



BV Holding Company ApS

Lene Haus Vej 3-5
7430 Ikast
CVR No. 36090855

Annual report 2021

The Annual General Meeting adopted the
annual report on 25.05.2022

Eugene Lee Wang

Chairman of the General Meeting

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Entity details

Entity

BV Holding Company ApS

Lene Haus Vej 3-5

7430 Ikast

Business Registration No.: 36090855

Date of foundation: 16.09.2015

Registered office: Ikast-brande

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Lars Krog

Robert Lee Wang

Eugene Lee Wang

Kenneth Jake Schnarrs

Executive Board

Lars Krog

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Papirfabrikken 26

8600 Silkeborg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of BV Holding Company ApS for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Ikast, 25.05.2022

Executive Board

Lars Krog

Board of Directors

Lars Krog

Robert Lee Wang

Eugene Lee Wang

Kenneth Jake Schnarrs

Independent auditor's report

To the shareholders of BV Holding Company ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of BV Holding Company ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Silkeborg, 25.05.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Hans Trærup

State Authorised Public Accountant
Identification No (MNE) mne10648

Heidi Julitta Østergaard Jensen

State Authorised Public Accountant
Identification No (MNE) mne34163

Management commentary

Financial highlights

	2021	2020	2019	2018	2017
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	88,607	60,180	40,005	42,867	40,075
Operating profit/loss	46,491	20,105	(15,632)	(18,801)	(20,297)
Net financials	(4,824)	2,603	(5,421)	(9,031)	5,879
Profit/loss for the year	32,269	17,691	(20,329)	(27,026)	(16,599)
Balance sheet total	106,794	100,225	86,084	112,267	121,142
Investments in property, plant and equipment	2,152	2,139	4,451	1,713	1,629
Equity	25,197	(7,551)	(24,600)	(4,040)	21,094
Average number of employees	72	70	73	72	72
Ratios					
Equity ratio (%)	23.59	(7.53)	(28.58)	(3.60)	17.41

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Balance sheet total

Primary activities

The Company's primary activity is to hold investments in the group enterprise Bloomingville A/S. The Group's primary activities are brand development and wholesale trading of home interior.

Development in activities and finances

The consolidated income statement for 2021 shows a profit after tax of 32,269 tDKK. Total assets by end of 2021 is 106,794 tDKK with an equity of 25,197 tDKK.

The Company's income statement for 2021 shows the same profit after tax but is influenced by negative exchange rate adjustments related to long term loan on parent level.

In 2021, the Group had strong sales growth on all markets. The operating activities generated significant positive cash flow, which on parent level was used to reduce long term intercompany debt. Earnings during the year has secured both parent equity as well as equity on consolidated level.

The Group has invested in inventory during the year, adding more than 40% to prior years level.

Profit/loss for the year in relation to expected developments

The result exceeds the expectations for the year and the performance is considered satisfactory.

Unusual circumstances affecting recognition and measurement

The Group received in 2021 a payment of 3,498 tDKK from the Danish tax authorities related to excess payments of antidumping custom duties from prior years. The amount has been treated as extraordinary income.

Except the above, the Company's assets, liabilities and financial position by December 31st 2021 as well, as the results of the Company's activities and cash flows for 2021, have not been affected by unusual circumstances.

Outlook

The Group expects some uncertainty, related to macroeconomic factors, in the 2022 business environment, leaving the expectations for profit after tax for 2022 between 0-25% lower than the ordinary 2021 level, with same number of employees.

Use of financial instruments

The Group hedges foreign currency risks on expected transactions in USD within the next year through currency options. Sales prices are continuously and prior to every season recalculated in all sales currencies. Supplier base and customer base are widely spread both geographically and by segment.

In addition, the Group does not have significant risks in addition to the industry-specific ones.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss	1	88,606,628	60,179,766
Staff costs	2	(39,385,532)	(37,730,003)
Depreciation, amortisation and impairment losses	3	(2,729,873)	(2,345,136)
Operating profit/loss		46,491,223	20,104,627
Other financial income		3,559,861	9,637,809
Other financial expenses	4	(8,384,089)	(7,034,333)
Profit/loss before tax		41,666,995	22,708,103
Tax on profit/loss for the year	5	(9,398,452)	(5,016,948)
Profit/loss for the year	6	32,268,543	17,691,155

Consolidated balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	8	2,049,671	2,357,322
Acquired patents		27,280	51,613
Goodwill		0	0
Development projects in progress	8	1,024,338	0
Intangible assets	7	3,101,289	2,408,935
Other fixtures and fittings, tools and equipment		2,012,873	1,699,787
Leasehold improvements		783,228	947,773
Prepayments for property, plant and equipment		556,996	0
Property, plant and equipment	9	3,353,097	2,647,560
Deposits		1,471,768	1,471,768
Financial assets	10	1,471,768	1,471,768
Fixed assets		7,926,154	6,528,263
Manufactured goods and goods for resale		71,025,320	48,804,109
Prepayments for goods		1,004,924	1,453,138
Inventories		72,030,244	50,257,247
Trade receivables		17,643,032	19,104,581
Other receivables	12	1,355,575	1,420,524
Joint taxation contribution receivable		0	125
Prepayments	13	3,709,079	2,659,135
Receivables		22,707,686	23,184,365
Cash		4,130,293	20,254,718
Current assets		98,868,223	93,696,330
Assets		106,794,377	100,224,593

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital	14	51,000	51,000
Retained earnings		25,145,613	(7,602,283)
Equity		25,196,613	(7,551,283)
Deferred tax	15	895,322	1,486,262
Provisions		895,322	1,486,262
Lease liabilities		854,585	74,506
Payables to group enterprises		29,919,076	71,843,839
Other payables		3,614,307	2,325,707
Non-current liabilities other than provisions	16	34,387,968	74,244,052
Current portion of non-current liabilities other than provisions	16	1,808,449	1,614,857
Bank loans		8,531,812	0
Prepayments received from customers		2,715,916	2,081,353
Trade payables		12,487,051	11,745,826
Payables to group enterprises		0	4,739,296
Tax payable		10,666,632	3,645,653
Other payables	17	10,104,614	8,218,577
Current liabilities other than provisions		46,314,474	32,045,562
Liabilities other than provisions		80,702,442	106,289,614
Equity and liabilities		106,794,377	100,224,593
Contingent liabilities	19		
Assets charged and collateral	20		
Transactions with related parties	21		
Subsidiaries	22		

Consolidated statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	51,000	(7,602,283)	(7,551,283)
Other entries on equity	0	479,353	479,353
Profit/loss for the year	0	32,268,543	32,268,543
Equity end of year	51,000	25,145,613	25,196,613

Other entries on equity is fair value adjustments of hedging instruments minus tax.

Consolidated cash flow statement for 2021

	Notes	2021 DKK	2020 DKK
Operating profit/loss		46,491,223	20,104,627
Amortisation, depreciation and impairment losses		2,729,873	2,345,136
Working capital changes	18	(16,131,338)	15,627,308
Cash flow from ordinary operating activities		33,089,758	38,077,071
Financial income received		3,559,861	9,474,055
Financial expenses paid		(4,241,392)	(7,034,333)
Taxes refunded/(paid)		(3,581,639)	0
Cash flows from operating activities		28,826,588	40,516,793
Acquisition etc. of intangible assets		(4,132,339)	(2,181,731)
Sale of intangible assets		0	2,870
Deposits		4,575	(45,575)
Cash flows from investing activities		(4,127,764)	(2,224,436)
Free cash flows generated from operations and investments before financing		24,698,824	38,292,357
Repayment of debt to group enterprises		(50,242,442)	(11,178,187)
Repayment of lease liabilities		(315,583)	(334,809)
New lease agreement		1,202,964	0
Short-term bank loan		8,531,812	(6,524,643)
Cash flows from financing activities		(40,823,249)	(18,037,639)
Increase/decrease in cash and cash equivalents		(16,124,425)	20,254,718
Cash and cash equivalents beginning of year		20,254,718	0
Cash and cash equivalents end of year		4,130,293	20,254,718
Cash and cash equivalents at year-end are composed of:			
Cash		4,130,293	20,254,718
Cash and cash equivalents end of year		4,130,293	20,254,718

Notes to consolidated financial statements

1 Gross profit/loss

Other operating income includes a payment of 3,498 tDKK from the Danish tax authorities related to excess payments of antidumping custom duties from prior years.

2 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	31,709,539	30,979,274
Pension costs	4,037,300	3,753,745
Other social security costs	625,295	525,010
Other staff costs	3,013,398	2,471,974
	39,385,532	37,730,003

Average number of full-time employees	72	70
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Special incentive programmes

The Executive Board has an incentive programme consisting of a share bonus agreement. The bonus agreement was effective as from 1 January 2015.

In accordance with section 98b (3) of the Danish Financial Statement Act, no management remuneration has been disclosed.

3 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Amortisation of intangible assets	1,287,905	11,286
Depreciation on property, plant and equipment	1,446,543	2,288,275
Profit/loss from sale of intangible assets and property, plant and equipment	(4,575)	45,575
	2,729,873	2,345,136

4 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	1,641,074	4,020,657
Other interest expenses	807,612	205,150
Exchange rate adjustments	5,907,122	2,795,347
Other financial expenses	28,281	13,179
	8,384,089	7,034,333

5 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	9,989,392	3,645,673
Change in deferred tax	(590,940)	1,371,275
	9,398,452	5,016,948

6 Proposed distribution of profit/loss

	2021 DKK	2020 DKK
Retained earnings	32,268,543	17,691,155
	32,268,543	17,691,155

7 Intangible assets

	Completed development projects DKK	Acquired patents DKK	Goodwill DKK	Development projects in progress DKK
Cost beginning of year	10,853,592	251,815	120,300,782	0
Additions	955,921	0	0	1,024,338
Disposals	(31,886)	0	0	0
Cost end of year	11,777,627	251,815	120,300,782	1,024,338
Amortisation and impairment losses beginning of year	(8,496,270)	(200,202)	(120,300,782)	0
Amortisation for the year	(1,263,572)	(24,333)	0	0
Reversal regarding disposals	31,886	0	0	0
Amortisation and impairment losses end of year	(9,727,956)	(224,535)	(120,300,782)	0
Carrying amount end of year	2,049,671	27,280	0	1,024,338

8 Development projects

The Company's development projects consist of a number of customised software projects.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Prepayments for property, plant and equipment DKK
Cost beginning of year	7,088,150	2,532,351	0
Additions	1,459,384	135,700	556,996
Disposals	(34,126)	(25,904)	0
Cost end of year	8,513,408	2,642,147	556,996
Depreciation and impairment losses beginning of year	(5,388,363)	(1,584,578)	0
Depreciation for the year	(1,146,298)	(300,245)	0
Reversal regarding disposals	34,126	25,904	0
Depreciation and impairment losses end of year	(6,500,535)	(1,858,919)	0
Carrying amount end of year	2,012,873	783,228	556,996
Recognised assets not owned by Entity	952,897	0	0

10 Financial assets

	Deposits DKK
Cost beginning of year	1,471,768
Cost end of year	1,471,768
Carrying amount end of year	1,471,768

11 Inventories

The inventories is divided into two categories; finished goods totals DKK 54.451K and floating goods totals DKK 16.185K in 2021. In 2020 finished goods totals DKK 36.798K and floating goods totals DKK 11.362K.

12 Other receivables

Other receivable rent totals DKK 1,122K of which DKK 298 K falls due in the next financial year. an amount of DKK 0K falls due after 5 years from the balance sheet date.

13 Prepayments

Prepayments consist of prepayments relating to fairs, catalogues for the new year and prepayments relating to costs in the subsequent financial year.

14 Contributed capital

	Number	Par value DKK	Nominal value DKK
Contributed Capital	51,000	1.00	51,000
	51,000		51,000

15 Deferred tax

Changes during the year	2021 DKK	2020 DKK
Beginning of year	1,486,262	296,177
Recognised in the income statement	(590,940)	1,371,275
Recognised directly in equity	0	(181,335)
Other	0	145
End of year	895,322	1,486,262

Deferred tax relates to intangible assets, property, plant and equipment, inventories and other provisions.

16 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due within 12 months 2020 DKK	Due after more than 12 months 2021 DKK
Lease liabilities	233,761	126,459	854,585
Payables to group enterprises	1,574,688	1,488,398	29,919,076
Other payables	0	0	3,614,307
	1,808,449	1,614,857	34,387,968

17 Other payables

The Group hedges foreign currency risks on expected transactions in USD within the next year through currency options.

	Period	Contractual value 2021 DKK'000	Fair value recognised in other receivables 2021 DKK'000
Currency options	0-6 months	5.252	210
		5.252	210

Forward exchange contracts relate to hedging of goods purchased, see the Company's policy in this respect. Fair value adjustments are recognised in equity and are expected to be realised and recognised in the income statement after the balance sheet date. The forward exchange contracts have been concluded with the Company's usual bank.

The fair value adjustment of a total of DKK 615t minus tax is recognized in equity.

18 Changes in working capital

	2021	2020
	DKK	DKK
Increase/decrease in inventories	(21,772,997)	13,253,189
Increase/decrease in receivables	2,182,408	(3,924,565)
Increase/decrease in trade payables etc.	3,459,251	6,298,684
	(16,131,338)	15,627,308

19 Contingent liabilities

Operating rental and lease commitments total DKK 1.203k (14k) of which DKK 171k (58k) falls due in the next financial year, whereas DKK 0k falls due more than five years after the balance sheet date.

The Company has entered into a tenancy agreement with an annual rent of DKK 481k. The tenancy cannot be terminated by the tenant to be vacated not earlier than 1 June 2023.

The Company has entered into a business agreement on outsourcing of IT. Relating contingent liabilities amount to DKK 33k. The agreement may be terminated by 6 months' notice not to expire earlier than 01 October 2022.

20 Assets charged and collateral

Bank debt is secured on a floating charge of nominal DKK 14,000k. The charge covers unsecured claims from sale of goods and services, operating equipment, finished goods inventories as well as goodwill, domain names and rights relating to certain acts.

At 31 December 2021, the carrying amount of mortgaged assets relating to the floating charge consists of:

- Trade receivables, DKK 14,927k.
- Other fixtures and fittings, tools and equipment, DKK 2,013k.
- Inventories, DKK 54,986k.

21 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

22 Subsidiaries

	Registered in	Corporate form	Ownership %
Bloomingville A/S	Ikast-Brande	A/S	100.00

Parent income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		(72,176)	(70,210)
Income from investments in group enterprises		36,581,679	14,863,057
Other financial income		86,794	7,721,893
Other financial expenses	1	(5,559,643)	(4,025,916)
Profit/loss before tax		31,036,654	18,488,824
Tax on profit/loss for the year	2	1,231,889	(797,669)
Profit/loss for the year	3	32,268,543	17,691,155

Parent balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Investments in group enterprises		53,332,995	68,771,963
Financial assets	4	53,332,995	68,771,963
Fixed assets		53,332,995	68,771,963
Receivables from group enterprises		750,000	0
Deferred tax	5	0	64,060
Joint taxation contribution receivable		11,898,594	4,830,076
Receivables		12,648,594	4,894,136
Cash		1,406,670	503,189
Current assets		14,055,264	5,397,325
Assets		67,388,259	74,169,288

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		51,000	51,000
Retained earnings		25,145,613	(7,602,283)
Equity		25,196,613	(7,551,283)
Payables to group enterprises		29,919,076	71,843,839
Non-current liabilities other than provisions	6	29,919,076	71,843,839
Current portion of non-current liabilities other than provisions	6	1,574,688	1,488,398
Trade payables		31,250	31,250
Payables to group enterprises		0	4,711,431
Tax payable		10,666,632	3,645,653
Current liabilities other than provisions		12,272,570	9,876,732
Liabilities other than provisions		42,191,646	81,720,571
Equity and liabilities		67,388,259	74,169,288
Employees	7		
Contingent liabilities	8		
Related parties with controlling interest	9		
Transactions with related parties	10		

Parent statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	51,000	(7,602,283)	(7,551,283)
Other entries on equity	0	479,353	479,353
Profit/loss for the year	0	32,268,543	32,268,543
Equity end of year	51,000	25,145,613	25,196,613

Notes to parent financial statements

1 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	1,641,074	4,020,657
Other interest expenses	(21,837)	4,408
Exchange rate adjustments	3,940,406	0
Other financial expenses	0	851
	5,559,643	4,025,916

2 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	(1,295,949)	(1,184,271)
Change in deferred tax	64,060	1,981,940
	(1,231,889)	797,669

3 Proposed distribution of profit and loss

	2021 DKK	2020 DKK
Retained earnings	32,268,543	17,691,155
	32,268,543	17,691,155

4 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	157,019,460
Cost end of year	157,019,460
Impairment losses beginning of year	(88,247,497)
Adjustments on equity	479,353
Share of profit/loss for the year	36,581,679
Dividend	(52,500,000)
Impairment losses end of year	(103,686,465)
Carrying amount end of year	53,332,995

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

5 Deferred tax

	2021 DKK	2020 DKK
Tax losses carried forward	0	64,060
Deferred tax	0	64,060

Changes during the year	2021 DKK	2020 DKK
Beginning of year	64,060	2,046,000
Recognised in the income statement	(64,060)	(1,981,940)
End of year	0	64,060

Deferred tax assets

6 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due within 12 months 2020 DKK	Due after more than 12 months 2021 DKK
Payables to group enterprises	1,574,688	1,488,398	29,919,076
	1,574,688	1,488,398	29,919,076

There are no outstanding payables to group enterprises after 5 years.

7 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

8 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entitiest.

9 Related parties with controlling interest

Creative Co-Op, LLC. 6000 Freeport Avenue, Memphis, TN 38141, Inc owns all shares in BV Holding Company ApS, thus exercising control.

Regent Holding Company, LLC. 6000 Freeport Avenue, Memphis, TN 38141 owns all shares in Creative Co-Op LLC, thus exercising control.

Regent intermediate Company, 6000 Freeport Avenue, Memphis, TN 38141, owns all shares in Regent Holding Company, LLC, thus exercising control.

RHC Investment Corp, 11100 Santa Monica, Santa Monica Blvd , owns all shares in Regent intermediate Company, thus exercising control.

Freeman Spogli & Co LLC. 11100 Santa Monica Blvd, Santa Monica Blvd owns shares in RHC Investment Corp, thus exercising control.

10 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

Changes in accounting policies

In accordance with new interpretations from the Danish Business Authority, Short-term bank loans is now included as part of the financing activity in the cash flow statement instead of being considered part of the cash. This only effects the cash flow statement of the group.

The comparative figures have been restated following the change in accounting policies and the change has only had impact on the cash flow statement.

Besides this there have been a reclassification of software from property, plant and equipment to development projects. The change has no effect on the total value of assets or profit. Previous year is changes as well.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistent with last year.

Material errors in previous years

An error of DKK 5.804K was observed in the comparison year. The error can be attributed to non-recognition of floating goods, which per. 31.12.2020 was not paid. The passing of risk took place before 31.12.2020. This error in previous year does not affect the income statement - only presentation in the balance sheet.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement

Gross profit or loss

Gross profit or loss in the group comprises revenue, changes in inventories of finished goods, other operating income, costs of raw materials and consumables and external expenses. In parent income statement gross profit or loss comprises of external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position

and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc comprise acquired intellectual property.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period. Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.