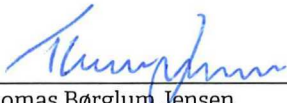


BESTSELLER Logistics A/S
Fredskovvej 5
7330 Brande
CVR no. 33 75 16 05

Annual report for 2022/23

Adopted at the annual general meeting on
5 October 2023



Thomas Børglum Jensen
chairman

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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 Logistics 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.

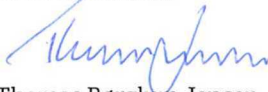
In our opinion, the financial statements give a true and fair view of the company's financial position at 31 July 2023 and of the results of the company's operations for the financial year 1 August 2022 - 31 July 2023.

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



Thomas Børglum Jensen

Board of Directors



Anders Holch Povlsen
chairman



Thomas Børglum Jensen

Merete Bech Povlsen

Independent Auditor's Report

To the shareholder of BESTSELLER Logistics 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 Logistics 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:

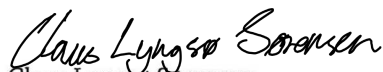
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

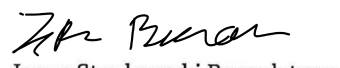
Independent Auditor's Report

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 Stepkowski Brændstrup
Statsautoriseret revisor
mne48564

Company details

The company

BESTSELLER Logistics A/S
Fredskovvej 5
7330 Brande

CVR no.: 33 75 16 05

Reporting period: 1 August 2022 - 31 July 2023

Domicile: Ikast-Brande

Board of Directors

Anders Holch Povlsen, chairman
Thomas Børglum Jensen
Merete Bech Povlsen

Executive board

Thomas Børglum Jensen

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>
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	150.926	145.691	46.502	-11	-18
Profit/loss before net financials	6.578	6.841	2.046	-45.557	-5.232
Net financials	204	86	-9	-63	13
Profit/loss for the year	5.287	5.401	1.586	-45.604	-5.218
Balance sheet					
Balance sheet total	23.620	14.806	15.168	4.194	3.585
Equity	16.455	11.168	5.767	4.181	233
Financial ratios					
Equity ratio	69,7%	75,4%	38,0%	99,7%	0,7%
Return on equity	38,3%	63,8%	31,9%	-2.066,3%	-182,4%

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..

Management's review

Business review

The main activity is service business in the form of transport, warehousing, etc.

Financial review

The company's income statement for the year ended 31 July 2023 shows a profit of DKK 5.286.724, and the balance sheet at 31 July 2023 shows equity of DKK 16.454.642.

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 and improved operations.

The expectation to profit before tax is DKK 6-7m 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.

Impact on the external environment and measures taken to prevent, reduce or mitigate damage

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.

Accounting policies

The annual report of BESTSELLER Logistics A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C, as well as provisions applying to reporting class C entities.

The accounting policies applied have been changed from reporting class B to reporting class C this year.

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

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.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Revenues relating to services are recognized on a straight-line basis as the services are provided.

Other external expenses

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

Accounting policies

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.

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.

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

Receivables

Receivables are measured at amortised cost.

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.

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.

Liabilities

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

Accounting policies

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.

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
Gross profit		150.926.144	145.691.164
Staff costs	1	-144.347.924	-138.849.830
Profit/loss before net financials		6.578.220	6.841.334
Financial income	2	260.327	101.620
Financial costs	3	-56.087	-15.709
Profit/loss before tax		6.782.460	6.927.245
Tax on profit/loss for the year	4	-1.495.736	-1.526.272
Profit/loss for the year		5.286.724	5.400.973
 Recommended appropriation of profit/loss			
Proposed dividend for the year		15.454.642	0
Retained earnings		-10.167.918	5.400.973
		5.286.724	5.400.973

Balance sheet 31 July

	Note	2022 DKK	2021 DKK
Assets			
Trade receivables		0	3.570
Receivables from group entities		23.559.033	14.556.957
Other receivables		0	245.788
Prepayments		60.863	0
Receivables		23.619.896	14.806.315
Total current assets		23.619.896	14.806.315
Total assets		23.619.896	14.806.315

Balance sheet 31 July

	Note	2022 DKK	2021 DKK
Equity and liabilities			
Share capital		1.000.000	1.000.000
Retained earnings		0	10.167.917
Proposed dividend for the year		15.454.642	0
Equity	5	<u>16.454.642</u>	<u>11.167.917</u>
Banks		455	511
Trade payables		91.472	0
Payables to group entities		26.242	31.822
Corporation tax		1.495.736	1.526.272
Other payables		5.551.349	2.079.793
Total current liabilities		<u>7.165.254</u>	<u>3.638.398</u>
Total liabilities		<u>7.165.254</u>	<u>3.638.398</u>
Total equity and liabilities		<u><u>23.619.896</u></u>	<u><u>14.806.315</u></u>
Events after the balance sheet date	6		
Contingent liabilities	7		
Related parties and ownership structure	8		

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 August 2022	1.000.000	10.167.918	0	11.167.918
Net profit/loss for the year	0	-10.167.918	15.454.642	5.286.724
Equity at 31 July 2023	1.000.000	0	15.454.642	16.454.642

Notes

	2022/23	2021/22
	DKK	DKK
1 Staff costs		
Wages and salaries	115.449.002	113.933.068
Pensions	9.828.640	9.900.162
Other social security costs	4.248.845	3.012.597
Other staff costs	14.821.437	12.004.003
	<u>144.347.924</u>	<u>138.849.830</u>
Average number of employees	<u>333</u>	<u>308</u>
According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the executive board has not been disclosed.		
2 Financial income		
Interest income, group entities	260.327	0
Other financial income	0	101.620
	<u>260.327</u>	<u>101.620</u>
3 Financial costs		
Financial expenses, group entities	3.119	536
Other financial costs	52.968	15.173
	<u>56.087</u>	<u>15.709</u>
4 Tax on profit/loss for the year		
Current tax for the year	<u>1.495.736</u>	<u>1.526.272</u>
	<u>1.495.736</u>	<u>1.526.272</u>
5 Equity		
The share capital consists of 1.000 shares of a nominal value of DKK 1.000. No shares carry any special rights.		

Notes

6 Events after the balance sheet date

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

Notes

7 Contingent liabilities

Contingent liabilities related to group enterprises

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

8 Related parties and ownership structure

Controlling interest

The company is 100% owned by BESTSELLER A/S, Fredskovvej 5, 7330 Brande. BESTSELLER Logistics' accounts are included in the consolidated accounts for BESTSELLER A/S as the smallest group.

Transactions

Sale of services to group companies - DKK 151.346.992

Purchase of services from group companies - DKK 849.105

Interest income from group companies - DKK 260.327

Interest expense from group companies - DKK 3.119

Receivables from group companies - DKK 23.559.033

Payables to group companies - DKK 26.242

Consolidated financial statements

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