs amounted to 879 (2022-2023: 869 FTEs).

Safety and sustainable employability

We are committed to ensuring a safe working environment and the health and occupational safety of our employees. We closely manage the risks associated with inadequate health and safety matters through the promotion of a strong health and safety culture and well-defined health and safety policies.

In particular, we are committed to creating an environment in which no one is harmed. We aim to achieve this by investing in materials, safety and personal development to improve and secure our sustainable employability. In addition, we continuously invest in up-to-date special safety programmes for our logistic service centres in order to create awareness among our employees and to continuously improve and monitor the safety in our logistic service centres.

We have established a hybrid way of working in our office locations where we strive to have a good balance both for delivering the success of our business as well as providing a good work-life balance for our employees. Depending on the contractual hours our employees work at least 3 days per week in one of our offices. The defined working from home principles and policies provide the framework.

Diversity

We believe in the importance of a safe, inclusive and open work environment in which each person is treated equally without discrimination. We therefore value and promote diversity.

We believe that diversity makes our organisation stronger and more sustainable. We are keen to benefit from a diverse workforce as much as possible.

For us, diversity means a workforce reflective of different genders, cultures, generations, ways of thinking and social backgrounds.

We also recognise the benefits that diversity within a managing board or a management team can bring, and we believe that this diversity is critical to our ability to be open to different ways of thinking and acting, eventually enhancing our long-term sustainability.

Diversity within a managing board or a management team comprises multiple aspects, such as the age structure, the members' educational and professional background, the experience relevant for their position and gender and personal characters.

In our view, diversity is not a static concept, but rather a relevant mix of required elements for a managing board and a management team as a whole that evolves with time, based on, among others, the relevant business objectives and future needs of WRG. Therefore, we incorporated the extended management team in January 2023. Our extended management team consists of the management team and senior managers and meets at least once a week on a regular basis.

We treat diversity of the Managing Board and the extended management team as a means for improvement and development, rather than an end in itself.

WRG deviates from lapsed article 2:166 and 2:276 of Book 2 of the Dutch Civil Code, which states that management positions should be divided in such a manner that at least 30% of positions are held by women and at least 30% by men.

The Managing Board currently has no female representation. The Managing Board is put together based on individuals' knowledge and experience in the areas of retail, finance, marketing, IT and online shopping. When appointing members to the Managing Board in the future, the requirement of balanced division as set forth in Book 2 of the Dutch Civil Code will be taken into account wherever possible.

The extended management team has 25% female representation.

The Supervisory Board of WRG currently consists of four Supervisory Board directors, of which one director is female. This means we comply with the target figure law.

WRG, as a large structure Company, participates in the mandatory Diversity Portal, an initiative of the SER (Sociaal Economische Raad) to motivate and facilitate companies in the Netherlands to work on gender diversity in the boardroom. Via the portal, companies will be able to fulfil their legal task to report on target figures and plans to achieve more diversity in their boards and the executive teams. We are developing and investing further in our diversity and inclusion approach and measurements.

07

CORPORATE SOCIAL RESPONSIBILITY

“We have taken steps on our sustainability pathway, measuring our emissions, and significant chances of our returns and delivery policy.”

Chris Rostron - CFO

We are building out our CSR internal multi-disciplinary team with new hires, and with support of external advisers in preparation for the introduction of the Corporate Sustainability Reporting Directive and EU Taxonomy for the financial year 2025-2026.

To get ahead of the incoming reporting requirements we are developing our CSR strategy as well as engaging our teams across the business. The double materiality assessment is finalised and we have identified and defined our material topics. We are working on collating the necessary data and will perform gap analyses. This work is ongoing and we continue to develop our strategy to measure, manage and report.

During the year we have continued to measure our carbon footprint, in terms of Scope 1 and Scope 2 emissions. We also started to measure the emissions generated in our wider value chain, Scope 3. We have joined the Stichting UPV Textiel (EPR for Textiles) in 2023, a foundation that supports manufacturers and importers of clothing and household textiles to comply with extended producers responsibilities.

INITIATIVES IN THE YEAR

Introduction of charging for returns and home deliveries

During the year we launched two new initiatives to play our part in making our customers aware of the impact of the delivery chain, which we hope will be followed by other operators.

Returns are a major issue for all e-commerce operators, in our opinion stimulated by the common practise of retailers offering free returns. In 2022-2023 Wehkamp processed some 14 million returned items. To drive positive consumer change and to reduce the environmental and business impact, Wehkamp led the industry in April 2023 with the introduction of a € 0.50 charge for every item returned. This has proved to be successful. We have seen a significant reduction in the return rate, with customers choosing to place less multiple size and colour options of the same product type in their basket.

In October 2023 we updated Wehkamp's delivery policy to address the impact of delivering direct to customer homes, compared with delivering to one of DHL's 4,400 ServicePoints. To encourage customers to be more aware of the consequences of their choices and to further improve the efficiency of Wehkamp's delivery process, a charge of € 0.50 was introduced for home deliveries from October 2023. The new delivery policy has driven positive behavioural change, resulting in a threefold increase in the proportion of customers choosing to collect from a DHL ServicePoint.

The charging for returns and home deliveries policy was rolled out to kleertjes.com and Union River from the end of March 2024. At the same time the delivery fee was raised to € 1.00 per parcel for all facias.

Promoting and supporting new circular retail models

In recent years there have been a lot of new, more sustainable retail business models to extend the life of consumer products and clothing, with the increasing popularity of resale and rental sites. We have taken our first steps on this path by supporting Hulaaloop, a rental service for children aged between 0 and 2 years. The idea behind Hulaaloop is to reuse children's clothing during these early years. In addition to the Wehkamp and kleertjes.com clothing ranges, Hulaaloop benefits from access to our warehouse in Zwolle and the delivery network as well as support from other WRG departments.

Improving the energy efficiency of our operations

Of the three halls making up the distribution centre in Zwolle, two halls have attained the internationally recognised BREEAM 'in-use certificate', for using sustainable construction materials, an underground hot and cold water storage system, rainwater harvesting, an ecological garden and a solar panel field on the roof. The third hall is expected to achieve BREEAM certification shortly.

By the year end the distribution centre had some 15,000 solar panels on the roof, providing approximately 40% of its annual energy use, with plans to increase to almost 17,000 panels during the 2024-2025 financial year. New LED lighting was also installed in hall one, which has lowered energy consumption by 17%.

Suppliers

All the suppliers we work with are required to adhere to the WRG's CSR Code of Conduct, which sets out our own buying responsibilities as well as our expectations for our suppliers on all relevant environmental and social topics.

WRG's CSR Code of Conduct contains conditions relating to human rights, labour conditions, safety, environment, bribery and corruption. It forms part of our general merchandise purchasing conditions. We are a member of amfori BSCI, an initiative for companies that seek to improve employment conditions in factories and companies worldwide, to ensure the responsible production of our products. The factories that we work with to produce our own brands are audited by BSCI (Business Social Compliance Initiative) or an equivalent such as Sedex to evaluate local labour conditions and the environmental impact of the production processes.

WRG has a zero tolerance policy on bribery, child labour, forced labour, abuse, work situations that cause direct risks for the workers and environmental dumping for all brands on our websites.

Packaging

Over the last few years we have increased the use of recycled material in our packaging and made our plastic bags thinner and thinner. For the carton boxes we use, we give preference to cartons coming from responsibly managed forests. We use folding machines that minimise air in the packages and optimise the sizes of our packages to maximise vehicle load factors.

Social Initiatives

This year we chose to support the charity Jantje Beton, which creates, supports and stimulates outside play spaces for children in the Netherlands. As part of our drive to encourage customers to collect their orders from DHL ServicePoints rather than a home delivery, for each customer that chooses a collection from a DHL ServicePoint we make a donation to Jantje Beton. Over the first four months we already donated € 55,000 Euro to Jantje Beton.
Our initiative to charge for home delivery not only raises funds for outside play spaces but also helps to make the streets safer by reducing the number of delivery vans in the neighbourhoods.

Since 2002, WRG has been one of the main sponsors of Ronald McDonald Kinderfonds. This children's fund ensures that sick children and their families can be close to each other, so that they are always around. Every year the Ronald McDonald's Kinderfonds provides over 70,000 overnight stays for more than 5,000 families.
As a sponsor we make products and furniture available for all houses, and we supply the dresses for the hostesses at the annual Ronald McDonald Kinderfonds Gala. Wehkamp also sells the Kinderfonds cuddly toy, with 100% of the profits going to the Ronald McDonald Kinderfonds.
In addition, WRG employees participate in the HomeRun or HomeRide.

Forward looking statement

In 2024-2025 we will continue to step up our CSR efforts on the following topics:

Reporting

We will prepare ourselves further for reporting in line with the CSRD and EU Taxonomy. We continue to develop our CSR strategy to measure, manage and report on our sustainability strategy based on our material topics and in line with the reporting requirements.

Sustainable operations

We will continue to map our CO_2 emissions in line with the guidance and standards of the GHG Protocol and we will continue to identify CO_2 reduction opportunities.

Social Initiatives

We will continue to support Jantje Beton and sponsor Ronald McDonald Kinderfonds.

Zwolle, 18 July 2024

Graham Harris, CEO
Chris Rostron, CFO

WE WILL CONTINUE TO STEP UP
OUR CSR EFFORTS

08

REPORT OF THE SUPERVISORY BOARD

At the end of the financial year 2023-2024, the Supervisory Board of WRG comprised four members: Mr. Browett (chairman), Mr. Hall, Mrs. Bangma-Tjaden and Mr. Slagt.

Activities in the financial period

In the financial period 3 April 2023 until 31 March 2024 the Supervisory Board met seven times in Zwolle. Supervisory Board meetings were held in the presence of the Management Board. During the Supervisory Board meetings the main focus of the discussions was on the challenging Retail market as a consequence of various external factors, including the war in Ukraine and high inflation. The management team joined the Supervisory Board meetings where relevant.

In addition to the physical Supervisory Board meetings in Zwolle, the Management Board and the Supervisory Board hold a monthly financial call in which the monthly financial results are discussed.

The Supervisory Board has the task of supervising the Management Board and the general course of affairs in the Company and its affiliated subsidiaries. Furthermore, the Supervisory Board advises the Management Board. In the fulfilment of their task, the Supervisory Board Directors focus on the interests of the Company and its subsidiaries. The Supervisory Board's supervision of the Management Board concerns the performance of the Management Board, the strategy and realisation of objectives, monitoring of risks related to business activities, the setup and review of risk management and processes, the financial reporting processes, compliance with law and legislation and the social aspects of business relevant to WRG and its subsidiaries.

Committees

The Audit Committee supervises risk management and processes, financial reporting processes and compliance and information-technology (IT) policies and reviews provision of financial information.

The Remuneration Committee sets the company's general remuneration policy for key management personnel, determines each statutory director's total individual remuneration package and sets the targets for performance-related pay.

The Audit Committee and Remuneration Committee are part of the Supervisory Board.

The Supervisory Board would like to thank the Management Board and all employees of the Group for the effort they have shown in the past financial period.

Zwolle, 18 July 2024
The Supervisory Board,

J. J. Browett, chairman
T.N. Hall
M. Bangma-Tjaden
A.W. Slagt

09

FINANCIAL STATEMENTS

Consolidated statement of profit and loss and other comprehensive income	47
Consolidated statement of financial position	48
Consolidated statement of cash flows	49
Consolidated statement of changes in equity	50
Notes to the consolidated financial statements	51
Company statement of profit and loss of Wehkamp Retail Group Holding B.V.	108
Company statement of financial position of Wehkamp Retail Group Holding B.V.	108
Notes to the company financial statements of Wehkamp Retail Group Holding B.V.	109
Other information	116
Independent auditor’s report	117

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

In thousands of euros

	Note	**Period from 3 April 23 to 31 March 24**	**Period from 4 April 22 to 2 April 23**
Revenue	4	378,794	432,631
Cost of sales		(175,708)	(208,068)
Gross profit		**203,086**	**224,563**
Selling and distribution expenses	5	(143,558)	(165,894)
General and administrative expenses	5	(62,906)	(71,858)
Operating result		**(3,378)**	**(13,189)**
Financial income	6	565	1
Financial costs	6	(8,214)	(7,187)
Finance costs - net		**(7,649)**	**(7,186)**
Result before income tax		**(11,027)**	**(20,375)**
Income tax income/(expense)	7	2,625	(2,353)
Result for the year		**(8,402)**	**(22,728)**
Other comprehensive (expense)/income			
Foreign operations - foreign currency translation differences	15	-	(9)
Cash flow hedges - effective portion of changes in fair value	15	36	1,213
Cash flow hedges - reclassified to profit or loss	15	(312)	(519)
Total other comprehensive (expense)/income for the year (net of tax)		**(276)**	**685**
Total comprehensive expense for the year (net of tax)		**(8,678)**	**(22,043)**
Attributable to:			
Equity holders		(8,678)	(22,043)
Non-controlling interest		-	-
Total comprehensive expense for the year (net of tax)		**(8,678)**	**(22,043)**

The above consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros

	Note	**31 March 2024**	**2 April 2023**
Assets			
Goodwill	8	181,000	181,000
Other intangible assets	8	118,139	119,282
Property, plant and equipment	9	43,071	45,246
Right-of-use assets	10	38,871	35,880
Other financial fixed assets	11	2,710	1,328
Non-current assets		**383,791**	**382,736**
Inventories	12	52,084	55,411
Trade and other receivables	13	16,723	17,352
Cash and cash equivalents	14	3,003	20,875
Current assets		**71,810**	**93,638**
Total assets		**455,601**	**476,374**
Equity and liabilities			
Share capital		11,233	11,233
Share premium		336,569	336,569
Other reserves		409	685
Retained earnings		(211,868)	(203,466)
Equity attributable to owners of the parent		**136,343**	**145,021**
Non-controlling interest		-	-
Total equity	15	**136,343**	**145,021**
Borrowings	16	58,542	57,904
Provisions for other liabilities and charges	17	3,539	3,528
Deferred income tax liabilities	19	27,978	30,604
Lease liabilities	10	40,925	34,481
Other non-current liabilities	20	55,443	60,509
Non-current liabilities		**186,427**	**187,026**
Borrowings	16	4,161	-
Provisions for other liabilities and charges	17	704	399
Lease liabilities	10	6,299	5,112
Trade creditors		59,666	63,407
Other payables and current liabilities	20	62,001	75,409
Current liabilities		**132,831**	**144,327**
Total liabilities		**319,258**	**331,353**
Total equity and liabilities		**455,601**	**476,374**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of euros	*Note*	**Period from 3 April 23 to 31 March 24**	**Period from 4 April 22 to 2 April 23**
Cash flow from operating activities			
Result in the financial year		(8,402)	(22,728)
Adjusted for:			
Depreciation	9/10	15,187	10,548
Amortisation and impairments	8	12,356	11,943
Impairment losses on goodwill	8	-	28,455
Net financing cost	6	7,649	7,186
Income tax (income)/expense	7	(2,625)	2,353
Changes in non-current liabilities/provisions	17/20	(5,055)	13,237
Operating cash flows before changes in working capital		**19,110**	**50,994**
Changes in:			
Inventory	12	3,327	6,913
Trade and other current receivables	13	1,866	15,342
Payables and other current liabilities	20	(17,876)	(69,207)
Cash flow generated from operating activities		**6,427**	**4,042**
Interest paid		(4,201)	(6,335)
Accrued interest lease liabilities		2,745	2,377
Income tax (paid)/ received		(1,461)	126
Net cash generated from operating activities		**3,510**	**210**
Cash flows from investing activities			
Purchase of financial assets	11	-	(877)
Purchase of property, plant and equipment	9	(6,022)	(3,368)
Disposal of property, plant and equipment	9	66	-
Purchase of intangible assets	8	(11,213)	(8,702)
Net cash used in investing activities		**(17,169)**	**(12,947)**
Cash flows from financing activities			
Transaction costs related to loans and borrowings	16	-	(746)
Repayments of lease liabilities	10	(8,374)	(7,351)
Net cash (used in)/generated from financing activities		**(8,374)**	**(8,097)**
Net decrease in cash and cash equivalents		**(22,033)**	**(20,834)**
Cash and cash equivalents at beginning of the period		20,875	41,709
Cash and cash equivalents at end of the period		**(1,158)**	**20,875**
Cash and cash equivalents		3,003	20,875
Bank overdraft		(4,161)	-
Cash and cash equivalents at end of the period		**(1,158)**	**20,875**

The above consolidated statements of cost flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of euros

	Share capital	Share premium	Other reserves	Retained earnings	Total attributable to the equity share-holders	Non-control-ling interest	Total equity
Balance at 4 April 2022	**11,233**	**336,569**	**-**	**(180,738)**	**167,064**	**-**	**167,064**
Total comprehensive expense for the period							
Result for the period	-	-	-	(22,728)	(22,728)	-	(22,728)
Other comprehensive income for the period	-	-	685	-	685	-	685
	-	**-**	**685**	**(22,728)**	**(22,043)**	**-**	**(22,043)**
Balance at 2 April 2023	**11,233**	**336,569**	**685**	**(203,466)**	**145,021**	**-**	**145,021**
Total comprehensive expense for the period							
Result for the period	-	-	-	(8,402)	(8,402)	-	(8,402)
Other comprehensive income for the period	-	-	(276)	-	(276)	-	(276)
	-	**-**	**276**	**(8,402)**	**(8,678)**	**-**	**(8,678)**
Balance at 31 March 2024	**11,233**	**336,569**	**409**	**(211,868)**	**136,343**	**-**	**136,343**

Other reserves recognises the translation reserve of € 9 thousand (2 April 2023: € 9 thousand) and hedge reserve of € 0.4 million (2 April 2023: € 0.7 million).

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

01

1 Summary of significant accounting principles

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied through the financial period, unless otherwise stated.

1.1 Reporting entity

Wehkamp Retail Group Holding B.V. (formerly: Wehkamp Retail Group B.V.) is a private limited company, which is incorporated and domiciled in Amsterdam, the Netherlands. The address of its registered office is Burgemeester Roelenweg 13, Zwolle, the Netherlands and is registered at the Chamber of Commerce under number 63532190. The ultimate shareholder is APAX VIII GP Co. Limited, Guernsey.

The principal activities of Wehkamp Retail Group Holding B.V. and its subsidiaries (together, 'the Group') consist of online retailing.

The parent companies of Wehkamp Retail Group Holding B.V. are Riviera Holdco S.à.r.l., Luxembourg (84.05%), Stichting Administratiekantoor Sweet Equity STAK (5.62%) and Stichting Administratiekantoor Co-Investment STAK (10.33%).

1.2 Basis of preparation

The consolidated financial statements of Wehkamp Retail Group Holding B.V. have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS, as endorsed by the European Union and with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

The statutory financial year of the Group ends at 31 March of a calendar year. As a retail company, the Group has elected to distribute the financial year into 13 periods, each consisting of exactly four weeks. Consequently, the Group typically has a 52-week financial year. To align the financial reporting days at the end of each financial year, the Group needs to include an additional week to the financial year once every seven years.

The financial year 2023-2024 started 3 April 2023 and ended 31 March 2024. The comparative financial year 2022-2023 started 4 April 2022 and ended 2 April 2023.

The consolidated financial statements of the Group have been prepared under the assumption that the entity is a going concern and will continue in operation for the foreseeable future. Management has not identified a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, and accordingly none is disclosed in these consolidated financial statements.

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 1.6.

With reference to the Company statement of profit and loss and other comprehensive income of Wehkamp Retail Group Holding B.V., the exemption pursuant to Article 402, Book 2 of the Dutch Civil Code has been applied.

1.3 Functional and presentation currency

These consolidated financial statements are presented in euro, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

1.4 Changes in significant accounting policies

1.4.1 New standards, amendments and interpretations adopted by the Group

No new IFRS accounting standards or amendments to existing standard, effective in 2023, had a significant impact on the consolidated financial statements. The Group has not early adopted any standards or amendments to existing standards.

1.4.2 New standard, amendments and interpretations not yet adopted

The IASB has issued several IFRS accounting standards, or amendments to standards, with an effective date after 2023. The Group does not anticipate that the application of these standards, or amendments to standards, will have a significant effect on the consolidated financial statements upon adoption.

1.5 Basis of consolidation

1.5.1 Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises – if applicable – any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquirers identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired subsidiary and the acquisition-date fair value of any previous equity interest in the acquired subsidiary over the fair value of the Group's share of the identifiable net assets acquired are recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of profit and loss and other comprehensive income.

The Group applies the anticipated acquisition method where it has the right and the obligation to purchase any remaining non-controlling interest (so-called put/call arrangements). Under the anticipated acquisition method the interests of the non-controlling shareholder are derecognised when the Group's liability relating to the purchase of its shares is recognised. The recognition of the financial liability implies that the interests subject to the purchase are deemed to have been acquired already. Therefore the corresponding interests are presented as already owned by the Group even though legally they are still non-controlling interests. The initial measurement of the fair value of the financial liability recognised by the Group forms part of the contingent consideration for the acquisition.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for in equity.

Acquisition-related costs are expensed as incurred.

1.5.2 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

They are deconsolidated from the date that control ceases. All intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to be consistent with the Group's accounting policies.

1.5.3 Non-controlling interests

Non-controlling interests are recorded, as appropriate, on the consolidated statement of financial position and in the consolidated statement of profit and loss and other comprehensive income for the non-controlling shareholders' share in the net assets and the income or loss of subsidiaries. Non-controlling shareholders' interest in an acquired subsidiary is initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised. The Group does not have subsidiaries with non-controlling interests that are material to the Group.

For a summary of the consolidated Group companies, please refer to Note 2 'Group entities'.

1.5.4 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.6 Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

1.6.1 Judgements and estimates

Information about judgements and estimates made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes.

Right of return (see Note 13 and Note 20)

The recognition of a right to returned goods (included in current assets) and a refund liability (included in current liabilities) require estimates and judgement regarding the timing and the amount of inflow and outflow of resources. Critical estimates relate to the right to return goods sent to customers. The estimates used impact revenue, as these are included in revenue.

Intangible assets (see Note 8)

Intangible assets acquired in a business acquisition are stated at fair value, as determined at the date of the acquisition. To determine the fair value at the acquisition date judgements and estimates are required.

Acquired finite-lived intangibles assets and capitalised development expenditures are amortised using the straight-line method over their estimated useful life. The useful lives are evaluated annually.

Impairments (see Note 8 and Note 9)

Judgements and estimates are required, not only to determine whether there is an indication that an asset may be impaired, but also whether indications exist that impairment losses previously recognised may no longer exist or may have decreased (impairment reversal).

Goodwill and tradename of Wehkamp are not amortised but tested for impairment annually and whenever impairment indicators require this.

Right-of-use assets and lease liabilities (see Note 10)

Judgements are required for lease liabilities whether the Group is reasonably certain to exercise extension options. Estimates are required for variable lease payments that depend on an index or rate.

Inventories (see Note 12)

The Group makes judgements and estimates regarding the future net realisable value. Significant changes in market conditions and the related price risks could impact the recognised amounts in the consolidated financial statements.

Long-term incentive plans (see Note 24)

Long term incentive plans have been granted to selected and eligible key management including Supervisory Board members. These plans entail a variable bonus based on an equity value exceeding a pre-determined threshold.

1.6.2 Fair value estimation

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 21 : Financial risk management;
- Note 24.2 : Share-based payment.

1.6.3 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the IFRS Standards, including the level in the fair value hierarchy in which the valuations should be classified.

1.7 Foreign currency translation

1.7.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro, which is the Group's presentation currency and equals the functional currency.

1.7.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss and other comprehensive income.

Exchange rate differences are included in the consolidated statement of profit and loss and other comprehensive income as financial income or expenditure if related to buying merchandise, as part of the cost of goods sold.

1.7.3 Foreign subsidiaries

The assets and liabilities of foreign subsidiaries, including goodwill and fair value adjustments arising on consolidation, are translated into the presentation currency at the exchange rate applicable at the reporting date. The income and expenses of foreign subsidiaries are translated into the presentation currency at average exchange rates to approximate the exchange rates at the date of the transaction. Resulting exchange differences are recognised in the consolidated Other Comprehensive Income. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate.

1.8 Revenue recognition

1.8.1 Income from retail activities

Revenue from the sale of goods or services is recognised in the consolidated statement of profit and loss and other comprehensive income in accordance with the provisions of IFRS 15 when the goods or services are transferred to the customer, i.e. the Group satisfies the performance obligation, provided that the collection of the considerable will be probable. Revenue is measured at the amount of the consideration the Group expects to receive as exchange for transferring the promised goods or services. When the Group acts in the capacity of an agent rather than as a principal in a transaction, revenue is recognised as the net amount of commission made by the Group. Revenue is recorded net of sales price deductions, taxes and duties.

The Group identifies its performance obligations as the distinct goods or services promised in a contract with a customer. The goods promised by the Group (goods, free delivery and returns with a return policy of up to 30 days, free customer care) create a bundle that is distinct, i.e. the identified performance obligation. When selling goods to customers, the Group transfers control over the promised goods at a point of time. This is generally the case when the goods or services are delivered.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated with the possible return of goods. The expected returns are estimated taking into account historical data, based on, among others, product category, seasonality and applied payment method. The revenues (and margin) for these estimated returns are not recognised and a refund liability (included in current liabilities) and a right to the returned goods (included in current assets) are recognised.

The Group generates revenue primarily from the sale of goods to customers which are procured based on a wholesale model and a private label model, commissions received from the sale of goods based on an alliance model and the drop-shipment model.

Wholesale model

Under the wholesale model, the Group sells the products of third-party brands and suppliers on our websites and mobile app and records the income from such sales as revenue. Under the private label model, the Group sells own products.

Revenue for sales made under the wholesale model and private label model are recognised in accordance with IFRS 15 when the goods are transferred to the customer, provided that the collection of the payment is probable. The Group records revenue net of sales price deductions, taxes and duties. The goods the Group sells form part of a bundle that consists of the goods themselves, free delivery of the goods, a policy allowing the return of the goods for a period of up to 30 days, and free customer care related to the goods. The Group does not recognise revenue if there are significant uncertainties regarding the recovery of the payment that is due. Such uncertainties are primarily associated with the possible return of goods pursuant to the 30-day return policy. The Group estimates expected returns based on historical data and deducts such anticipated returns from revenues and cost of sales. In addition, the Group recognises a refund liability (included under current liabilities on the consolidated balance sheet) and a right to the returned goods (included under current assets on the consolidated statement of financial position).

Alliance model

Under the alliance model, third-party brands and suppliers sell their products on the websites and mobile app, and the Group stores the merchandise in the fulfilment centres without assuming inventory risk. The Group receives commissions from alliance partners, which the Group records as revenue. These commissions are based on different fee structures, which are described below.

- Fixed fee structure, whereby the Group charges a fixed fee on net dispatches (invoiced sales less returns based on the dispatch day, corrected for unapproved or undelivered orders); and
- Combined fixed and variable fee structure, whereby the Group charges a lower fixed platform fee, and also charges a variable fee for handling (inbound and outbound), returns and, in certain cases, for the value added services (to prepare incoming goods for suitable receipt in the automated warehouse). The fee covers gross margin and variable costs, such as costs associated with warehousing and distribution, marketing, listing and customer services. The inventory is owned by the alliance partners, but the partners can store, sell and distribute their products using the Group's infrastructure.

Under the alliance model, alliance partners determine the pricing and promotions, where product assortment is usually a decision the Group makes jointly with the alliance partners, the only exception was the electrical products sold through the alliance model where the alliance partner makes these determinations and decisions. The Group recognises alliance fees in accordance with IFRS 15 when the goods are transferred to the customer, provided that the collection of the payment is probable.

Drop shipment model

Under the drop-shipment model, the Group sells products that the Group does not have in stock. Once a product is ordered on the website, mobile site or mobile app, the Group buys it from the brand or third-party supplier. The brand or third-party supplier is responsible for the shipment to the customer, but the Group arranges for advertising, promotion, marketing, returns, payment and customer care. In return for this service, the Group charges a fixed fee on net dispatches (i.e. invoiced Customer Sales less returns based on the dispatch day, corrected for unapproved or undelivered orders).
The Group recognises fees generated from the drop-shipment model in accordance with IFRS 15 when the goods are transferred to the customer, provided that the collection of the payment is probable.

The Group also generates a small portion of the revenue from carriage charge fees, whereby the Group earns income by charging the customers for shipping costs or services such as installation services.

1.9 Expenses

1.9.1 Cost of sales

Cost of sales comprises cost of goods sold under the wholesale model, private label model and drop-ship model, including the net result from foreign currency transactions related to buying merchandise. Cost of goods sold are net of volume bonuses, payment discounts and marketing contributions received from suppliers, as well as inbound transportation costs (including related personnel expenses). Volume bonuses are bonuses received from suppliers based on purchased volumes or volumes sold. Payment discounts relate to discounts we receive for early payments to wholesale suppliers based on pre-agreed terms. Marketing contributions relate to contributions received from suppliers for the branding and marketing of their products, and are measured based on the contracts signed with the suppliers and are billed on a periodic basis. Marketing contributions are considered as a reduction in the price paid for the products purchased and recorded as a reduction of the inventory cost. Inbound transportation costs relate to all costs accrued before inventories reach the destinations at which they are stored in the fulfilment centres. The cost of sales also records any write-downs of the inventory to their net realisable value.

1.9.2 Selling and distribution expenses

Selling and distribution expenses comprise warehouse and distribution costs, marketing costs and customer service costs. Warehouse and distribution costs relate to expenses for the storing, handling and packaging of goods before they are sold, as well as the transportation expenses of outbound and returned orders and are primarily attributable to external transportation partners. Marketing costs mainly consist of direct and indirect online and offline marketing and personnel expenses for the marketing department. Customer service costs mainly relate to services received from the external customer service provider and personnel expenses for the internal customer service staff.

1.9.3 General and administrative expenses

General and administrative expenses comprise IT costs, the costs of the buying and sales department and the related overhead. IT costs mainly include personnel expenses as well as expenses relating to software license, service agreements, hosting and outsourced services for additional capacity. Software licenses, service agreements and hosting services mainly relate to the data management platform, sales and finance software and IT security arrangements.

The costs of the buying and sales department mainly include personnel expenses for the product category team, which includes buyers, merchandisers and inventory controllers.

The related overhead pertains to overhead functions such as finance & accounting, controlling, HRM and legal & compliance.

1.10 Finance costs - net

Finance costs comprise of interest payable on borrowings calculated using the effective interest rate method, foreign exchange gains and losses, which are recognised in the consolidated statement of profit and loss and other comprehensive income.

Interest income is recognised in the consolidated statement of profit and loss and other comprehensive income as it occurs.

1.11 Income tax

Income tax expense comprises both taxes payable in the short-term and deferred taxes, taking into account tax facilities and non-deductible costs. Income tax expense is recognised in the consolidated statement of profit and loss.

1.11.1 Current tax

The current income tax expense is calculated on the basis of the tax laws in the countries in which the Company and its subsidiaries operate (basically the Netherlands) and the taxable income. In the calculation of the current income tax payable the Group takes into account the tax facilities and non-deductible costs based on applicable tax laws. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Management establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

1.11.2 Deferred tax

The deferred income tax expense is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised from the initial recognition of goodwill. Deferred income tax is determined using the tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

No taxes are deducted from profits if and insofar profits can be offset against losses from previous years and the taxes on these net operating losses have not been capitalised.

Taxes are deducted from losses if these can be offset against profits in previous years and this results in a tax rebate. In addition, taxes may be deducted to the extent that it is probable that future taxable profits will be available, against which the asset can be utilised.

1.12 Property, plant and equipment

Property, plant and equipment comprise land and buildings, equipment, office furniture (including automated warehouse equipment), computers and assets under construction.
All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Costs of assets under construction include cost of material, direct labour, where necessary, the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate portion of production overheads. Assets under construction are reclassified to another category and depreciation starts at the time the asset is ready for commissioning. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit and loss and other comprehensive income during the financial period in which they are incurred.
Depreciation is charged to the consolidated statement of profit and loss and other comprehensive income using the straight-line method over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives are as follows:

• buildings	20 years
• machines	5 to 10 years
• office furniture	4 to 15 years
• computers	4 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other income/expense' in the consolidated statement of profit and loss and other comprehensive income.

1.13 Intangible assets

1.13.1 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition, and is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGU's, or Groups of CGU's, that is expected to benefit from the synergies of the combination. Each unit or Group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.
CGU's to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the cash generating unit may be impaired. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

1.13.2 Trade names and customer relationships

Trade names and customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships are carried at cost less accumulated amortisation and are amortised over the estimated term of the customer relationships, a period of initially between 9 and 10 years.

Trade names have an indefinite life if there is no foreseeable limit on the time of period over which it is expected to contribute cash or they have a finite useful life and subsequently carried at costs less accumulated amortisation less impairment losses. Amortisation of trade name with a limited useful life is charged to the consolidated statement of profit and loss and other comprehensive income, using the straight-line method over a period of 10 or 20 years.

1.13.3 Software and software under construction

Software and software under construction are recognised in the consolidated statement of financial position if it is probable that future economic benefits will flow to the Company and the costs of the asset can be measured reliable. The assets are initially and subsequently recognised at cost less accumulated amortisation and impairment charges.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs.

Depreciation is charged to the consolidated statement of profit and loss and other comprehensive income using the straight-line method over the estimated useful lives of each part of an item of software.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 4 years.

1.13.4 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment.
Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events

or changes in circumstances indicate that the carrying amount may not be recoverable.
An impairment loss is recognised in the consolidated statement of profit and loss and other comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (CGU's). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

1.14 Financial instruments

1.14.1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

1.14.2 Classification and subsequent measurement

1.14.2.1. Financial assets

The Group classifies its financial assets in the categories:

- at fair value through profit or loss ('FVPL'); and
- amortised cost (loans and receivables).

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition, based on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. Derivatives are also classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Amortised cost (loans and receivables)

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting date. The Group loans and receivables comprise trade and other receivables and cash and cash equivalents (see Notes 13 and 14).

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at FVPL are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of profit and loss and other comprehensive income.
Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SSPI'), and that are not designated at FVPL, are subsequently carried at amortised cost using the effective interest method, less any impairment loss. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the consolidated statement of profit and loss and other comprehensive income within 'other expenses/other income' in the period in which they arise.

Impairment of financial assets

Financial assets are considered on every reporting date in order to ascertain whether there are any objective reasons for determining that an asset has suffered an impairment loss. A financial asset is considered to be subject to an impairment loss if there are objective indications that the Group will not be able to collect all the amounts due by virtue of the original contracted loan terms and conditions.

An impairment loss relating to a financial asset valued at amortised cost is calculated as the difference between the carrying amount and the present value of anticipated future cash flows, discounted at the original effective interest rate. All impairment losses are recognised directly in the consolidated statement of profit and loss and other comprehensive income.

If a loan cannot be collected, it is written off against the relevant allowance for impairment. Amounts that are subsequently collected are credited to the consolidated statement of profit and loss and other comprehensive income.

If the amount of the impairment subsequently decreases due to an event following the write-down, the release from the allowance is credited to the consolidated statement of profit and loss and other comprehensive income.

1.14.2.2. Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates and certain derivatives.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

1.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method and includes expenses (materials and direct labour) incurred in acquiring inventories and bringing them to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated variable selling expenses.

1.16 Trade and other receivables

Trade and other receivables are recognised initially measured at the transaction price. Subsequent to initial recognition, trade and other receivables are measured at amortised cost using the effective interest method, less any impairment losses. Under IFRS 15 a separate right to returned goods is recognised in other receivables..

1.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are – if applicable – shown in 'Borrowings' in current liabilities.

1.18 Group equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.19 Provisions for other liabilities and charges

A provision is recognised in the consolidated statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1.19.1 Restructuring and other labour related commitments

A provision for restructuring and other related commitments is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either been announced publicly or has commenced, as well as when individual arrangements are being discussed with the employees concerned. Future operating costs are not provided for.

1.19.2 Jubilee provision

Based on the collective labour agreement, a provision for jubilee benefits for employees is recognised based on the estimated future cost, using actuarial calculations to determine the amount to be recognised.

1.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, based on the effective interest method. The portion of the long-term borrowings due within one year is recognised under current liabilities. Subsequent fees paid on the establishment of loan facilities are recognised as transaction costs in the consolidated statement of profit and loss and other comprehensive income.

1.21 Trade creditors, other payables and current liabilities

A financial liability is recognised when it is probable that an outflow of economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably. A financial liability is derecognised when it is extinguished, that is when the obligation specified in the contract is either discharged or cancelled or expires.

Trade creditors, other payables and current liabilities are measured at amortised cost using the effective interest method. Derivatives in this category are accounted for at the trade date and measured at fair value derived from market prices, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.
Under IFRS 15 a separate refund liability is recognised in current liabilities.

1.22 Employee benefits

1.22.1 Defined contribution plans

The Group insured its pension obligation with BPFD which is the industry wide pension insurer.
This pension scheme is a collective defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to make further contributions when the fund would not have sufficient assets to cover all employee benefits relating to employee service in the current and prior periods. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of comprehensive income when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

1.22.2 Long-term employee benefits

The Group’s net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. Such benefits are discounted to determine their present value. Re-measurements are recognised in profit or loss in the period in which they arise. Depending on its specific characteristics, an incentive payment agreement might result in a net obligation or not.

Long term incentive plans have been granted to selected and eligible key management and Supervisory Board members. This plan entails a variable and a fixed cash-settled bonus scheme. The variable bonus scheme is a cash-settled share-based payment in scope of IFRS 2 since this payment is based on the fair value of a Group company's equity instruments. The fixed bonus is in scope of IAS 19 since it is not based on the fair value of equity instruments.

1.22.3 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed when the related service is provided.

A liability is recognised for the amount expected to be paid as short-term cash bonus or profit-sharing plan if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the obligation can be estimated reliably.

1.22.4 Share based payment (management incentive plan)

In financial year 2020-2021 the shareholder has set up a new management incentive scheme for eligible and selected directors and employees of the Group in which they have been given the opportunity to benefit from a value increase of the Group as from 1 April 2020 until the moment of an exit occurs.

Accounting policies of the management incentive plan

Eligible and selected directors and employees of the Group participate in a management incentive plan which entails a variable and a fixed cash-settled bonus scheme. The variable bonus scheme is a cash-settled share-based payment in scope of IFRS 2, since this payment is based on the fair value of a Group company's equity instruments.

The fair value of the cash-settled share-based payment transactions is measured using an option valuation model. Non-vesting conditions and market conditions are included in the estimate of fair value, and service or non-market vesting conditions are included in the estimate of the number of awards expected to vest.
The Company determines the fair value of the share-based payment awards at the grant date and recognises an expense for the services received over the service period with a corresponding increase in liabilities. The total amount to be expensed is determined by reference to the fair value of the awards granted as remeasured at each reporting date and at the date of settlement. Any changes in fair value are recognised in profit or loss for the period.

Accounting policies of the Supervisory Board incentive plan

Eligible and selected Supervisory Board members of the Group participate in a Supervisory Board incentive plan which entails a variable cash-settled bonus scheme in scope of IFRS 2, since this payment is based on the fair value of a Group company's equity instruments.

The fair value of the cash-settled share-based payment transactions is measured using an option valuation model. Non-vesting conditions and market conditions are included in the estimate of fair value, and service or non-market vesting conditions are included in the estimate of the number of awards expected to vest.

The Company determines the fair value of the share-based payment awards at the grant date and recognises an expense for the services received over the service period with a corresponding increase in liabilities. The total amount to be expensed is determined by reference to the fair value of the awards granted as remeasured at each reporting date and at the date of settlement. Any changes in fair value are recognised in profit or loss for the period.

1.23 Leases

1.23.1 Definition of a lease

The lease contracts relate mainly to leases for offices, warehouses, vehicles and equipment.

At the inception date of the contract, the Group assesses if it has the right to obtain substantially all of the economic benefits from use of the leased asset throughout the period of use in exchange for consideration and if it can direct how the leased asset is used.

1.23.2 Lessee accounting

At the lease commencement date the Group recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability.

Subsequently the cost of a right-of-use asset is depreciated using the straight-line basis to reduce the right-of-use asset's carrying value to its residual value over the shorter of its estimated useful life and the lease term (see also note 1.6). Right-of-use assets are adjusted for remeasurements of lease liabilities. Right-of-use assets are subject to regular impairment assessment and for annual impairment test purposes included in the carrying amount of relevant CGU. The residual value of right-of-use assets is assumed to be zero. The residual value is reviewed on a regular basis. Changes in residual value are recognised in the consolidated statement of profit and loss and other comprehensive income.

The lease liabilities are initially measured at the present value of outstanding lease payments during the lease term, discounted using interest rate implicit in the leases or, if unknown, the incremental borrowing rate (see also note 1.6).

The lease liabilities are subsequently measured at amortised cost using the effective interest method and are remeasured when there is a change in future lease payments arising, for example, from renegotiations of the lease contracts, a change in an index, or if the Group changes its assessment of whether it will exercise extension or termination options (see also note 1.6). A corresponding adjustment is made to the carrying amount of the right-of-use assets, and excess over the carrying amount of the assets, if any, being recognised in the consolidated statement of profit and loss and other comprehensive income within department costs.

At the end of a lease term or at early termination of a lease, the cost of the right-of-use asset, accumulated depreciation, and outstanding lease liability, are written-down with the difference, if any, recorded in the consolidated statement of profit and loss within other department costs.

The Group has elected that the lease payments associated with lease contracts with a term of 12 months or less and leases of low-value assets (individual value of below € 5 thousand, when new, such as computer equipment or mobile phones) are recognised on a straight-line basis over the lease term.

Net investments in sublease

At that moment the Group enters into a sublease, it derecognises the right-of-use asset relating to the head lease and recognises a net investment in sublease under other financial fixed assets. The difference between the right-of-use asset and the net investment in the sublease is recognised in the consolidated statement of profit and loss and other comprehensive income.
During the term of the sublease the Group recognises finance income on the sublease.

1.24 Operating result

Operating result is generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity-accounted investees and income taxes.

1.25 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

02

2 Group entities

Control of the Group

Wehkamp Retail Group Holding B.V. holds, directly or indirectly, the shares of the following subsidiaries:

			Ownership interest	
	Domicile	**Country of incorporation**	**31 March 2024**	**2 April 2023**
RFS Top B.V.	Amsterdam	Netherlands	100%	100%
RFS Mid B.V.	Amsterdam	Netherlands	100%	100%
RFS Holland Holding B.V.	Zwolle	Netherlands	100%	100%
Wehkamp Retail Group B.V. (former: Wehkamp B.V.)	Zwolle	Netherlands	100%	100%
Wehkamp Direct Sourcing Ltd.	Kowloon	Hong Kong	60%	60%
kleertjes.com	Zwolle	Netherlands	n/a	100%
Wehkamp Real Estate B.V.	Zwolle	Netherlands	n/a	100%

As per 1 January 2024 Wehkamp B.V. and Kleertjes.com B.V. legally merged into one B.V., whereas the name of Wehkamp B.V. was changed to Wehkamp Retail Group B.V. On 31 December 2023, Wehkamp Retail Group B.V. was renamed into Wehkamp Retail Group Holding B.V.

In addition, as per 1 January 2024 Wehkamp Real Estate B.V. merged into RFS Holland Holding B.V.

03

3 Operating segments

The Group has identified one Operating segment, being the Retail segment.

Based on the location of the external customers, approximately 99.6% the Group's revenue recorded in financial year 2023-2024 has been generated in the Group's country of domicile, the Netherlands, with the rest in other European countries (financial year 2022-2023: 99.5%). There is no single customer generating more than 10% of the Group's revenues.

As at 31 March 2024, all of the Group's non-current assets were in the Netherlands, same as at 2 April 2023.

04

4 Revenue

The Group generates revenue from retail business.

In thousands of euros

	3 April 23 to 31 March 24	4 April 22 to 2 April 23
Revenue	**378,794**	**432,631**

The revenue includes income from marketing services of € 1.7 million (2022-2023: € 2.3 million).

The following table provides information about receivables and liabilities from contracts with customers.

In thousands of euros

	Note	31 March 2024	2 April 2023
Trade receivables	13	926	765
Receivables from affiliated companies	13	4,583	7,296
Right to returned goods	13	3,736	5,038
Total receivables from contracts with customers		**9,245**	**13,099**
Refund liability	20	(9,157)	(11,911)
Total liabilities from contracts with customers		**(9,157)**	**(11,911)**

Revenue from the sale of goods is recognised when the Group sells a product to the customer. Payment of the transaction price is due immediately when the customer receives and accepts the delivery of the goods. It is the Group's policy to sell its products to the customer with a right of return within 30 days. Therefore, a refund liability (see Note 20) and a right to returned goods (see Note 13) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

05

5 Operating expenses

In thousands of euros	3 April 23 to 31 March 24	4 April 22 to 2 April 23
Department costs	96,200	121,753
Employee benefit expense	33,676	34,660
Depreciation, amortisaton and impairments	13,682	9,481
Selling and distribution expenses	**143,558**	**165,894**
Department costs	23,820	27,159
Employee benefit expense	25,225	3,265
Depreciation, amortisaton and impairments	13,861	41,434
General and administrative expenses	**62,906**	**71,858**
Total operating expenses	**206,464**	**237,752**

Depreciation, amortisation and impairments within general and administrative expenses includes no impairment of goodwill in this financial year (2022-2023 € 28.5 million). Further reference is made to Note 8.

Employee benefit expenses

The following employee benefit expenses are included in the selling and distribution and the general and administrative expenses:

In thousands of euros	3 April 23 to 31 March 24	4 April 22 to 2 April 23
Wages and salaries	45,504	23,990
Social security costs	7,162	7,480
Pension costs	6,235	6,455
Total employee benefit expenses	**58,901**	**37,925**
Included in:		
Selling and distribution expenses	33,676	34,660
General and administrative expenses	25,225	3,265
Total employee benefit expenses	**58,901**	**37,925**

G&A employee benefit expenses include an income of € 0.8 million (2022-2023: € 23.4 million income) with regard to the change in fair value of the management incentive scheme for eligible and selected directors and employees of the Group. Further reference is made to note 24.

Wages and salaries represent the salary cost of all employees of the Group with a labour contract. Total employee benefit expenses include restructuring costs for an amount of € 1.3 million in financial year 2023-2024 (2022-2023: € 1.3 million).

During the financial year 2023-2024, the average number of employees in the Group, converted into full time equivalents, amounted to 879 FTEs (2022-2023: 869). All employees are employed in the Netherlands.

The workforce can be divided into the following categories:

In average number of employees

	3 April 23 to 31 March 24	4 April 22 to 2 April 23
Buying & Sales	150	166
Warehouse & Distribution	409	406
Technology (IT)	104	98
Marketing & Customer Services	128	119
Others	88	80
Total	**879**	**869**

The other FTEs contains finance & accounting, controlling, HRM, legal & compliance and others.

06

6 Finance costs - net

In thousands of euros

	3 April 23 to 31 March 24	4 April 22 to 2 April 23
Financial income	**565**	**1**
Interest charges lease liabilities	(2,727)	(2,377)
Interest charges borrowings	(5,487)	(4,810)
Financial expense	**(8,214)**	**(7,187)**
Finance costs - net	**(7,649)**	**(7,186)**

7 Income tax

Wehkamp Retail Group Holding B.V. forms a fiscal unity together with its Group entities.

In thousands of euros

Recognised in the statement of comprehensive income	**3 April 23 to 31 March 24**	**4 April 22 to 2 April 23**
Current period	(110)	1,326
Adjustment for prior years	111	158
Current tax expense	**1**	**1,484**
Origination and reversal of temporary differences	(2,578)	1,021
Adjustments in tax rate	(48)	(152)
Deferred tax (income)/expense	**(2,626)**	**869**
Total tax (income)/expense	**(2,625)**	**2,353**

In thousands of euros

Reconciliation effective tax rate	**3 April 23 to 31 March 24**		**4 April 22 to 2 April 23**	
Result before tax	**(11,027)**		**(20,375)**	
Income tax using the corporate income tax rate	(2,845)	25.8%	(5,257)	25.8%
Exempt income	36	-	(9)	-
Tax incentives	-	-	(27)	0.1%
Non-deductible expenses	194	(1.8%)	7,460	(36.6%)
Movements in equity	(71)	0.6%	179	0.9%
Adjustments prior years	61	-	7	-
Total	**(2,625)**	**23.8%**	**2,353**	**(11.6%)**

In financial year 2023-2024 there was a movement directly in equity which is related to a hedge reserve (see Note 15) and in financial year 2022-2023 there was a non-deductible impairment of goodwill (see Note 8) and a movement directly in equity which is related to a hedge reserve (see Note 15).

08

8 Goodwill and intangible fixed assets

In thousands of euros

	Trade name	Customer relation-ships	Software	Software under constr.	Sub total intangi-ble fixed assets	Goodwill	Total
Cost							
Balance at 4 April 2022	**93,700**	**55,900**	**60,230**	**2,376**	**212,206**	**259,091**	**471,297**
Capital expenditures	-	-	9,135	(433)	8,702	-	8,702
Disposals	-	-	(18,934)	(402)	(19,336)	-	(19,336)
Balance at 2 April 2023	**93,700**	**55,900**	**50,431**	**1,541**	**201,572**	**259,091**	**460,663**
Balance at 3 April 2023	**93,700**	**55,900**	**50,431**	**1,541**	**201,572**	**259,091**	**460,663**
Capital expenditures	2,700	-	7,674	839	11,213	-	11,213
Disposals	-	-	(4,061)	-	(4,061)	-	(4,061)
Balance at 31 March 2024	**96,400**	**55,900**	**54,044**	**2,380**	**208,724**	**259,091**	**467,815**
Accumulated amortisation and impairment losses							
Balance at 4 April 2022	**345**	**38,239**	**50,697**	**402**	**89,683**	**49,636**	**139,319**
Impairment losses	-	-	-	-	-	28,455	28,455
Amortisation charge for the period	640	5,099	6,204	-	11,943	-	11,943
Disposals	-	-	(18,934)	(402)	(19,336)	-	(19,336)
Balance at 2 April 2023	**985**	**43,338**	**37,967**	**-**	**82,290**	**78,091**	**160,381**
Balance at 3 April 2023	**985**	**43,338**	**37,967**	**-**	**82,290**	**78,091**	**160,381**
Impairment losses	-	-	-	-	-	-	-
Amortisation charge for the period	847	4,909	6,600	-	12,356	-	12,356
Disposals	-	-	(4,061)	-	(4,061)	-	(4,061)
Balance at 31 March 2024	**1,832**	**48,247**	**40,506**	**-**	**90,585**	**78,091**	**168,676**
Carrying amounts							
Balance at 3 April 2022	93,355	17,661	9,533	1,974	122,523	209,455	331,978
Balance at 2 April 2023	92,715	12,562	12,464	1,541	119,282	181,000	300,282
Balance at 31 March 2024	**94,568**	**7,653**	**13,538**	**2,380**	**118,139**	**181,000**	**299,139**

8.1 Amortisation and impairment charge

Tradenames and customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships are carried at cost less accumulated amortisation and are amortised over the estimated term of the customer relationships, a period of initially between 9 and 10 years.

The tradename of Wehkamp has an indefinite life since there is no foreseeable limit on the period of time over which it is to be expected to contribute cash. The tradename of Wehkamp is carried at costs less accumulated impairment losses. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment as described in the following paragraph. The tradename of kleertjes.com is carried at cost less accumulated amortisation and is amortised over the estimated remaining term of the tradename, a period of 20 years. During the year, the Group acquired the tradename Coolcat, which is being amortised over a period of 10 years.

The software is carried at cost less accumulated amortisation and is amortised over the estimated remaining term of the software, a period between 0 and 4 years.

The book value of internally generated intangibles assets amounts to € 13.4 million (2 April 2023: € 11.7 million).

On a yearly basis, the intangible assets are reviewed for any indication of impairment. For financial year 2023-2024 no impairment is recorded. For financial year 2022-2023 a goodwill impairment in the amount of € 28.5 million was recognised and recorded.

The amortisation charge and impairment charge are recognised as general and administrative expenses in the consolidated statement of profit and loss and other comprehensive income.

8.2 Impairment testing for cash-generating units containing goodwill

Intangible assets primarily comprise of goodwill, trade name, and customer relationships.
The recoverable amount of the cash generating unit is based on a fair-value-less-cost-of-disposal calculation.

Goodwill is monitored by management at the level of one cash generating unit (CGU).
The goodwill allocation is presented below:

In thousands of euros	**31 March 2024**	**2 April 2023**
Goodwill	181,000	181,000

Cash generating unit

The recoverable amount of the cash generating unit is based on a fair-value-less-cost-of-disposal calculation. This calculation is based on the budget for financial year 2024-2025 and estimated market developments for the years thereafter. Key assumptions in the financial year 2024-2025 budget and the 9 years period ahead are revenue growth, EBIT margin and the rates used for discounting the projected cash flows. The terminal value calculation is based on year 10.

The following table sets out the key assumptions for goodwill:

	31 March 2024	**2 April 2023**
Sales volume first 5 years (% annual growth rate)	(2.5%) - 8.0%	6.0% - 9.0%
Sales volume after 5 years (% annual growth rate)	4.0% - 5.0%	4.0% - 5.0%
Budgeted gross margin (%)	44.1% - 44.8%	44.2% - 45.0%
EBIT margin (%)	1.0% - 7.0%	2.6% - 6.0%
EBIT margin capped (%)	7.0%	6.0%
Annual average capital expenses (EUR * 1,000)	13,013	14,743
Long term growth rate (%)	2.0%	2.0%
Post-tax discount rate (%)	13.8%	14.5%

Management has determined the value assigned to each of the above key assumptions as follows:

Assumption	**Approach used to determining values**
Sales volumes	Average annual growth rate over a 10 years forecast period; based on past performance and management's expectations of market development.
Budgeted gross margin	Based on past performance and management's expectations for the future.
EBIT margin	Based on past performance and management's expectations for the future.
EBIT margin capped	The EBIT margin is capped on 7.0%.
Annual capital expenses	Expected cash costs in the CGU. This is based on the historical experience of management, and the planned refurbishment expenditure.
Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry report.
Post-tax discount rates	Reflect specific risks relating to the relevant CGU.

In financial year 2023-2024 we continued to suffer from weaker macro-economic conditions and inflationary pressures in our supply chain, labour force and with our delivery partners, which resulted in an absolute lower revenue and gross profit compared to last financial year. However, in 2023-2024, we have implemented a number of initiatives that contributed significantly to an improved profitability, of which the introduction of paid returns as of the end of April 2023 and a charge to our customers for deliveries at home as of mid-October 2023 (whereas deliveries at pickup points are still free of charge) where the most contributing ones. The introduction of paid returns to our customers has significantly changed our business model, with customers being more aware of ordering items in the suggested size range and therefore ordering less but also returning less. As of the end of April, we see a consistent but stable decrease in the number of order lines and a corresponding decrease in our operational costs, distribution costs and payment service provider costs, while we receive a small contribution from our customers for returns as of that moment. Although a number of the implemented initiatives have led to a decrease in our revenue and gross profit in financial year 2023-2024, it has also strongly improved our operating results compared to last financial year. Whereas most initiatives have contributed only part of the financial year under review, they will begin to contribute fully in the upcoming financial year.

The Company has constructed a budget 2024-2025 which takes the full year benefit of the (among others described above) improvements made over the last financial year, including improved product margins and started cost initiatives that effectively mitigate cost inflation pressures we are experiencing. Together with our outlook for the coming financial years translated into our goodwill impairment test calculations, we have determined that with sufficient headroom, there is no need to recognise a goodwill impairment loss per 31 March 2024. In financial year 2022–2023 we have recorded a goodwill impairment loss in the amount of € 28.5 million.

The table below presents, per key assumption, a sensitivity analysis of the downward impact on the recoverable amount of the total CGU per the reporting dates.

In thousands of euros	**31 March 2024**	**2 April 2023**
1% lower revenue growth in first 2 years and subsequent lower growth in other years	(17,000)	(26,000)
1% increase discount rate	(20,000)	(19,000)
1% lower EBIT margin in capped years	(22,000)	(30,000)

09

9 Property, plant and equipment

In thousands of euros	Land and buildings	Machines	Office furniture	Computers	Assets under construc-tion	Total
Cost						
Balance at 4 April 2022	**978**	**8,088**	**73,209**	**13,729**	**338**	**96,342**
Capital expenditures	-	-	13	-	3,355	3,368
Transfers	-	(659)	844	1,513	(1,698)	-
Disposals	-	-	(134)	(292)	-	(426)
Balance at 2 April 2023	**978**	**7,429**	**73,932**	**14,950**	**1,995**	**99,284**
Balance at 3 April 2023	**978**	**7,429**	**73,932**	**14,950**	**1,995**	**99,284**
Capital expenditures	-	-	-	-	6,877	6,877
Transfers	-	1,347	5,706	1,665	(8,718)	-
Disposals	(38)	(238)	(602)	(5,904)	-	(6,782)
Balance at 31 March 2024	**940**	**8,538**	**79,036**	**10,711**	**154**	**99,379**
Accumulated depreciation and impairment losses						
Balance at 4 April 2022	**262**	**1,991**	**35,862**	**11,554**	**-**	**49,669**
Impairment losses	-	-	-	-	-	-
Reversal impairment losses	-	-	(2,761)	-	-	(2,761)
Depreciation charge for the period	96	760	5,567	1,098	-	7,521
Disposals	-	-	(102)	(289)	-	(391)
Balance at 2 April 2023	**358**	**2,751**	**38,566**	**12,363**	**-**	**54,038**
Balance at 4 April 2023	**358**	**2,751**	**38,566**	**12,363**	**-**	**54,038**
Impairment losses	-	-	-	-	-	-
Depreciation charge for the period	92	1,089	6,541	1,264	-	8,986
Disposals	(7)	(370)	(435)	(5,904)	-	(6,716)
Balance at 31 March 2024	**443**	**3,470**	**44,672**	**7,723**	**-**	**56,308**
Carrying amounts						
Balance at 3 April 2022	716	6,097	37,347	2,175	338	46,673
Balance at 2 April 2023	620	4,678	35,366	2,587	1,995	45,246
Balance at 31 March 2024	**497**	**5,068**	**34,364**	**2,988**	**154**	**43,071**

The net effect of the disposals is € 66 thousand (2022-2023: € 35 thousand).

During the year a capital expenditure project was re-initiated for which in financial year 2020-2021 an impairment was recorded of € 2.8 million. The impairment is reversed in financial year 2022-2023.

10 Right-of-use assets and lease liabilities

The movements in the right-of-use assets are as follows:

In thousands of euros

	Buildings	Other	Total
Cost			
Balance at 4 april 2022	**48,892**	**2,904**	**51,796**
Additions	2,403	234	2,637
Disposals	-	(1,005)	(1,005)
Balance at 2 April 2023	**51,295**	**2,133**	**53,428**
Balance at 3 April 2023	**51,295**	**2,133**	**53,428**
Additions	13,073	427	13,500
Disposal and transfer to net investment in sublease	(4,278)	(1,137)	(5,415)
Balance at 31 March 2024	**60,090**	**1,423**	**61,513**
Accumulated depreciation and impairment losses			
Balance at 4 April 2022	**11,501**	**1,162**	**12,663**
Depreciation charge for the period	5,363	425	5,788
Disposals	-	(903)	(903)
Balance at 2 April 2023	**16,864**	**684**	**17,548**
Balance at 3 April 2023	**16,864**	**684**	**17,548**
Depreciation charge for the period	6,068	361	6,429
Disposals and transfer to net investment in sublease	(1,052)	(283)	(1,335)
Balance at 31 March 2024	**21,880**	**762**	**22,642**
Carrying amounts			
Balance at 3 April 2022	37,391	1,742	39,133
Balance at 2 April 2023	34,431	1,449	35,880
Balance at 31 March 2024	**38,210**	**661**	**38,871**

The movements in the lease liabilities are as follows:

In thousands of euros

	Buildings	Other	Total
Balance at 4 April 2022	**40,488**	**1,577**	**42,065**
Additions	2,403	234	2,637
Repayments	(6,847)	(504)	(7,351)
Accrued interest	2,234	33	2,377
Disposals	-	(135)	(135)
Balance at 2 April 2023	**38,388**	**1,205**	**39,593**
Balance at 3 April 2023	**38,388**	**1,205**	**39,593**
Additions	13,073	427	13,500
Repayments	(7,674)	(300)	(7,974)
Accrued interest	2,768	36	2,804
Disposals	-	(699)	(699)
Balance at 31 March 2024	**46,555**	**669**	**47,224**
Non-current	40,561	364	40,925
Current	5,994	305	6,299
Balance at 31 March 2024	**46,555**	**669**	**47,224**

Total cash outflow for leases in financial year 2023-2024 was € 8.3 million (2022-2023: € 7.4million).

The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses, solar panels and vehicles. Rental contracts are typically made for fixed periods of 1 year to 15 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:
- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing;
- adjusts specific to the lease, e.g. term and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of assets and all leases of low-value assets (individual value of below € 5 thousand), are recognised on a straight-line basis as an expense in consolidated statement of profit and loss and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

See Note 1.25 for the other accounting policies relevant to leases.

Variable lease payments

The Group has lease agreements with variable lease payments for its solar-panels. The variable payment terms are linked to the ICE Endex Dutch Power Base Load future 1y fwd CAlyear (hereinafter ICE Endex). Variable lease payments that depend on ICE Endex are recognised in consolidated statement of profit and loss and other comprehensive income in the period in which the condition that triggers those payments occur.

An increase of 1% in the ICE Endex of the solar panel variable lease contracts would increase total lease payments by approximately € 5 thousand on a yearly basis.

Net investments in sublease

During the year the Group started to sublease a warehouse. At that moment the Group derecognised the right-of-use asset relating to the head lease and recognised a net investment in sublease under other financial fixed assets. The difference between the right-of-use asset and the net investment in the sublease is recognised in the consolidated statement of profit and loss and other comprehensive income.

During the term of the sublease the Group recognises finance income on the sublease.

The movements in the net investments in sublease are as follows:

In thousands of euros

	Buildings
Balance at 4 April 2022	**-**
Additions	-
Repayments	-
Accrued interest	-
Disposals	-
Balance at 2 April 2023	**-**
Balance at 3 April 2023	**-**
Additions	3,453
Repayments	(299)
Accrued interest	59
Disposals	-
Balance at 31 March 2024	**3,213**
Non-current	2,710
Current	503
Balance at 31 March 2024	**3,213**

The contractual maturities of net investments in sublease including estimated interest receipts s is set out below:

In thousands of euros

	31 March 2024				
	Carrying amount	Contract cash flow	Years		
			< 1	1 - 5	> 5
Net investments in sublease	3,213	3,548	607	2,553	388
Total	**3,213**	**3,548**	**607**	**2,553**	**388**

11 Other financial fixed assets

In thousands of euros

	31 March 2024	2 April 2023
Net investment in sublease	2,710	-
Fair value interest rate cap	-	1,328
Total	**2,710**	**1,328**

For net investment in sublease reference is made to Note 10.

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Therefore, the group entered into an interest rate cap on 18 June 2022. The notional amount is € 50 million with a maturity date of 18 March 2025 and is classified as current assets due to the remaining short term nature. The underlying hedged rate is 3 Months Euribor with a cap strike of 2%.

On 16 March 2023 WRG Beauty Retail B.V. was founded. Wehkamp Retail Group B.V. has an interest of 50% in this company. The Group owns 50 shares of € 1.00 per share. Since the Group has no control and voting power WRG Beauty Retail B.V. is classified as an equity investment.

12 Inventories

In thousands of euros

	31 March 2024	2 April 2023
Merchandise	52,084	55,411
Total	**52,084**	**55,411**

Inventories solely relates to merchandise goods. The total amount of write-down, to the net realisable value, of inventories as an expense in the financial year 2023-2024 amounted to € 3.4 million (2022-2023: € 4.4 million). This expense is included in cost of sales line as costs.

13

13 Trade and other receivables

In thousands of euros

	31 March 2023	2 April 2023
Trade receivables	926	765
Other receivables	8,279	6,569
Receivables from affiliated companies	4,583	7,296
Pre-payments	2,935	2,722
Total trade and other receivables	**16,723**	**17,352**

The carrying amount of the receivables from affiliated companies includes receivables which are subject to the Tinka Merchant Agreement with Tinka Holding B.V. Under this arrangement, the Group has transferred the relevant receivables to the finance services provider in exchange for cash minus service and payment transaction costs. The credit risk for delayed payments by customers and uncollectable amounts is transferred to the finance services provider.

Other receivables include a right to returned goods for an amount of € 3.7 million (2022-2023: € 5.0 million).

Pre-payments include an amount of € 0.3 million with a maturity more than one year (2022-2023: € 0.5 million).

14

14 Cash and cash equivalents

In thousands of euros

	31 March 20234	2 April 2023
Bank balances	3,003	20,875
Cash and cash equivalents	**3,003**	**20,875**

Cash and cash equivalents include € 1.3 million (2 April 2023: € 1.3 million) which is restricted mainly held as collateral to support the issuance of bank guarantees.

15

15 Group equity

Share capital and share premium

As at 31 March 2024 and 2 April 2023, the authorised and issued share capital comprised:

- 5,738,889 ordinary shares in the capital of the Company each with a nominal value of € 1.00;
- 3,281,050 cumulative preference shares A in the capital of the Company each with a nominal value of € 1.50;
- 56,500,000 cumulative preference shares B in the capital of the Company each with a nominal value of € 0.01;
- 785,185 cumulative preference shares C in the capital of the Company each with a nominal value of € 0.01.

All shares, for the aggregate amount of € 11.2 million, are paid up by debiting the share premium reserve as agreed with the Company and the only shareholder.

The preference shares are redeemable at the issuer's option at some future date subject to the general meeting and therefore considered discretionary.

Share premium

The share premium represents the additional capital paid-in exceeding the nominal value of the issued shares.
As per 31 March 2024 and as per 2 April 2023 the share premium is divided as follows:

- € 11,111 thousand relates to ordinary shares;
- € 325,123 thousand relates to preference shares A;
- € 151 thousand relates to preference shares B;
- € 183 thousand relates to preference shares C.

Other dividend reserves and proposal for result appropriation

The profits as determined by the adoption of the annual accounts, or a part thereof, will be reserved and added to the profit reserves in accordance with the articles of association, further elaborated as follows:

1. Cumulative preference shares A are entitled to the profit as follows, whereby it is understood that the profit entitlement of the cumulative preference A will be preferred over both cumulative preference shares B and ordinary shares:
   a) in the financial year that a cumulative preference share has been issued, a one-off catch-up compensation for such cumulative preference share will be added to the profit reserve 'PA', in such amount as would have accrued on such share, calculated in accordance with the articles of association if such cumulative preference share would have been issued on 9 September 2015, and until the date of issue of such cumulative preference share;

b) an annual dividend of 8% calculated on the basis set forth below will be added to the profit reserve 'PA' calculated as per the first business day of the financial year relating to the dividend.

2 Cumulative preference shares B and C are pari passu entitled to the profit as follows (whereby it is understood that the profit entitlement of the cumulative preference B and the cumulative preference C, on a pari passu basis and proportionate to the amount invested, will be preferred over ordinary shares only):

a) in the financial year that a cumulative preference share has been issued, a one-off catch-up compensation for such cumulative preference share will be added to the profit reserve 'PB' or the profit reserve 'PC', in such amount as would have accrued on such share, calculated in accordance with the articles of association, if such cumulative preference share would have been issued on 9 September 2015, and until the date of issue of such cumulative preference share;

b) an annual dividend of 8% calculated on the basis set forth below will be added to the profit reserve 'PB' or the profit reserve 'PC', respectively, calculated as per the first business day of the financial year relating to the dividend.

3 The entitlement to dividend of holders of cumulative preference shares A, preference shares B and preference shares C is cumulative, meaning that if in any financial year the dividends to be added to the dividend reserve 'PA', 'PB' and/or dividend reserve 'PC' in accordance with the articles of association do not or not completely match the dividend entitlement pursuant the aforementioned policies, from the remaining profit in any subsequent financial year first a dividend will be added to the dividend reserve 'PA', 'PB' and/or dividend reserve 'PC' to make up for any deficit in the dividend entitlement of holders of the cumulative preference shares A, cumulative preference shares B and/or cumulative preference shares C, prior to adding amounts to the other dividend reserve.

The calculation basis for the dividend on cumulative preference shares, irrespective of the class of such cumulative preference shares will be the total of:

a) the par value of the cumulative preference shares A, cumulative preference shares B or cumulative preference shares C (as applicable);

b) the weighted arithmetic mean of the balance of the share premium reserve 'PA', share premium reserve 'PB' or share premium reserve 'PC' (as applicable), whereby if shares have been issued in the course of the financial year, the accrued dividend on these shares, will be calculated pro rata till the day of the issue of these shares;

c) the weighted arithmetic mean of the balance of the dividend reserve 'PA', dividend reserve 'PB' or dividend reserve 'PC' (as applicable), whereby the entitlement will be determined by the moment the shares have been issued;

d) the amount calculated pursuant to 1a or 2a above (as applicable) notwithstanding whether such amount has been reserved or not; and

e) the profits that have not, or not completely, added to the dividend reserve 'PA', dividend reserve 'PB' or dividend reserve 'PC' in any preceding financial year in accordance with the articles as described in 1, 2 and/or 3 above, increased with the percentage as described in 1 and 2 above over this non-added dividend amount.

No dividend reserve for preference shares A, B and C have been formed as per 31 March 2024, because no distributable profit has been realised since 9 September 2015. As per 31 March 2024, the accrued rights for preference shares A amount to € 209,775 thousand, the accrued rights for preference shares B amount to € 670 thousand and the accrued rights for preference shares C amount to € 95 thousand.

The General Meeting of Shareholders will be asked to approve the following appropriation of the loss after tax for the financial year 2023-2024 amounting to € 8.4 million to be deducted from the retained earnings (2022-2023: loss after tax amounting to € 22.7 million).

Restrictions in dividends and share redemptions

The Group, including the parent company, is not authorised to:

- declare, make or pay dividend;
- repay or distribute any dividend or share premium;
- pay or allow any member of the Group to pay any management, advisory or other fees to any of the shareholders; or
- redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so; unless these dividends and share redemptions are permitted by the lenders of the senior facility, no default is continuing or would occur immediately after making these payments and/or prior written consent of all the lenders has been obtained.

Nature and purpose of reserves

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or nonfinancial liability.

Cost of hedging reserve

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in OCI and accounted for similarly to gains or losses in the hedging reserve.

16

16 Borrowings

This note provides information to liquidity and interest rate risk (see Note 21 'Financial risk management').

In thousands of euros	**31 March 2024**	**2 April 2023**
Senior Facility	58,542	57,904
Total non-current borrowings	**58,542**	**57,904**
Bank ovedraft	4,161	-
Total current borrowings	**4,161**	**-**

16.1 Terms and conditions of borrowings

Senior Facility

On 18 March 2022 the Group entered into a refinancing of its senior facility programme, including a term loan and two revolving credit facility agreements, with a syndicate of banks. As of that date, the Group is party to an English law governed financing agreement. The facilities made available under this agreement include:

- a term loan facility with a principal amount of € 60.0 million and a duration of 5 years, with a repayment of the outstanding principal amount on the termination date 24 March 2027. This term loan facility has permission to be used for finance or refinance (i) the repayment or discharge of indebtedness of the Group, (ii) the working capital requirements and/or general corporate purposes of the Group, (iii) the payment of fees, costs and expenses incurred in connection with the facilities;
- a multicurrency revolving credit facility 1 in an aggregate amount of € 30.0 million and a duration of 4.5 years used for finance or refinance the working capital requirements and/or general corporate purposes of the Group including the financing or refinancing of any acquisition or capital expenditure. The termination date of this facility is 24 September 2026. This revolving credit facility has been converted into three ancillary agreements with the individual banks, in the aggregate amount of € 30 million, to be used among others for bank overdraft positions and issuing bank guarantees;
- a multicurrency revolving credit facility 2 in an aggregate amount of € 10.0 million until 1 January 2023 with an extension option to 24 September 2026. This revolving credit facility could be used for finance or refinance the working capital requirements and/or general corporate purposes of the Group (including the financing or refinancing of any acquisition or capital expenditure). In December 2022

it has been decided not to execute the aforementioned option and therefore this facility has been cancelled per 1 January 2023;
- an interest at a rate per annum equal to (a positive) EURIBOR plus a margin based on the ratio of consolidated total net debt to consolidated EBITDA ('leverage ratio') based on the pricing arrangement within the terms and conditions of the loan agreement and carries a base rate per annum in relation to the term loan of 4.0% and in relation to the revolving credit facilities of 3.5%. If certain conditions set out in the senior facilities agreement are satisfied the margin can decrease to a base rate per annum in relation to the term loan of 3.5% and in relation to the revolving credit facility 1 of 3.0% and in relation to the revolving credit facility 2 of 2.5%.

The capitalised (and to be amortised) consent fees regarding the refinanced senior facility amounted to € 2.8 million. The total amount of the to be amortised consent fee as per 31 March 2024 amounted to € 1.6 million (2022-2023: € 2.1 million).

During the financial period, the ancillary agreements under the current senior facility programme were used a number of times. As per 31 March 2024 an amount of € 5.8 million under the ancillary agreements is used and an amount of € 4.3 million is used for bank guarantees (2022-2023: € 2.7 million).

The senior facilities agreement is secured by first ranking pledges on the shares, accounts and current receivables of certain members of the Group, in each case subject to customary limitations and exceptions.

Financial covenants

The senior facility is and the securitisation lending arrangement was subject to a financial covenant, being the ratio of total net debt to EBITDA. No breach of these covenants occurred during the reporting period.

16.2 Reconciliation of movements of liabilities to cash flows arising from financial activities

In thousands of euros		(non-) current borrowings			
	Note	**Bank overdrafts**	**Senior facility**	**Lease liabilities**	**Total**
Balance at 4 april 2022		**-**	**57,637**	**42,065**	**99,702**
Change from financing cash flow					
Borrowing costs paid		-	(746)	-	(746)
Payment of lease liabilities	10	-	-	(7,351)	(7,351)
Total changes from financing cash flows		**-**	**(746)**	**(7,351)**	**(8,097)**
Other changes					
Capitalised borrowing costst last year, paid in this year		-	405	-	405
Interest and borrowing costs paid		-	(3,042)	-	(3,042)
Interest expenses and amortisation borrowing costs		-	3,650	-	3,650
New leases	10	-	-	2,637	2,637
Interest charges paid for lease liabilities	10	-	-	2,377	2,377
Operating activities of discontinued operations		-	-	(135)	(135)
Disposals					
Total liabilities-related other changes		**-**	**1,013**	**4,879**	**5,892**
Balance at 2 April 2023		**-**	**57,904**	**39,593**	**97,497**
Balance at 3 April 2023		**-**	**57,904**	**39,593**	**97,497**
Change from financing cash flow					
New borrowings		4,161	-	-	4,161
Payment of lease liabilities		-	-	(7,974)	(7,974)
Total changes from financing cash flows		**4,161**	**-**	**(7,974)**	**(3,813)**
Other changes					
Interest and borrowing costs paid		-	(4,406)	-	(4,406)
Interest expenses and amortisation borrowing costs		-	5,044	-	5,044
New leases	10	-	-	13,500	13,500
Interest charges paid for lease liabilities	10	-	-	2,804	2,804
Disposals		-	-	(699)	(699)
Total liabilities-related other changes		**-**	**638**	**15,605**	**16,243**
Balance at 31 March 2024		**4,161**	**58,542**	**47,224**	**109,927**

17 Provisions for other liabilities and charges

In thousands of euros

	Jubilee	Other	Total
Balance at 4 April 2022	**1,826**	**3,007**	**4,833**
Charged/(credited) to profit and loss:			
- additional provisions recognised	177	957	1,134
- unused amounts reversed	-	(1,436)	(1,436)
Amounts used during the year	(107)	(497)	(604)
Balance at 2 April 2023	**1,896**	**2,031**	**3,927**
Charged/(credited) to profit and loss:			-
- additional provisions recognised	-	635	635
- unused amounts reversed	(10)	(39)	(49)
Amounts used during the year	(84)	(186)	(270)
Balance at 31 March 2024	**1,802**	**2,441**	**4,243**
Non-current	1,568	1,971	3,539
Current	234	470	704
Balance at 31 March 2024	**1,802**	**2,441**	**4,243**

Jubilee benefits

Based on the collective labour agreement, a provision for jubilee benefits for employees is recognised. The provision has been determined based on historical data available on retention of employees, a discount rate of 3.3% and anticipated salary increases of 4.5%.

Other

Other provisions relate mainly to onerous contracts and the estimated costs to settle labour related commitments.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A provision for restructuring and other related commitments is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either been announced publicly or has commenced, as well as when individual arrangements are being discussed with the employees concerned. Future operating costs are not provided for.

18

18 Employee benefits

Pension scheme

The current employee benefit pension scheme is a collective defined contribution plan (CDC's) in which the Group is only liable for the premiums to be paid whereas there are no other additional obligations to pay additional amounts.

Until 2015 the Group provided a pension plan to its employees of which all pension liabilities that have been accrued up to and including 2014, have been fully transferred to pension insurer Nationale Nederlanden.

The expense is recognised in the following line items in the consolidated statement of profit and loss and other comprehensive income:

In thousands of euros

	3 April 23 to 31 March 24	4 April 22 to 2 April 23
Selling and distribution expenses	3,272	3,498
General and administrative expenses	2,963	2,957
Total pension costs	**6,235**	**6,455**

19

19 Deferred income tax liabilities

Recognised deferred income tax assets and liabilities

Deferred income tax assets and liabilities are attributable to the following:

In thousands of euros

	Assets		Liabilities		Net	
	31 March 2024	2 April 2023	31 March 2024	2 April 2023	31 March 2024	2 April 2023
Property, plant and equipment	-	-	1,049	1,203	1,049	1,203
Intangible assets	-	-	28,458	29,623	28,458	29,623
Other receivables	-	-	-	48	-	48
Tax losses carried forward	1,927	1,090	-	-	(1,927)	(1,090)
Borrowings	-	-	535	759	535	759
Other creditors	11	10	1,315	1,221	1,304	1,211
Provisions	115	129	-	-	(115)	(129)
Right-of-use assets/lease liabilities	12,184	10,039	10,858	9,018	(1,326)	(1,021)
Tax assets/liabilities	**14,237**	**11,268**	**42,215**	**41,872**	**27,978**	**30,604**

An amount of € 4.1 million is expected to be recovered or settled within 12 months (2022-2023: € 3.2 million).

Wehkamp Retail Group Holding B.V. forms a fiscal unity for corporate income tax together with all its Dutch subsidiaries (see Note 2 'Group entities'). The tax collection act stipulates that each of the companies is liable for the corporate income tax payable by all companies belonging to the fiscal unity.

In financial year 2024-2025, it is expected that the Group will achieve its planned profitability. Therefore, management continues to consider it probable that future taxable profits would be available against which the tax losses can be recovered and, therefore, the related deferred tax asset can be realised.

The criteria for offsetting deferred tax assets and liabilities are met.

20 Other payables and (non-)current liabilities

In thousands of euros

	31 March 2024	2 April 2023
VAT payable (non-current part) *)	55,443	60,509
Total other non-current liabilities	**55,443**	**60,509**
VAT payable (current part) *)	17,236	21,194
Accruals	25,902	30,953
Income taxes	23	1,483
Payroll taxes, social security costs and pension premiums	7,175	4,855
Other payables	11,665	16,629
Derivatives	-	295
Total other payables and current liabilities	**62,001**	**75,409**

*) Total VAT payable € 72.7 million consist of a part payable within one year and a part payable in more than one year (2 April 2023: € 81.7 million). These are presented as non-current and current liabilities respectively.

Wehkamp Retail Group Holding B.V. forms a VAT fiscal unity together with all its Dutch subsidiaries (see Note 2 'Group entities') and Tinka Holding B.V.

The Group has a ruling arrangement within its VAT fiscal unity as of 2005 that has been renewed in 2020 with the Dutch tax authorities. In this ruling arrangement, the Group has agreed on the application of a cash accounting system as referred to article 26 of the Dutch VAT Act and article 26 (1)(b) of the implementation order of the Dutch VAT Act. The current ruling with the Dutch tax authorities regarding the cash accounting scheme has been extended up to 31 March 2025.

In 2022 the Group has agreed upon an addendum to this ruling, concluding on a method of setting the VAT payable position at the moment the VAT fiscal unity with Tinka Holding B.V. and its subsidiaries will be terminated.

Other payables include a refund liability regarding a right to return of customers.

21

21 Financial risk management

21.1 Financial risk factors

The Group's activities are exposed to a variety of financial risks: market risks (including currency risks, fair value interest rate risk cash flow interest rate risk and price risk), credit risks and liquidity risks.

The Management Board has ultimate responsibility for setting up and supervising the risk management framework at Wehkamp Retail Group Holding B.V. and its subsidiaries. The Group has procedures and guidelines in place to limit the extent of the risks of derivative financial instruments.

21.1.1 Market risks

21.1.1.1. Foreign exchange risks

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the euro. The currencies giving rise to this risk are primarily US dollars (USD) and to a lesser extent in British pound sterling (GBP).

The Group uses forward foreign exchange contracts to hedge a substantial proportion of the estimated currency exposure (predominantly in US Dollars) related future cash flows. Most of the forward foreign exchange contracts have maturities of less than one year. The Group does not apply hedge accounting. With respect to other monetary assets and liabilities held in currencies other than the euro, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

The Group's exposure to foreign currency risk (USD and GBP) was as follows based on notional amounts:

In thousands of euros

	31 March 2024	2 April 2023
Cash and cash equivalents	302	453
Trade payables	(1,036)	(795)
Gross balance exposure	**734**	**(342)**
Purchase contracts	(12,461)	(12,281)
Gross cash flow exposure	**(13,195)**	**(12,623)**
Forward exchange contracts	8,696	8,828
Net exposure	**(4,499)**	**(3,795)**

Sensitivity analysis - Foreign currency risk

A decrease of 10% of the euro against the USD and GBP would have affected equity and profit and loss by the amounts shown below.

In thousands of euros

	31 March 2024	2 April 2023
impact on profit before tax		
USD	397	374
GBP	53	5
Total	**450**	**379**

21.1.1.2. Cash flow and fair value interest rate risk

The interest rate risk policy is aimed at managing the risk of fluctuations in interest rates for the Group's result. This involves consideration of the net debt, less the cash and cash equivalents, where the Group aims to strike the best possible match between cash and cash equivalents and long-term obligations during the interest period.

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Therefore, the Group entered into an interest rate cap on 18 June 2022. The notional amount is € 50 million with a maturity date of 18 March 2025. The underlying hedged rate is 3 Months Euribor with a cap strike of 2%.

The hedging relationship between the hedging instrument and the hedged item meets the hedge effectiveness for the notional amount of € 50 million and the duration of the hedging instrument, since:

- there is a economic relationship between the hedged item and the hedging instrument, both covering same interest base and same period;
- the effect of credit risk does not dominate the value changes that result from the economic relationship;
- the hedge ratio of the hedging relationship is the same as that resulting from the quantities of the hedge item and the hedging instrument;
- the hedge ratio is not achieved by intentionally weighting the hedged item and the hedging instrument to create hedge ineffectiveness to achieve an accounting outcome that would be inconsistent with the purpose of hedge accounting.

The interest rate profile for interest-bearing financial instruments was as follows:

In thousands of euros	31 March 2024	2 April 2023
Financial assets	3,213	-
Financial liabilities	(47,224)	(39,593)
Fixed rate instruments	**(44,011)**	**(39,593)**
Financial assets	734	1,328
Financial liabilities	(58,542)	(57,904)
Variable rate instruments	**(57,808)**	**(56,576)**

Sensitivity analysis – Interest rate risk

As at 31 March 2024, it is estimated that a general increase of one percentage point in interest rates would decrease the Group's profit before tax. An increase of 1% of funding interest rates has a gross effect of approximately € 0.6 million (2022-2023: € 0.6 million).

21.1.2 Credit risks

General

Credit risk is the risk of a customer or contractual partner defaulting on payment, resulting in the assets, financial assets or receivables reported in the consolidated statement of financial position having to be written down. Credit risks primarily concern trade, other receivables and investments and positive values on derivatives.
The credit risk is provided for by portfolio-based valuation allowances based on historical experience and the maturity profile. Uncollectible receivables are written off in full individually.
Rising interest levels are generally putting pressure on payment providers, especially with the buy now-pay later concept. Therefore, the increased credit default risk of individual customers is putting pressure on the Group.

There is no significant concentration of credit risk.

In addition, for cash and cash equivalents, there is a credit risk that banks can no longer meet their obligations. The maximum exposure corresponds to the carrying amounts of these financial assets at the end of the respective reporting period. The company addresses this exposure by distributing its derivative financial instruments and cash held at banks over multiple financial institutions with good credit standing, and over money market funds with a A-rating (according to Standard & Poor's).

The credit risk is managed by assessing the credit ratings of the purchasers and the counter-parties with whom financial instruments are concluded.

Reconciliation maximum credit risk exposure to receivables

In thousands of euros

	31 March 2024	2 April 2023
Other financial fixed assets	-	1,328
Other receivables and pre-payments	16,723	17,352
Cash and cash equivalents	3,003	20,875
Maximum credit risk exposure	**19,726**	**39,555**

In view of moderate risks of default, the credit risk procedures, the large number of receivables, and the relative small individual amounts of these receivables, the risk profile of the total lending portfolio of the Group can be characterised as moderate.

Impairments

There are no material allowances for impairment.

21.1.3 Liquidity risk

Liquidity risk is the risk that the Group will not meet its financial obligations as they fall due. The Group's policy for managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses. More specifically, this means that the Group has sufficient cash on demand to meet expected operating expenses. In addition, the Group maintains the lines of credit as disclosed under Note 16.

Currently the Group has negative working capital. However, based on the current operating performance and liquidity position, the Group believes that cash provided by operating activities and available cash balances (including short-term deposits and similar instruments) will be sufficient for working capital, capital expenditure, interest payments, and scheduled debt repayment requirements for the next 12 months and the foreseeable future.

Cash flows are managed by aiming on a return on average capital employed that adds value for providers of loans and equity, by setting minimum profitability requirements for new investments and by actively managing working capital.

The contractual maturities of financial liabilities, including estimated interest payments is set out below:

In thousands of euros

	31 March 2024				
	Carrying amount	**Contract cash flow**	**Years**		
			< 1	**1 - 5**	**> 5**
Non-derivative financial liabilities					
Senior facility	58,542	60,152	201	60,000	-
Bank overdraft	4,161	4,161	4,161	-	-
Lease liability	47,224	57,608	8,900	32,636	16,072
Trade and other payables	177,110	177,110	121,667	55,443	-
Derivative financial liabilities					
Foreign exchange forward contracts	-	-	-	-	-
	287,037	**299,080**	**134,929**	**148,079**	**16,072**

In thousands of euros

	2 April 2023				
	Carrying amount	**Contract cash flow**	**Years**		
			< 1	**1 - 5**	**> 5**
Non-derivative financial liabilities					
Senior facility	57,904	60,152	152	60,000	-
Lease liability	39,593	48,630	7,286	26,946	14,398
Trade and other payables	199,030	199,030	138,221	60,809	-
Derivative financial liabilities					
Foreign exchange forward contracts	295	295	295	-	-
	296,822	**308,107**	**145,954**	**147,755**	**14,398**

The liquidity risk is limited as a result of sufficient available liquidity in the form of cash and cash equivalents and unused credit facilities in total amounting to € 18.5 million (2022-2023: € 27.6 million) and a relative stable cash flow from operating activities.

21.2 Fair value estimation

The financial instruments measured at fair value included in the statement of financial position of the Company as at 31 March 2024 are all classified as level 2 according to the fair value hierarchy (See Note 1.6.2) and consist of:

In thousands of euros

	Forward exchange contracts			
US Dollar (Buy)	**Foreign currency value**	**Value at forward rate**	**Value at closing rate**	**Fair value Level 2 differences estimated market value**
2 April 2023	10,200	9,578	9,283	(295)
31 March 2024	**9,460**	**8,659**	**8,700**	**41**

The fair values of trade receivables, trade payables, the foreign exchange forward contracts and the cash and cash equivalents equal the carrying amounts of these financial instruments.

Trade and other receivables: financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, trade and other receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Derivatives: the fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate. The fair value of the interest rate cap is based on prevailing market conditions and generic market valuation methods.

21.3 Capital management

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value and maintaining a strong capital base in order to retain the confidence of the stakeholders, creditors and the markets in which the Group is active and to safeguard strategic development of the Group's business and future.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.
No changes were made in the objectives, policies or processes for managing capital during the financial year ended 31 March 2024 and 2 April 2023.

22

22 Contingencies

The Company and its Group companies may become subject to other claims of which it is currently unaware, which may be significant, or the claims of which the Company and its Group companies are aware of may result in incurring significantly greater loss than anticipated at reporting date. The Company's and its Group companies' insurance may be insufficient or unavailable to protect it against potential loss exposures.

23 Commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows: The Group has outstanding commitments for property, plant and equipment of nil (2 April 2023: € 4.2 million). The Group has entered into a contract with a third party for the lease of solar panels on the new warehouse. The solar panels will be put in use July 2024. after commissioning of the solar panels, the contract will lead to an additional annual expense of € 0.1 million during the lease term of the warehouse.

24 Related parties

No dividend is paid to the owners of the Company.

24.1 Transactions with key management personnel

In addition to key management personnel salaries, the Group also contributes to a post-employment defined contribution plan. In accordance with the terms of the plan, key management personnel retire at age 67.

In thousands of euros	**3 April 23 to 31 March 24**	**4 April 22 to 2 April 23**
Short-term employee benefits	2,634	(24)
Post-employment benefits	62	50
Termination benefits	-	405
Share based payments	(808)	(12,283)
Total employee benefits	**1,888**	**(11,852)**

Total remuneration is included in employee expenses (see Note 5 'Operating expenses'). Share-based payments are disclosed in Note 24.2.

The emoluments of key management include pension obligations as referred to in Section 2:383(1) of the Dutch Civil Code.

The emoluments of (former) directors, including pension obligations as referred to in Section 2:383(1) of the Dutch Civil Code, amounted to € 1.9 million of expenses in financial year 2023-2024 (2022-2023 an income of € 10.0 million).

24.2 Share-based payment

Management incentive plans

In financial year 2020-2021 the shareholder has set up a new management incentive scheme for eligible and selected directors and employees of the Group in which they have been given the opportunity to benefit from a value increase of the Group as from 1 April 2020 until the moment an exit occurs.

The scheme is a cash bonus scheme to be allocated to all participants and is equivalent to (i) a percentage of the value attributable to the existing shareholder instruments in Wehkamp Retail Group Holding B.V. in excess of a determined hurdle amount on an exit plus (ii) a fixed amount of € 6.0 million, assuming full allocation and no leavers.
The variable portion is a cash-settled share-based payment in scope of IFRS 2 since the possible payment in relation to an exit is based on the fair value of a Group company's equity instruments. The fixed amount of € 6.0 million is in scope of IAS 19.

The fair value of the liability for cash-settled transactions will be re-measured at each reporting date and at the date of settlement. Any changes in fair value are recognised in profit or loss for the period. The fair value of the cash settled transactions at year-end 2023-2024 is estimated using an option valuation model on € 4.6 million (2 April 2023: € 6.6 million). The release recognised in profit and loss in 2023-2024 amounted to € 2.0 million (release in 2022-2023: € 19.9 million).

The IAS19 fixed part of the liability has been settled in March 2024 for an amount of € 6.0 million and amounts at year-end 31 March 2024 to nil. During the financial year 2023-2024 a cost of € 1.5 million was accrued before the settlement in March 2024 (in 2022-2023 an income of € 1.5 million was recognised).

Supervisory Board

Wehkamp Retail Group Holding B.V. Supervisory Board members have received a remuneration of € 0.2 million for the financial year 2023-2024 (2022-2023: € 0.2 million).

In 2021-2022, the shareholders agreed on a share-based compensation for specific supervisory board members. The share-based compensation is for the majority similar to the management incentive plan (see above). The scheme is a cash bonus scheme to be allocated to all participants and is equivalent to a percentage of the value attributable to the existing shareholder instruments in Wehkamp Retail Group Holding B.V. in excess of a determined hurdle amount on an exit.

The fair value of the liability for cash-settled transactions of this plan will also be re-measured at each reporting date and at the date of settlement. Any changes in fair value are recognised in profit or loss for the period. The fair value of the cash settled transactions at year-end 2023-2024 is estimated using an option valuation model on € 0.3 million (2 April 2023: € 0.6 million). The income recognised in profit and loss in 2023-2024 amounts to € 0.3 million (income recognised in 2022-2023: € 2.1 million).

As per 31 March 2024, Supervisory Board members hold indirectly 14,512 of the ordinary shares in the capital of the Company (2022-2023: indirectly 14,512 ordinary shares) and hold indirectly 56,500,000 preference shares B and 785,185 preference shares C in the capital of the Company (2022-2023: 56,500,000 preference shares B and 785,185 preference shares C).

24.3 Transactions with other related parties

During the year, RFS Holland Holding B.V. received invoices mainly for professional fees in total of € 15 thousand (2022-2023: € 82 thousand) from Apax VIII GP Co. Limited. At 31 March 2024, there is an amount of € 15 thousand due to Apax VIII GP Co. Limited (2022-2023: € 15 thousand).

As of 28 June 2021, Wehkamp Retail Group B.V. and Tinka B.V. agreed upon a commercial agreement consisting of all payment (transaction) services that Tinka B.V. is offering to Wehkamp Retail Group B.V., The commercial agreement, has been set-up at at-arms-length conditions, for a period of 5 years, with a notice period of 12 months regarding the core services (credit and deferred payment services) and 6 months for all other services (referred to as the 'non-core services').
This commercial agreement includes a consideration to be paid from Tinka B.V. to Wehkamp Retail Group B.V. for all transferred customer receivables to Tinka B.V. at face value less an amount for fixed and variable payment transaction costs (with regard to the offered payment methods by Tinka B.V. to customers to Wehkamp Retail group B.V.) plus a commission (debtors) fee as a fixed percentage over certain agreed upon outstanding balances of the loans to customers. Reference is made to Note 13.

The provided services of Wehkamp Retail Group B.V. provided services to Tinka Holding B.V. for an amount of € 39 thousand (2022-2023: € 1.0 million).

The payment transaction costs are recognised as operating expenses and amount to € 6.0 million (2022-2023: € 7.8 million).

The commission (debtors) fee is recognised as operating expenses and amounts to € 1.3 million (2022-2023: € 2.0 million).

25

25 Audit fees

The audit fees can be summarised as follow:

In thousands of euros

	3 April 23 to 31 March 24			4 April 22 to 2 April 23		
	PwC Netherlands	Other PwC Network	Total PwC Network	PwC Netherlands	Other PwC Network	Total PwC Network
Audit fees	343	-	343	349	-	349
Audit-related fees	-	-	-	186	-	186
Tax	185	-	185	59	236	295
Other fees	40	-	40	73	-	73
Total fees	**568**	**-**	**568**	**667**	**236**	**903**

The fees relate to the procedures applied to the Company and its consolidated Group entities by accounting firms and external independent auditor as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act ('Wet toezicht accountantsorganisaties – Wta') as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups.

These fees relate to the audit of the financial statements for the financial period ended 31 March 2024, regardless of whether the work was performed during the financial year.

26

26 Subsequent events

In April 2024 Wehkamp announced that it would no longer offer credit to customers in the form of spread payments since Tinka B.V., Wehkamp's financial services partner, has decided to stop offering this service as of 30 April 2024. Customer purchases on credit have fallen in recent years and are minimal. The withdrawal of credit is expected to only have a marginal effect on sales.

COMPANY STATEMENT OF PROFIT AND LOSS OF WEHKAMP RETAIL GROUP HOLDING B.V.

In thousands of euros

	Note	Period from 3 April 23 to 31 March 24	Period from 4 April 22 to 2 April 23
Result from subsidiaries after income taxes	28	(7,607)	(20,533)
Other gains and losses after income taxes		(795)	(2,195)
Result for the period		**(8,402)**	**(22,728)**
Attributable to:			
Equity holders		(8,402)	(22,728)
Non-controlling interest		-	-
Result for the period		**(8,402)**	**(22,728)**

The above company statement of profit and loss should be read in conjunction with the accompanying notes.

COMPANY STATEMENT OF FINANCIAL POSITION OF WEHKAMP RETAIL GROUP HOLDING B.V.

In thousands of euros

	Note	31 March 2024	2 April 2023
Assets			
Financial fixed assets	28	139,300	146,346
Non-current assets		**139,300**	**146,346**
Receivables from group companies		724	397
Income tax receivable		5,872	5,172
Cash and cash equivalents		-	-
Current assets		**6,596**	**5,569**
Total assets		**145,896**	**151,915**
Equity and liabilities			
Share capital		11,233	11,233
Share premium		336,569	336,569
Legal reserve		13,405	11,667
Retained earnings		(224,864)	(214,448)
Total equity	29	**136,343**	**145,021**
Current liabilities	30	9,553	6,894
Current liabilities		**9,553**	**6,894**
Total liabilities		**9,553**	**6,894**
Total equity and liabilities		**145,896**	**151,915**

The above company statement of profit and loss should be read in conjunction with the accompanying notes.

NOTES TO THE COMPANY FINANCIAL STATEMENTS OF WEHKAMP RETAIL GROUP HOLDING B.V.

27

27 General

The consolidated financial statements are part of the financial statements of Wehkamp Retail Group Holding B.V. Insofar as there is no further explanation provided to the items in the company statement of financial position and statement of profit and loss, please refer to the notes to the consolidated statement of financial position and statement of profit and loss and other comprehensive income.

Principles for the valuation of assets and liabilities and the determination of the result

With reference to the company statement of profit and loss of Wehkamp Retail Group Holding B.V., use has been made of the exemption pursuant to Article 402, Book 2 of the Dutch Civil Code.

The company financial statements of Wehkamp Retail Group Holding B.V. have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with subsection 8 of Article 362, Book 2 of the Dutch Civil Code, the recognition and measurement principles of assets and liabilities and determination of the result applied in these company financial statements are the same as those applied in the consolidated financial statements under IFRS. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS). Reference is made to the notes to the consolidated financial statements.

Investments in subsidiaries

Investment in subsidiaries are measured using the equity method of accounting. Reference is made to the basis of consolidated accounting policies in the consolidated financial statements.

Income from subsidiaries

The share of the income from investments in subsidiaries consists of the share of the Company in the income of the subsidiaries. As far as gains or losses on transactions involving the transfer of assets and liabilities between the Company and its subsidiaries or between subsidiaries themselves can be considered unrealised, they have not been recognised.

28

28 Financial fixed assets

The financial fixed assets of Wehkamp Retail Group B.V. consist of:

In thousands of euros	31 March 2024	2 April 2023
Investments in subsidiaries	137,373	145,256
Deferred income tax assets	1,927	1,090
Total	**139,300**	**146,346**

Investments in subsidiaries comprises of:

In thousands of euros	31 March 2024	2 April 2023
RFS Top B.V.	137,373	145,256
Totaal	**137,373**	**145,256**

The movements of the investments in subsidiaries can be explained by:

In thousands of euros	3 April 23 to 31 March 24	4 April 22 to 2 April 23
Opening balance	145,256	165,105
Result from subsidiaries after income taxes	(7,607)	(20,533)
Direct equity movement	(276)	684
Ending balance	**137,373**	**145,256**

The principal activities of the subsidiaries of Wehkamp Retail Group Holding B.V. consist of on-line retailing in the Netherlands.

Direct equity movement consists of a translation reserve and hedge reserve.

29

29 Shareholders' equity

Share capital

As at 31 March 2024 and 2 April 2023, the authorised and issued share capital comprised:

- 5,738,889 ordinary shares in the capital of the Company each with a nominal value of € 1.00;
- 3,281,050 cumulative preference shares A in the capital of the Company each with a nominal value of € 1.50;
- 56,500,000 cumulative preference shares B in the capital of the Company each with a nominal value of € 0.01;
- 785,185 cumulative preference shares C in the capital of the Company each with a nominal value of € 0.01.

All shares, for the aggregate amount of € 11.2 million, are paid up by debiting the share premium reserve as agreed with the Company and the only shareholder.

Share premium

The share premium represents the additional capital paid-in exceeding the nominal value of the issued shares.

Reference is further made to the share capital paragraph.

As per 31 March 2024 and as per 2 April 2023 the share premium is divided as follows:

- € 11,111 thousand relates to ordinary shares;
- € 325,123 thousand relates to preference shares A;
- € 151 thousand relates to preference shares B;
- € 183 thousand relates to preference shares C.

Legal reserve

Pursuant to Dutch law, limitations exists in relation to the distribution of equity. As at 31 March 2024 Wehkamp Retail Group Holding B.V. has a legal reserve for capitalised software development costs in the amount of € 13.4 million (2 April 2023: € 11.7 million).

Other dividend reserves and proposal for result appropriation

The profits as determined by the adoption of the annual accounts, or a part thereof, will be reserved and added to the profit reserves in accordance with the articles of association, further elaborated as follows:

1 Cumulative preference shares A are entitled to the profit as follows, whereby it is understood that the profit entitlement of the cumulative preference A will be preferred over both cumulative preference shares B and ordinary shares:

a) in the financial year that a cumulative preference share has been issued, a one-off catch-up compensation for such cumulative preference share will be added to the profit reserve 'PA', in such amount as would have accrued on such share, calculated in accordance with the articles of association if such cumulative preference share would have been issued on 9 September 2015, and until the date of issue of such cumulative preference share;
b) an annual dividend of 8% calculated on the basis set forth below will be added to the profit reserve 'PA' calculated as per the first business day of the financial year relating to the dividend.

2 Cumulative preference shares B and C are pari passu entitled to the profit as follows (whereby it is understood that the profit entitlement of the cumulative preference B and the cumulative preference C, on a pari passu basis and proportionate to the amount invested, will be preferred over ordinary shares only:
a) in the financial year that a cumulative preference share has been issued, a one-off catch-up compensation for such cumulative preference share will be added to the profit reserve 'PB' or the profit reserve 'PC', in such amount as would have accrued on such share, calculated in accordance with the articles of association, if such cumulative preference share would have been issued on 9 September 2015, and until the date of issue of such cumulative preference share;
b) an annual dividend of 8% calculated on the basis set forth below will be added to the profit reserve 'PB' or the profit reserve 'PC', respectively, calculated as per the first business day of the financial year relating to the dividend.

3 The entitlement to dividend of holders of cumulative preference shares A, preference shares B and preference shares C is cumulative, meaning that if in any financial year the dividends to be added to the dividend reserve 'PA', 'PB' and/or dividend reserve 'PC' in accordance with the articles of association do not or not completely match the dividend entitlement pursuant the aforementioned policies, from the remaining profit in any subsequent financial year first a dividend will be added to the dividend reserve 'PA', 'PB' and/or dividend reserve 'PC' to make up for any deficit in the dividend entitlement of holders of the cumulative preference shares A, cumulative preference shares B and/or cumulative preference shares C, prior to adding amounts to the other dividend reserve.

The calculation basis for the dividend on cumulative preference shares, irrespective of the class of such cumulative preference shares will be the total of:
a) the par value of the cumulative preference shares A, cumulative preference shares B or cumulative preference shares C (as applicable);
b) the weighted arithmetic mean of the balance of the share premium reserve 'PA', share premium reserve 'PB' or share premium reserve 'PC' (as applicable), whereby if shares have been issued in the course of the financial year, the accrued dividend on these shares, will be calculated pro rata till the day of the issue of these shares;

c) the weighted arithmetic mean of the balance of the dividend reserve ‘PA’, dividend reserve ‘PB’ or dividend reserve ‘PC’ (as applicable), whereby the entitlement will be determined by the moment the shares have been issued;

d) the amount calculated pursuant to 1a or 2a above (as applicable) notwithstanding whether such amount has been reserved or not; and

e) the profits that have not, or not completely, added to the dividend reserve ‘PA’, dividend reserve ‘PB’ or dividend reserve ‘PC’ in any preceding financial year in accordance with the articles as described in 1, 2 and/or 3 above, increased with the percentage as described in 1 and 2 above over this non-added dividend amount.

No dividend reserve for preference shares A, B and C have been formed as per 31 March 2024, because no distributable profit has been realised since 9 September 2015. As per 31 March 2024, the accrued rights for preference shares A amount to € 209,775 thousand, the accrued rights for preference shares B amount to € 670 thousand and the accrued rights for preference shares C amount to € 95 thousand.

The General Meeting of Shareholders will be asked to approve the following appropriation of the loss after tax for the financial year 2023-2024 amounting to € 8.4 million to be deducted from the retained earnings (2022-2023: loss after tax amounting to € 22.7 million).

Restrictions in dividends and share redemptions

The Group, including the parent company, is not authorised to:

- declare, make or pay dividend;
- repay or distribute any dividend of share premium;
- pay or allow any member of the Group to pay any management, advisory or other fees to any of the shareholders; or
- redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so; unless these dividends and share redemptions are permitted by the lenders of the senior facility, no default is continuing or would occur immediately after making these payments and/or prior written consent of all the lenders has been obtained.

In thousands of euros

	Share capital	Share premium	Other reserves	Legal reserve	Result for the period	Total attributable to the equity share-holders	Non control-ling interest	Total Equity
Balance at 3 April 2022	**11,233**	**336,569**	**-**	**8,526**	**(189,264)**	**167,064**	**-**	**167,064**
Total comprehensive ex-pense for the period								
Result for the period	-	-	-	-	(22,728)	(22,728)	-	(22,728)
Other comprehensive inco-me for the period	-	-	685	-	-	685	-	685
Transfers other reserve - legal reserve	-	-	-	3,141	(3,141)	-	-	-
	-	**-**	**685**	**3,141**	**(25,869)**	**(22,043)**	**-**	**(22,043)**
Balance at 2 April 2023	**11,233**	**336,569**	**685**	**11,667**	**(215,133)**	**145,021**	**-**	**145,021**
Total comprehensive ex-pense for the period								
Result for the period	-	-	-	-	(8,402)	(8,402)	-	(8,402)
Other comprehensive inco-me for the period	-	-	(276)	-	-	(276)	-	(276)
Transfers other reserve - legal reserve	-	-	-	1,738	(1,738)	-	-	-
	-	**-**	**(276)**	**1,738**	**(10,140)**	**(8,678)**	**-**	**(8,678)**
Balance at 31 March 2024	**11,233**	**336,569**	**409**	**13,405**	**(225,273)**	**136,343**	**-**	**136,343**

Other reserves recognises the translation reserve of € 9 thousand (2 April 2023: € 9 thousand) and hedge reserve of € 0.4 million (2 April 2023: € 0.7 million).

30 Current liabilities

In thousands of euros

	31 March 2024	2 April 2023
Other payables	4	5
Accruals and deferred income	592	95
Payables to group companies	8,957	6,794
Total	**9,553**	**6,894**

The current liabilities are all due within one year.

31 Fiscal unity

Wehkamp Retail Group Holding B.V. forms a fiscal unity for both income tax and VAT together with all its Dutch subsidiaries (Note 2 'Group entities'). RFS Top B.V. is only part of the fiscal unity for corporate income tax. The corporate income tax is recognised for each company according to the portion for which the company involved would be assessed if it was an independent taxpayer, taking into account any tax assets available to the company.

32 Emoluments of directors and Supervisory Board

For information on the remuneration of directors and the Supervisory Board and the share-based payment plans, see Note 24.1 and Note 24.2 respectively to the consolidated financial statements.

33 Subsequent events

In April 2024 Wehkamp announced that it would no longer offer credit to customers in the form of spread payments since Tinka B.V., Wehkamp's financial services partner, has decided to stop offering this service as of 30 April 2024. Customer purchases on credit have fallen in recent years and are minimal. The withdrawal of credit is expected to only have a marginal effect on sales.

Zwolle, 18 July 2024

The Management Board:

G.J. Harris

C.S. Rostron

The Supervisory Board:

J.J. Browett

T.N. Hall

M. Bangma - Tjaden

A.W. Slagt

OTHER INFORMATION

Provisions in the Articles of Association governing the appropriation of result

According to article 23 of the Company's Articles of Association, the result is at the disposal of the General Meeting of Shareholders, which can allocate the result wholly or partly to the other reserves.

The Company can only make payments to the shareholders and other parties entitled to the distributable result for the amount by which the shareholders' equity is greater than the paid-up and called-up part of the capital plus the legally required reserves.

INDEPENDENT AUDITOR'S REPORT

To: the general meeting and the supervisory board of Wehkamp Retail Group Holding B.V.

Report on the financial statements 2023/2024

Our opinion

In our opinion:

- the consolidated financial statements of Wehkamp Retail Group Holding B.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 March 2024 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted in the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Wehkamp Retail Group Holding B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 March 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2023/2024 of Wehkamp Retail Group Holding B.V., Amsterdam. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 March 2024;
- the following statements for 2023/2024: the consolidated profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows; and
- the notes to the consolidated financial statements, comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company statement of financial position as at 31 March 2024;
- the company statement of profit and loss for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' 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 Wehkamp Retail Group Holding B.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Information in support of our opinion

We designed our audit procedures with respect to fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Wehkamp Retail Group Holding B.V. and its environment and the components of the internal control system. This included the management board's risk assessment process, the management board's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We note that the management board has not formalised its fraud risk assessment.

We evaluated the design and relevant aspects of the internal control system and in particular the code of conduct and whistleblower procedures. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks. We asked members of the management and the supervisory board, as well as the legal and compliance department, whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	Our audit work and observations
The risk of management override of controls Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Therefore, in all our audits, we pay attention to the risk of management override of controls within: • the appropriateness of (manual) journal entries and other adjustments made in the preparation of the financial statements; • estimates; • significant transactions, if any, outside the normal course of business for the entity. We pay particular attention to tendencies due to possible interests of management.	Where relevant to our audit, we evaluated the design of the internal control measures that are intended to mitigate the risk of management override of controls and assessed the effectiveness of the measures in the processes of generating and processing journal entries and making estimates. We also paid specific attention to the access safeguards in the IT systems and the possibilities that lead to violations of the segregation of duties. We performed data analysis on high-risk journal entries. Where we identified instances of unexpected journal entries, we conducted specific audit activities for these entries, as part of which we paid attention to significant transactions outside the normal course of business. We evaluated key estimates and judgements for bias of management, including retrospective reviews of prior year's estimates relating to these judgements and estimates. We considered the outcome of our audit procedures and evaluated whether any findings or misstatements are indicative of fraud. Our procedures did not identify any material misstatements in the information provided by the management board in the financial statements and the report of the management board compared with the financial statements. Our procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.

Identified fraud risks	Our audit work and observations
The risk of fraudulent financial reporting due to overstating the revenues As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue transactions give rise to the risk of fraud in revenue recognition. Based on our risk assessment procedures, we assessed the significant risk of fraud in revenue recognition for the assertions existence/occurrence and presentation and disclosure.	Where relevant for the audit, we evaluated the design and effectiveness of the internal control measures related to revenues and in the processes of generating and processing journal entries related to the revenues. We performed data analysis and selected journal entries based on risk criteria and performed specific audit procedures for these entries by reconciling them to supporting documentation. We sample tested revenue transactions to verify that revenue from transactions for which the Group is an agent has not been presented as revenue for which it is a principal. Our procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the existence/occurrence and presentation and disclosure of revenue.

We incorporated an element of unpredictability in our audit. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations. Whenever we identify any indications of fraud, we re-evaluate our fraud risk assessment and its impact on our audit procedures.

Audit approach going concern

The management board prepared the financial statements on the assumption that the entity is a going concern and that it will continue all its operations for at least 12 months from the date of preparation of the financial statements. Our procedures to evaluate the management board's going-concern assessment included, amongst others:

- considering whether the management board identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks);
- considering whether the management board's going-concern assessment included all relevant information of which we were aware as a result of our audit and inquiring with the management board regarding the management board's most important assumptions underlying its going-concern assessment.
- evaluating the management board's current budget including cash flows for at least twelve months from the date of preparation of the financial statements taken into account current developments in the industry and all relevant information of which we were aware as a result of our audit;
- analysing whether the current and the required financing has been secured to enable the continuation of the entirety of the entity's operations, including compliance with relevant covenants;
- performing inquiries of the management board as to its knowledge of going-concern risks beyond the period of the management board's assessment.

Based on our procedures performed, we concluded that the management board's use of the going-concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the management board report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the management board report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the management board and the supervisory board for the financial statements

The management board is responsible for:
- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The management board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Zwolle, 18 July 2024
PricewaterhouseCoopers Accountants N.V.

M. Hendriks RA

Appendix to our auditor's report on the financial statements 2023/2024 of Wehkamp Retail Group Holding B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the management board 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.