

BESTSELLER Stores Denmark A/S
Fredskovvej 7
7330 Brande
CVR no. 29 28 75 11

Annual report for 2022/23

Adopted at the annual general meeting on
5 October 2023



Thomas Børglum Jensen
chairman

BESTSELLER

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Statement by management on the annual report

The Board of Directors and executive board have today discussed and approved the annual report of BESTSELLER Stores Denmark A/S for the financial year 1 August 2022 - 31 July 2023.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 July 2023 and of the results of the company's operations for the financial year 1 August 2022 - 31 July 2023.

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

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

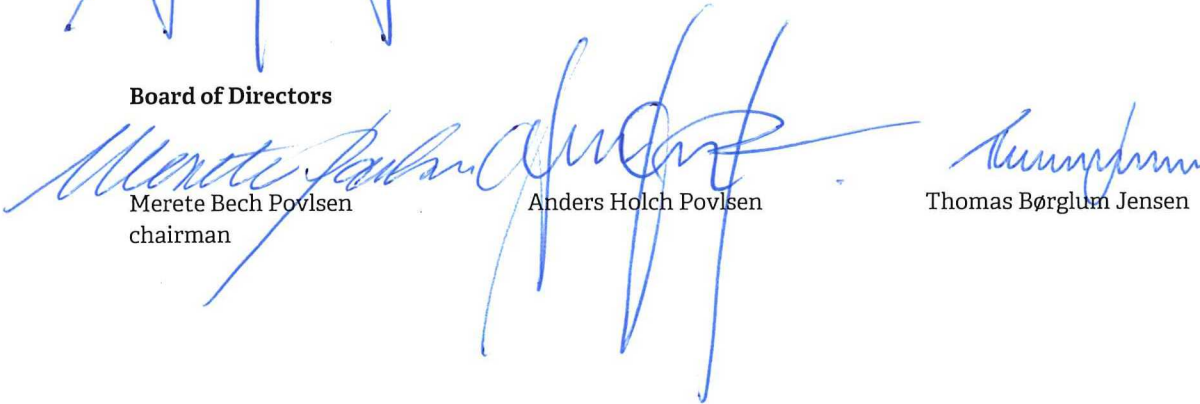
Aarhus, 5 October 2023

Executive board



Anders Holch Povlsen

Board of Directors



Merete Bech Povlsen
chairman

Anders Holch Povlsen

Thomas Børglum Jensen

Independent Auditor's Report

To the shareholder of BESTSELLER Stores Denmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 July 2023, and of the results of the Company's operations for the financial year 1 August 2022 - 31 July 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of BESTSELLER Stores Denmark A/S for the financial year 1 August 2022 - 31 July 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (financial statements).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the 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 express 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.

Independent Auditor's Report

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.

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:

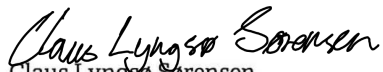
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

Independent Auditor's Report

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, 5 October 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31


Claus Lyngsø Sørensen
Statsautoriseret revisor
mne34539


Jeppe Brændstrup
Statsautoriseret revisor
mne48564

Company details

The company

BESTSELLER Stores Denmark A/S
Fredskovvej 7
7330 Brande

CVR no.: 29 28 75 11

Reporting period: 1 August 2022 - 31 July 2023

Domicile: Ikast-Brande

Board of Directors

Merete Bech Povlsen, chairman
Anders Holch Povlsen
Thomas Børglum Jensen

Executive board

Anders Holch Povlsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Jens Chr. Skous Vej 1
8000 Aarhus C

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	<u>2022/23</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2018/19</u>
	MDKK	MDKK	MDKK	MDKK	MDKK
Key figures					
Profit/loss					
Revenue	600	574	468	487	586
Gross profit	230	198	165	187	212
Profit/loss before net financials	25	18	18	12	52
Net financials	0	-4	-6	-5	-5
Profit/loss for the year	19	11	10	6	35
Balance sheet					
Balance sheet total	507	378	301	460	393
Investment in property, plant and equipment	106	90	50	29	17
Equity	207	106	95	86	79
Financial ratios					
Equity ratio	40,8%	28,0%	31,6%	18,7%	20,1%
Return on equity	10,0%	10,7%	10,6%	7,6%	57,3%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies..

Key figures prior years are not adjusted to include the merger with AM PIECES Retail A/S and BESTSELLER Lease Management A/S with BESTSELLER Stores Denmark A/S as the continuing company as of 01.08.2022 hence the figures are not comparable..

Management's review

Business review

The main activity has similarly consisted of retail sales of clothing, as previous years.

Financial review

The company's income statement for the year ended 31 July 2023 shows a profit of DKK 19.113.668, and the balance sheet at 31 July 2023 shows equity of DKK 207.082.481.

This financial year is affected by the merger of AM Pieces Retail A/S and BESTSELLER Lease Management A/S with BESTSELLER Stores Denmark A/S as the continuing company and have taken over and continue all activities.

Expected development of the company, including specific prerequisites and uncertainties

The expectation for the coming financial year is a positive development in both revenue and earnings, which must be achieved through continued improved operations.

The expectation to revenue is DKK 700m and profit before tax of DKK 20-30m for FY23/24.

The company's knowledge resources if of particular importance to its future earnings

The management assesses that the company is not affected by special risks in addition to the commonly occurring risks in the industry.

Statutory corporate social responsibility report

The company is part of the BESTSELLER-Group and is therefore included in the strategy and policies on the corporate social responsibility adopted by the parent company BESTSELLER A/S, CVR-nr. 88216512. Please see the 2022/23 annual report for BESTSELLER A/S for the report on the on the BESTSELLER-Groups strategy and policies on corporate social responsibility, including actions and results achieved in the financial year.

Statutory report on the underrepresented gender

BESTSELLER Stores Denmark A/S is subject to the rules on target figures and policies for the gender composition of management.

The board of directors of BESTSELLER Stores Denmark A/S consists of three members – one woman and two men. Therefore, there is an equal gender composition in the board of directors of BESTSELLER Stores Denmark A/S.

At the other management levels in BESTSELLER Stores Denmark A/S, there is no underrepresented gender. The executive board consists of one member – a man. The level below - managers reporting directly to the executive board – consists of one woman.

Statement of policy for data ethics

The parent company BESTSELLER A/S has drawn up a Data Ethics Policy which also applies for BESTSELLER Stores Denmark A/S. The policy is rendered in the 2022/23 annual report for BESTSELLER A/S.

Accounting policies

The annual report of BESTSELLER Stores Denmark A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied are consistent with those of last year.

Pursuant to sections §86 subsection 4, of the Danish Financial Statements Act, the company has not prepared a statement of cash flow.

Pursuant to sections §96 subsection 3, of the Danish Financial Statements Act, the company will not specify the fee for the auditor elected at the annual general meeting.

The company's revenue comes exclusively from retail sales in Denmark. The company thus does not operate within other areas of activity or on other geographical markets, which is why no segment information has been provided.

Basis of recognition and measurement

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

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the 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 from the company and the value of the liability can be measured reliably.

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

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

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

Recognition and measurement of business combinations

Intragroup business combinations are accounted for under the book value method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The book value method is applied at the date of acquisition or merger, and comparative figures have not been restated.

Accounting policies

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

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

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other operating income

The item Other operating income includes items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

Other operating expenses

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

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Average number of employees are calculated based on the ATP method.

Amortisation, depreciation and impairment losses

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Accounting policies

Income from investments in subsidiaries, associates and participating interests

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after full elimination of intra-group profits/losses.

The proportionate share of the profit/loss for the year of associates is recognised in the company's income statement after elimination of the proportionate share of intra-group profits/gains.

Tax on profit/loss for the year

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

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

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

Balance sheet

Intangible assets

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

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

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

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

Tangible assets

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

Accounting policies

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

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

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

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

Fixed asset investments

Other investments

Other financial assets refer to deposits in leases and securities that the company expects to hold until maturity. Deposits are recognized at cost. Other securities and capital shares include unlisted bonds and capital shares that are measured at cost price.

Impairment of fixed assets

The carrying amount of intangible assets and items of property, plant and equipment is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

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

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

Accounting policies

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Dividends

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

Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Income tax and deferred tax

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

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Accounting policies

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

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

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

Financial Highlights

Definitions of financial ratios.

Equity ratio	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$

Income statement 1 August - 31 July

	Note	2022/23 DKK	2021/22 DKK
Revenue		600.481.149	574.376.806
Other operating income		2.699.522	1.431.445
Raw materials and consumables		-218.245.914	-228.312.130
Other external expenses		-155.149.796	-149.490.443
Gross profit		229.784.961	198.005.678
Staff costs	1	-184.643.139	-167.181.496
Depreciation	2	-19.183.504	-12.601.121
Other operating costs		-1.350.138	-718.396
Profit/loss on activities before fair value adjustments		24.608.180	17.504.665
Financial income		249.860	0
Financial costs	3	-331.420	-4.136.005
Profit/loss before tax		24.526.620	13.368.660
Tax on profit/loss for the year	4	-5.412.952	-2.618.565
Profit/loss for the year		19.113.668	10.750.095
Distribution of profit	5		

Balance sheet 31 July

	Note	2023 DKK	2022 DKK
Assets			
Key Money		5.006.993	0
Goodwill		0	182.857
Intangible assets	6	5.006.993	182.857
Land and buildings	7	129.542.361	129.542.361
Other fixtures and fittings, tools and equipment	7	31.065.653	25.859.512
Leasehold improvements	7	30.973.267	14.818.331
Property, plant and equipment in progress	7	202.158.991	126.529.585
Tangible assets		393.740.272	296.749.789
Deposits	8	5.013.520	1.330.264
Fixed asset investments		5.013.520	1.330.264
Total non-current assets		403.760.785	298.262.910
Finished goods and goods for resale		63.203.860	52.155.267
Stocks		63.203.860	52.155.267
Trade receivables		877.820	127.587
Receivables from subsidiaries		17.462.026	979.909
Other receivables		288.895	10.233.937
Corporation tax		0	36.909
Prepayments	9	15.215.149	13.885.897
Receivables		33.843.890	25.264.239
Cash at bank and in hand		6.386.809	2.780.018
Total current assets		103.434.559	80.199.524
Total assets		507.195.344	378.462.434

Balance sheet 31 July

	Note	2023 DKK	2022 DKK
Equity and liabilities			
Share capital		3.485.713	2.100.000
Retained earnings		203.596.768	103.879.465
Equity	10	207.082.481	105.979.465
Provision for deferred tax	11	6.107.000	1.699.000
Total provisions		6.107.000	1.699.000
Mortgage loans		69.987.155	71.411.106
Total non-current liabilities	12	69.987.155	71.411.106
Mortgage loans	12	2.226.152	3.620.147
Trade payables		775.608	7.634.054
Payables to subsidiaries		183.658.162	160.912.765
Corporation tax		1.190.388	0
Other payables		28.716.883	27.205.897
Deferred income		4.927.955	0
Deposits		2.523.560	0
Total current liabilities		224.018.708	199.372.863
Total liabilities		294.005.863	270.783.969
Total equity and liabilities		507.195.344	378.462.434
Events after the balance sheet date	13		
Contingent liabilities	14		
Mortgages and collateral	15		
Related parties and ownership structure	16		

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 August 2022	2.100.000	103.879.465	105.979.465
Net effect from merger and acquisition	1.385.713	68.546.135	69.931.848
Adjusted equity at 1 August 2022	3.485.713	172.425.600	175.911.313
Net profit/loss for the year	0	19.113.668	19.113.668
Contribution from group	0	12.057.500	12.057.500
Equity at 31 July 2023	3.485.713	203.596.768	207.082.481

Notes

	2022/23	2021/22
	DKK	DKK
1 Staff costs		
Wages and salaries	156.487.925	142.270.932
Pensions	7.614.522	6.500.857
Other social security costs	8.268.138	8.163.727
Other staff costs	12.272.554	10.245.980
	<u>184.643.139</u>	<u>167.181.496</u>
Average number of employees	<u>415</u>	<u>390</u>
2 Depreciation		
Depreciation intangible assets	2.824.378	649.048
Depreciation tangible assets	16.359.126	11.952.073
	<u>19.183.504</u>	<u>12.601.121</u>
3 Financial costs		
Financial expenses, group entities	130.844	3.837.704
Other financial costs	200.576	298.301
	<u>331.420</u>	<u>4.136.005</u>
4 Tax on profit/loss for the year		
Current tax for the year	1.698.466	1.457.192
Deferred tax for the year	3.911.000	1.654.000
Adjustment of tax concerning previous years	-133.514	-1.769.627
Adjustment of deferred tax concerning previous years	-63.000	1.277.000
	<u>5.412.952</u>	<u>2.618.565</u>
5 Distribution of profit		
Proposed distribution of profit		
Retained earnings	<u>19.113.668</u>	<u>10.750.095</u>
	<u>19.113.668</u>	<u>10.750.095</u>

Notes

6 Intangible assets

	Key Money	Goodwill
Cost at 1 August 2022	4.886.397	4.445.264
Net effect from merger and acquisition	42.115.324	0
Additions for the year	1.000.000	0
Disposals for the year	-1.482.586	0
Cost at 31 July 2023	<u>46.519.135</u>	<u>4.445.264</u>
Impairment losses and amortisation at 1 August 2022	4.886.397	4.262.407
Net effect from merger and acquisition	35.466.810	0
Amortisation for the year	2.641.521	182.857
Reversal of impairment and amortisation of sold assets	-1.482.586	0
Impairment losses and amortisation at 31 July 2023	<u>41.512.142</u>	<u>4.445.264</u>
Carrying amount at 31 July 2023	<u>5.006.993</u>	<u>0</u>

7 Tangible assets

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
Cost at 1 August 2022	147.558.558	105.840.927	65.863.538	126.529.585
Net effect from merger and acquisition	0	2.557.655	42.891.114	0
Additions for the year	0	15.384.980	17.205.387	75.629.406
Disposals for the year	0	-22.225.774	-29.404.018	0
Cost at 31 July 2023	<u>147.558.558</u>	<u>101.557.788</u>	<u>96.556.021</u>	<u>202.158.991</u>
Impairment losses and depreciation at 1 August 2022	18.016.197	79.981.415	51.045.207	0
Depreciation for the year	0	8.481.146	7.877.980	0
Net effect from merger and acquisition	0	1.159.380	35.429.999	0
Reversal of impairment and depreciation of sold assets	0	-19.129.806	-28.770.432	0
Impairment losses and depreciation at 31 July 2023	<u>18.016.197</u>	<u>70.492.135</u>	<u>65.582.754</u>	<u>0</u>
Carrying amount at 31 July 2023	<u>129.542.361</u>	<u>31.065.653</u>	<u>30.973.267</u>	<u>202.158.991</u>

Notes

8 Fixed asset investments

	<u>Deposits</u>
Cost at 1 August 2022	1.330.264
Net effect from merger and acquisition	4.190.591
Disposals for the year	<u>-507.335</u>
Cost at 31 July 2023	<u>5.013.520</u>
Carrying amount at 31 July 2023	<u><u>5.013.520</u></u>

9 Prepayments

Prepayments comprise prepaid costs regarding rent, subscriptions, travel and staff events. Accruals are measured at cost.

10 Equity

The share capital consists of 3.485.713 shares of a nominal value of DKK 1. No shares carry any special rights.

	2023 DKK	2022 DKK
11 Provision for deferred tax		
Provision for deferred tax at 1 August 2022	1.699.000	-1.232.000
Deferred tax recognised in income statement	3.911.000	2.931.000
Provisions for deferred tax through mergers and business combinations	<u>560.000</u>	<u>0</u>
Provision for deferred tax at 31 July 2023	<u><u>6.170.000</u></u>	<u><u>1.699.000</u></u>
Provisions for deferred tax on:		
Intangible assets	374.000	-230.353
Property, plant and equipment	<u>5.733.000</u>	<u>1.929.353</u>
	<u><u>6.107.000</u></u>	<u><u>1.699.000</u></u>

Notes

12 Long term debt

	2023	2022
	DKK	DKK
Mortgage loans		
After 5 years	60.123.768	56.930.517
Between 1 and 5 years	9.863.387	14.480.589
Non-current portion	69.987.155	71.411.106
Within 1 year	2.226.152	3.620.147
	<u>72.213.307</u>	<u>75.031.253</u>

13 Events after the balance sheet date

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

14 Contingent liabilities

Lease agreements entails future total payments of:

Payments within 1 year TDKK 166.361 (2021/22: TDKK 134.012)

Payments within 1-5 years TDKK 145.655 (2021/22: TDKK 107.443)

Payments after 5 years TDKK 591 (2021/22: TDKK 139)

Lease agreements covered by rent obligations towards BESTSELLER Stores Denmark A/S of intercompany and external partner subleases agreements amounts to:

Payments within 1 year TDKK 69.064 (2021/22: TDKK 51.916)

Payments within 1-5 years TDKK 76.534 (2021/22: TDKK 42.996)

Payments after 5 years TDKK 591 (2021/22: TDKK 139)

The total payments according to lease agreements includes the amounts covered by other parties.

Contingent liabilities related to group enterprises

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

15 Mortgages and collateral

Bank guarantees have been provided for TDKK 138 (2021/22: TDKK 138) to fulfill rental contracts.

As security for debts to mortgage credit institutions, which amount to TDKK 72.213 (2021/22: TDKK 75.031), a mortgage has been given on land and buildings, the accounting value of which per 31 July 2023 amounts to TDKK 331.701.

Notes

16 Related parties and ownership structure

Controlling interest

BESTSELLER A/S, Fredskovvej 5, 7330 Brande (Majority owner)

Transactions

Sale of goods to other related parties - DKK 33.923

Income from subletting to group companies - DKK 66.166.017

Purchase of goods from group companies - DKK 218.136.438

Purchase of services from group companies - DKK 7.990.035

Interest expense from group companies - DKK 10.130.844

Receivables from group companies - DKK 17.462.026

Payables to group companies - DKK 183.658.162

Consolidated financial statements

The financial statement of BESTSELLER Stores Denmark A/S is included in the financial statements for BESTSELLER A/S, Fredskovvej 5, 7330 Brande being the smallest group.

The financial statement for BESTSELLER Stores Denmark A/S is included in the consolidated financial statement for HEARTLAND A/S, Store Torv 1, 3., 8000 Aarhus C being the largest group.