# DKC Wholesale A/S

La Cours Vej 6, 7430 Ikast

CVR no 27 49 31 22

## Annual Report

## 2021

The Annual Report was presented and adopted at the_Annual General Meeting of the Company on 11 May 2022

Chairman of the Meeting

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# COMPANY INFORMATION

| | |
|---|---|
| Company | DKC Wholesale A/S<br>La Cours Vej 6<br>7430 Ikast |
| | Telephone: 70 30 55 00 |
| | CVR no: 27 49 31 22<br>Founded: 1. January 2003<br>Registered office: Ikast-Brande Municipality<br>Financial year: 1 January - 31 December |
| Board of Directors | Søren Bak Lauritsen, Chairman<br>Jens Poulsen<br>Jens Obel Jørgensen |
| Executive Board | Jens Poulsen |
| Audit | PricewaterhouseCoopers<br>Statsautoriseret Revisionspartnerselskab<br>Jens Chr. Skous Vej 1<br>DK-8000 Aarhus |
| Bankers | Jyske Bank A/S<br>Vestergade 8-16<br>DK-8600 Silkeborg |
| | Midt Factoring A/S<br>Nygade 111<br>DK-7430 Ikast |
| | Danske Bank A/S<br>Holmens Kanal 2<br>DK-1090 Copenhagen K |

# MANAGEMENT'S STATEMENT

The Executive Board and the Board of Directors have today considered and adopted the Annual Report of DKC Wholesale A/S for the financial year 1 January - 31 December 2021.

The Annual Report was prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Annual Report gives a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company operations for the financial year 1 January - 31 December 2021.

Moreover, in our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company.

We recommend that the Annual Report be approved at the Annual General Meeting.

Ikast, 11 May 2022

Executive Board

Jens Poulsen

Board of Directors

| | |
|---|---|
| Søren Bak Lauritsen<br>*Chairman* | Jens Poulsen |
| Jens Obel Jørgensen | |

# INDEPENDENT AUDITOR'S REPORT

To the shareholders of DKC Wholesale A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DKC Wholesale A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("Financial Statements").

## Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Inter-national Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

## Management's responsibilities for the Financial Statements

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

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

# INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

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 level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 11 May 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 33 77 12 31

Jens Weiersøe Jakobsen
State Authorised Public Accountant
mne30152

Christine Tveteraas
State Authorised Public Accountant
mne34341

# MANAGEMENT'S REVIEW

## Main activity

The Company's activity consists in the purchase and sale of goods for resale in the textile industry.

## Development in activities and financial position

Profit for the year totals DKK 13,438k (DKK 7,834k) and the balance sheet of the Company shows equity of DKK 29.032k (DKK 15.594 k).

Profit for the year is considered satisfactory, taking into account the COVID-19 impact on the Company's activities.

## Special risks

In Management's opinion, the Company is not affected by any special risks apart from those generally existing in the line of business.

## Outlook

The Company expects a profit for the financial year 2022 in line with 2021.

## Subsequent events

No events have occurred after the balance sheet date which materially affect the assessment of the Annual Report.

# ACCOUNTING POLICIES

The Annual Report of DKC Wholesale A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B in addition to some of the rules applying to reporting class C. The accounting policies remain unchanged compared to last year.

### Recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. Moreover, all expenses incurred are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described below for each item.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the accumulated amortisation of any difference between cost and the nominal amount. Capital losses and gains are thus allocated over the terms of the asset or liability.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Financial Statements which concern affairs and conditions existing at the balance sheet date.

The annual report is presented in Danish kroner (DKK), which is also the functional currency of the Company. All other currencies are regarded as foreign currencies.

### Translation policies

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in the income statement. If foreign exchange positions are considered hedges of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items denominated in foreign currency which have not been settled at the balance sheet date are translated at the closing rate. Any differences between the exchange rates at the balance sheet date and the rates at the dates when the receivables or the payables arose or at which they were recognised in the latest financial statements are recognised in the income statement.

Intangible assets and property, plant and equipment purchased in foreign currencies are translated at the exchange rates at the dates of transaction.

## INCOME STATEMENT

The items revenue, costs of goods for resale, other external expenses and other operating income are aggregated and included in the net figure "Gross profit" in the income statement.

# ACCOUNTING POLICIES

## Revenue

The Company has decided to apply IFRS 15 as interpretation for the recognition of revenue.

The Company's revenue stems from the sale of goods for resale in the textile industry. Revenue is recognised when control of the individually identifiable performance obligation set out in the sales agreement passes to the customer, which according to the terms of sale occurs at the time of delivery.

The Company's sales agreements are divided into individually identifiable performance obligations, which are recognised and measured separately at fair value. Although sales agreements for the sale of goods for resale often set out multiple performance obligations, such obligations are treated as a single performance obligation owing to their concurrent delivery. If a sales agreement contains multiple performance obligations, the total sales value of the sales agreement is allocated proportionally to its individual performance obligations.

Recognised revenue is measured at the fair value of the consideration agreed, exclusive of VAT, charges, etc. collected on behalf of third parties. All types of discounts granted are recognised in revenue. Exchange differences in receivables from the sale of goods and services in foreign currencies are recognised in revenue. Fair value corresponds to the price agreed discounted to net present value, where the terms of payment exceed 12 months.

The part of total consideration that is variable, for example in the form of discounts, bonus payments, etc., is only recognised in revenue when it is reasonably certain that there will be no reversal thereof in subsequent periods. This also applies to the goods that are expected to be returned by fulfilling the Company's return obligations based on historical experience on actual return percentages and product mix. Customers are typically entitled to return online purchases within two weeks, but when returning Christmas presents purchased between 1 November and 23 December, they have 14-90 days.

## Costs off goods for resale

Costs off goods for resale include expenses incurred to generate revenue for the year. Costs off goods for resale is recognised in line with revenue. This year's change in inventories is included in the cost off goods for resale. Exchange differences relating to suppliers of goods and services in foreign currencies are recognised in costs off goods for resale

## Other external expenses

Other external expenses include expenses for distribution and advertising, sale, administration, premises, losses on trade receivables and rental expenses under operating leases.

## Staff costs

Staff costs include salaries, considerations, pensions and other staff costs related to the Company's employees.

## Depreciation, amortisation and impairment losses on intangible assets as well as property, plant and equipment

Depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets include depreciation of property, plant and equipment and amortisation of intangible assets, as well as impairment losses for the year as a result of impairment.

## Other operating income and operating expenses

Other operating income and expenses comprise income and expenses of a secondary nature to the activities of the Company, including gains or losses from current sale and replacement of intangible assets and property, plant and equipment. Gains or losses from the disposal of intangible assets and property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the time of disposal.

# ACCOUNTING POLICIES

### Income in the form of compensation received from public authorities
Compensation received from public authorities is recognised in other operating income in line with the costs associated with the compensation, once the Company has obtained final commitment from the compensation provider, it is likely that the Company will meet the conditions attached to the compensation and it is highly likely that the compensation will not have to be repaid.

### Financial income and expenses
Financial income and expenses comprise interest income and expenses, the interest element of finance lease payments, realised and unrealised capital gains and losses in respect of securities, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as interest charges and interest reimbursement under the on-account taxation scheme. Financial items are recognised at the amounts relating to the financial year.

### Tax on profit/loss for the year
The Company is jointly taxed with the Danish consolidated enterprises. The current Danish corporation tax is allocated to the jointly taxed companies in proportion to their taxable incomes. The jointly taxed Danish enterprises are included in the on-account taxation scheme.

Tax for the year consists of current tax for the year and any changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

## BALANCE SHEET
### Intangible assets
Intangible assets are measured at cost less accumulated amortisation and impairment losses. Straight-line amortisation is made over the estimated useful life of each asset, which is assessed as follows:

| | |
|---|---|
| Goodwill | 5 years |
| Trademark rights | 10 years |

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

### Property, plant and equipment
Lands, buildings and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition as well as expenses directly related to the acquisition up until the time when the asset is ready for use.

Where parts of an item of property, plant and equipment have different useful lives, they are depreciated as separate items of property, plant and equipment.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which are:

| | |
|---|---|
| Buildings | 20-30 years |
| Other fixtures and fittings, tools and equipment | 3-5 years |

The basis of depreciation is cost less estimated residual value at the end of the useful life and reduced by any impairment loss. The depreciation period and the residual value are determined at the date of acquisition and are reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

If the period of depreciation or the residual value changes, the effect on depreciation is recognised prospectively as a change in the accounting estimate.

Gains or losses from the disposal of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the time of disposal. Profit or losses are recognized in the income statement under other operating income and other operating expenses, respectively.

### Leases

The Company has chosen IAS 17 as interpretation for the classification and recognition of leases.

Leases in respect of assets in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are initially recognised in the balance sheet at the lower of the assets' fair value and the net present value of the future minimum lease payments. When computing the net present value, the interest rate implicit in the lease or the alternative borrowing rate is applied as the discount rate. After that, assets acquired under finance leases are treated in the same way as the other assets of the Company.

The capitalised lease obligation is recognised in the balance sheet under debt, and the interest element of the lease payment is charged over the lease term to the income statement under finance costs. After initial recognition, lease obligations are measured at amortised cost.

All other leases are considered operating leases. Payments made under operating leases and other rental agreements are recognised in the income statement over the lease term. The Company's total liability relating to operating leases and rental agreements is disclosed under contingent assets and liabilities, etc.

### Impairment of non-current assets

The carrying amounts of intangible assets and property, plant and equipment are assessed annually to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

In the event of indications of impairment, an impairment test is carried out of each individual asset or group of assets. Write-down is made to the lower of the recoverable amount or carrying amount.

The recoverable amount used is the higher of net selling price and value in use. The value in use is calculated as the net present value of the expected net cash flows from the use of the asset or asset group and expected net cash flows on the disposal of the asset or asset group on expiry of the useful life.

Previously recognised impairment losses are reversed when the basis for the impairment loss no longer exists. An impairment loss in respect of goodwill is not reversed.

### Inventories

Inventories are measured at cost under the FIFO method. If the net realisable value of inventories is lower than cost, write-down is made to this lower value.

The cost of inventories equals landed cost.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to execute sales. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for the write-down of financial receivables.

Write-down to net realisable value is made for estimated bad debts. Assessment of write-downs for estimated bad debt is carried out at both individual and portfolio level using a provisions account.

# ACCOUNTING POLICIES

Equity - dividend

Dividend expected to be paid for the year is disclosed as a separate equity item. Proposed dividend is recognised as a liability when a resolution approving the dividend has been adopted by the general meeting (the time of declaration).

Corporation tax and deferred tax

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

Deferred tax is measured under the balance sheet liability method on the basis of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, no deferred tax is recognised on temporary differences relating to goodwill not deductible for tax purposes, or other items where temporary differences – except in the case of business acquisitions – have arisen at the date of acquisition and affect neither the net profit for the year nor the taxable income. In cases where the computation of the tax base may be made according to different tax rules, deferred tax is measured on the basis of Management's intended use of the asset and settlement of the liability, respectively. Deferred tax assets as well as deferred tax liabilities are recognised.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the value at which they are expected to be utilised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax is adjusted for eliminations of unrealised intra-group gains and losses.

Deferred tax is measured on the basis of the tax rules and tax rates of the respective countries that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Liabilities

Financial liabilities are initially measured at fair value less any transaction costs. In subsequent periods, the liabilities are measured at amortised cost using "the effective interest method" so that the difference between the proceeds and the nominal value is recognised in the income statement as financial expenses over the loan term.

Other liabilities are measured at net realisable value.

# INCOME STATEMENT 1 JANUARY - 31 DECEMBER

| Note | | 2021 | 2020 |
|---|---|---|---|
| | Gross profit | 24,376,661 | 17,006,338 |
| 1 | Staff costs | -5,450,941 | -5,441,833 |
| | Depreciation, amortisation and impairment losses on intangible assets as well as property, plant and equipment | -750,740 | -831,184 |
| | Profit/loss before financial income and expenses | 18,174,980 | 10,733,321 |
| 2 | Financial income | 27,497 | 36,738 |
| 2 | Financial expenses | -971,456 | -722,444 |
| | Financial income and expenses, net amounts | -943,959 | -685,706 |
| | Profit/loss before tax | 17,231,021 | 10,047,615 |
| 3 | Tax on profit/loss for the year | -3,793,374 | -2,213,384 |
| | PROFIT/LOSS FOR THE YEAR | 13,437,647 | 7,834,231 |

# BALANCE SHEET

| Note | | 31/12 2021 | 31/12 2020 |
|---|---|---|---|
| | ASSETS | | |
| | NON-CURRENT ASSETS | | |
| | Goodwill | 0 | 145,997 |
| | Trademark rights | 3,360,000 | 4,200,000 |
| | Intangible assets | 3,360,000 | 4,345,997 |
| | | | |
| | Land and buildings | 11,461,475 | 0 |
| | Property, plant and equipment | 11,461,475 | 0 |
| | | | |
| 4 | Deferred tax assets | 0 | 19,000 |
| | Other non-current assets | 0 | 19,000 |
| | | | |
| | NON-CURRENT ASSETS | 14,821,475 | 4,364,997 |
| | | | |
| | CURRENT ASSETS | | |
| | Goods for resale | 9,172,572 | 9,118,251 |
| | Goods in transit | 5,015,264 | 4,633,017 |
| | Inventories | 14,187,836 | 13,751,268 |
| | | | |
| | Trade receivables | 1,946,484 | 5,938,074 |
| | Receivables from group enterprises | 16,655,339 | 10,579,970 |
| | Other receivables | 1,390,516 | 323,556 |
| | Receivables | 19,992,339 | 16,841,600 |
| | | | |
| | Cash | 0 | 3,568 |
| | | | |
| | CURRENT ASSETS | 34,180,175 | 30,596,436 |
| | | | |
| | TOTAL ASSETS | 49,001,650 | 34,961,433 |

# BALANCE

| Note | | 31/12 2021 | 31/12 2020 |
|---|---|---|---|
| | EQUITY AND LIABILITIES | | |
| | EQUITY | | |
| 5 | Share capital | 5,050,000 | 5,050,000 |
| | Retained earnings | 13,982,015 | 10,544,368 |
| | Proposed dividend | 10,000,000 | 0 |
| | EQUITY | 29,032,015 | 15,594,368 |
| | | | |
| | NON-CURRENT LIABILITIES | | |
| 4 | Deferred tax | 155,000 | 0 |
| | Other payables | 2,194 | 590,154 |
| | NON-CURRENT LIABILITIES | 157,194 | 590,154 |
| | | | |
| | CURRENT LIABILITIES | | |
| | Prepayments received from customers | 85,507 | 28,136 |
| | Trade payables | 12,812,538 | 13,061,934 |
| | Payables to group enterprises | 265,233 | 201,460 |
| | Corporation tax | 3,619,374 | 2,127,400 |
| | Other payables | 3,029,789 | 3,357,981 |
| | CURRENT LIABILITIES | 19,812,441 | 18,776,911 |
| | | | |
| | LIABILITIES | 19,969,635 | 19,367,065 |
| | | | |
| | TOTAL EQUITY AND LIABILITIES | 49,001,650 | 34,961,433 |

6 Contingent assets and liabilities

7 Security

8 Related parties

9 Distribution of profit

10 Special items

STATEMENT OF CHANGES IN EQUITY

| | 2021 | 2020 |
|---|---|---|
| Share capital at 1 January | 5,050,000 | 5,050,000 |
| Share capital at 31 December | 5,050,000 | 5,050,000 |
| | | |
| Retained earnings at 1 January | 10,544,368 | 2,710,137 |
| Transferred from distribution of net profit | 3,437,647 | 7,834,231 |
| Retained earnings at 31 December | 13,982,015 | 10,544,368 |
| | | |
| Proposed dividend at 1 January | 0 | 10,600,000 |
| Dividend | 0 | -10,600,000 |
| Transferred from distribution of net profit | 10,000,000 | 0 |
| Proposed dividend at 31 December | 10,000,000 | 0 |
| | | |
| Equity at 31 December | 29,032,015 | 15,594,368 |

| Note | | 2021 | 2020 |
|---|---|---|---|
| 1 | STAFF COSTS | | |
| | Wages and salaries | 4,925,637 | 4,920,282 |
| | Pensions | 443,447 | 448,806 |
| | Other social security expenses | 81,857 | 72,745 |
| | | 5,450,941 | 5,441,833 |
| | Average number of employees | 11 | 11 |

2 FINANCIAL INCOME AND EXPENSES

Interest income from group enterprises constitutes DKK 0 of financial income compared to DKK 30.3k in 2020 and translation adjustments of intercompany balances DKK 0 compared to DKK 0 in 2020.

Interest expenses from group enterprises constitutes DKK 58.6k of financial expenses compared to DKK 0 in 2020.

| Note | | 2021 | 2020 |
|---|---|---|---|
| 3 | TAX ON PROFIT/LOSS FOR THE YEAR | | |
| | Current tax for the year | 3,619,374 | 2,127,400 |
| | Change in deferred tax for the year | 174,000 | 86,000 |
| | Adjustment of tax relating to previous years | 0 | -16 |
| | | 3,793,374 | 2,213,384 |

| Note | | 2021 | 2020 |
|---|---|---|---|
| 4 | **DEFERRED TAX** | | |
| | Deferred tax at 1 January | 19,000 | 105,000 |
| | Deferred tax for the year recognised in profit/loss for the year | -174,000 | -86,000 |
| | Deferred tax at 31 December | -155,000 | 19,000 |
| | | | |
| | Deferred tax is recognised as follows in the balance sheet: | | |
| | Deferred tax assets | 0 | 19,000 |
| | Deferred tax liabilities | -155,000 | 0 |
| | | -155,000 | 19,000 |
| | | | |
| | Deferred tax relates to: | | |
| | Intangible assets | -156,000 | -82,000 |
| | Property, plant and equipment | 1,000 | 101,000 |
| | | -155,000 | 19,000 |

The Company has prepared an impairment test of deferred tax assets which shows that the losses will with reasonable certainty/probability be realised in the foreseeable future (within five years), and thus the requirement of convincing evidence for the recognition of deferred tax assets is considered met.

Provision for deferred tax is made at the tax rate at which temporary differences are expected realised on the basis of the adopted corporation tax rate of 22%.

5 SHARE CAPITAL

The share capital consists of 5.050 shares of DKK 1,000 each or multiples thereof. The capital is not divided into classes.

| | |
|---|---|
| The share capital has changed as follows: | |
| Share capital at formation on 1 January 2003 | 1,000,000 |
| Cash capital increase 19 May 2016 | 4,050,000 |
| | 5,050,000 |

Note

6 CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities

The Company has entered into operational rental agreements; as a result, total rental obligations constitute DKK 231.4k (DKK 371.1k)

The Company is jointly taxed with its parent Jens Poulsen Holding ApS as an administration company and is jointly and severally liable with other jointly taxed companies for payment of corporation tax as from the accounting period of 2015, as well as for withholding tax on interest, royalties and dividends falling due on or after 31 December 2014.

7 SECURITY

The Company has provided surety as security for the balances with banks of DK Company Cph A/S, DKC Wholesale A/S, Miss O ApS, DK Company Online A/S, DKC Retail Norway AS, DKV Retail A/S and the parent DK Company A/S.

8 RELATED PARTIES

Ultimate parent

Jens Poulsen Holding ApS, Søbjergvej 56, 7430 Ikast, Denmark (CVR no. 20 67 66 71).

The ultimate parent is domiciled in the Municipality of Ikast-Brande.

The Company is included in the Consolidated Financial Statements of DK Company A/S, Ikast-Brande.

| 9 DISTRIBUTION OF NET PROFIT | 2021 | 2020 |
|---|---|---|
| Proposal for distribution of net profit | | |
| Retained earnings | 3,437,647 | 7,834,231 |
| Proposed dividend for the year | 10,000,000 | 0 |
| | 13,437,647 | 7,834,231 |

Note

10 SPECIAL ITEMS

Special items include material income and expenses of a special nature in relation to the parent's revenue-generating operating activities, including significant one-off amounts which, in Management's view, are not part of the parent's operating activities.

As stated in Management's Review, net profit/loss for the year is affected by a number of factors that deviate from what Management assesses as being part of the operating activities.

Special items for the year are specified below, including where these are recognised in the income statement.

| Income | 2021 | 2020 |
|---|---|---|
| COVID-19 salary compensation | 0 | 428,454 |
| | 0 | 428,454 |

| Special items are included in the following line items of the financial statements | | |
|---|---|---|
| Gross profit | 0 | 428,454 |
| Profit or loss on special items, net | 0 | 428,454 |

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er blevet underskrevet ved hjælp af IntraNote Signing.
Underskrivernes identitet er blevet registreret, og underskriverne står opført nedenfor.

Med min underskrift bekræfter jeg indhold og datoer i dette dokument

**Jens Poulsen**
(CPR validated)
*På vegne af: Executive Board, DKC Wholesale A/S*
*PID: 9208-2002-2-035027453774*
*Dato: 2022-05-12 09:19 (UTC)*
NEM ID

**Jens Poulsen**
(CPR validated)
*På vegne af: Board Member, DKC Wholesale A/S*
*PID: 9208-2002-2-035027453774*
*Dato: 2022-05-12 09:32 (UTC)*
NEM ID

**Søren Bak Lauritsen**
(CPR validated)
*På vegne af: Chairman of the Meeting, DKC Wholesale A/S*
*PID: 9208-2002-2-752602538924*
*Dato: 2022-05-12 10:24 (UTC)*
NEM ID

**Christine Tveteraas**
(CPR validated)
*På vegne af: State Authorised Public Accountant, PWC*
*PID: 9208-2002-2-305979967644*
*Dato: 2022-05-12 16:18 (UTC)*
NEM ID

**Søren Bak Lauritsen**
(CPR validated)
*På vegne af: Chairman, DKC Wholesale A/S*
*PID: 9208-2002-2-752602538924*
*Dato: 2022-05-12 09:22 (UTC)*
NEM ID

**Jens Obel Jørgensen**
(CPR validated)
*På vegne af: Board Member, DKC Wholesale A/S*
*PID: 9208-2002-2-742931579060*
*Dato: 2022-05-12 10:17 (UTC)*
NEM ID

**Jens Weiersøe Jakobsen**
(CPR validated)
*På vegne af: State Authorised Public Accountant, PWC*
*PID: 9208-2002-2-589633187442*
*Dato: 2022-05-12 10:35 (UTC)*
NEM ID