



Sønderjyllands Revision
Statsautoriseret revisionsaktieselskab

Nørreport 3 · 6200 Aabenraa
Tlf. 74 62 61 12 · Fax 74 62 95 20

Torvegade 6 · 6330 Padborg
Tlf. 74 67 20 21 · Fax 74 67 22 15

Jyllandsgade 28^A · 6400 Sønderborg
Tlf. 74 43 77 00 · Fax 73 42 09 98

kontakt@sr.dk · www.sr.dk

Brax Denmark ApS

c/o Sønderjyllands Revision A/S, Torvegade 6, 6330 Padborg

Company reg. no. 39 06 73 82

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 24.02.2020

Chairman of the meeting
Stefan Brandmann

Contents

| | <u>Page</u> |
|--|-------------|
| Reports | |
| Management's report | 1 |
| Auditor's report on compilation of the annual accounts | 2 |
| Management's review | |
| Company data | 3 |
| Management's review | 4 |
| Annual accounts 1 January - 31 December 2019 | |
| Accounting policies used | 5 |
| Profit and loss account | 8 |
| Balance sheet | 9 |
| Notes | 11 |

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The executive board has today presented the annual report of Brax Denmark ApS for the financial year 1 January to 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

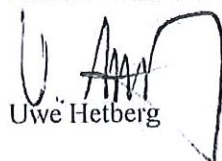
The executive board considers the requirements of omission of audit of the annual accounts for 2019 as met.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Padborg, 11 February 2020

Executive board


Uwe Hetberg


Nils Schrahe


Stefan Brandmann

Auditor's report on compilation of the annual accounts

To the shareholders of Brax Denmark ApS

We have compiled the annual accounts of Brax Denmark ApS for the period 1 January to 31 December 2019 based on the bookkeeping of the company and on further information you have provided.

The annual accounts comprise the accounting policies used, profit and loss account, balance sheet and notes.

We performed this engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the annual accounts in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The annual accounts and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the annual accounts. Accordingly, we do not express an audit opinion or a review conclusion on whether the annual accounts are prepared in accordance with the Danish Financial Statements Act.

Padborg, 11 February 2020

Sønderjyllands Revision

State Authorised Public Accountants
Company reg. no. 18 06 16 35



Søren Kring

State Authorised Public Accountant
mnr31458

Company data

The company

Brax Denmark ApS
c/o Sønderjyllands Revision A/S, Torvegade 6
6330 Padborg

Company reg. no. 39 06 73 82
Established: 1 November 2017
Financial year: 1 January - 31 December

Executive board

Uwe Hetberg
Nils Schrahe
Stefan Brandmann

Auditors

Sønderjyllands Revision, Statsautoriseret revisionsaktieselskab
Torvegade 6
6330 Padborg

Management's review

The principal activities of the company

The principal activities are wholesale trade of garment.

Development in activities and financial matters

The results from ordinary activities after tax are DKK 142.519 against TDKK 478 last year. The management consider the results satisfactory.

Equity per. 31 December 2019 amounts to DKK 658.000.

Accounting policies used

The annual report for Brax Denmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

Accounting policies used

Currency adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in the equity. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised in the equity.

The profit and loss account

Gross profit

The gross profit comprises the net turnover and work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Other external costs comprise costs for administration, selling and cost of premisses.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible fixed assets respectively.

Net financials

Net financials comprise interest, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Intangible fixed assets

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. As it is not possible to determine a reliable estimate of the useful life, the amortisation period is set at 7 years.

Accounting policies used

The lifetime of 7 years corresponds to the life expectancy of the payback period and herby to the financial lifetime of the goodwill.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

Financial fixed assets

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at the bank.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account 1 January - 31 December

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK in thousands.

| <u>Note</u> | <u>2019</u> | <u>2018</u> |
|--|------------------|--------------|
| Gross profit | 4.844.163 | 4.899 |
| 1 Staff costs | -3.963.380 | -3.618 |
| Amortisation and writedown relating to intangible fixed assets | -565.714 | -566 |
| Results before net financials | 315.069 | 715 |
| 2 Other financial costs | -124.326 | -97 |
| Results before tax | 190.743 | 618 |
| Tax on ordinary results | -48.224 | -140 |
| Results for the year | 142.519 | 478 |
| Proposed distribution of the results: | | |
| Allocated to results brought forward | 142.519 | 478 |
| Distribution in total | 142.519 | 478 |

Balance sheet 31 December

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK in thousands.

| <u>Note</u> | <u>2019</u> | <u>2018</u> |
|--------------------------------------|-------------------------|---------------------|
| Assets | | |
| Fixed assets | | |
| Goodwill | 2.828.572 | 3.394 |
| Intangible fixed assets in total | <u>2.828.572</u> | <u>3.394</u> |
| Deposits | 265.852 | 263 |
| Financial fixed assets in total | <u>265.852</u> | <u>263</u> |
| Fixed assets in total | <u>3.094.424</u> | <u>3.657</u> |
| Current assets | | |
| Receivable corporate tax | 34.276 | 0 |
| Other debtors | 85.889 | 42 |
| Accrued income and deferred expenses | 50.359 | 154 |
| Debtors in total | <u>170.524</u> | <u>196</u> |
| Available funds | 323.624 | 268 |
| Current assets in total | <u>494.148</u> | <u>464</u> |
| Assets in total | <u>3.588.572</u> | <u>4.121</u> |

Balance sheet 31 December

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK in thousands.

| <u>Note</u> | <u>2019</u> | <u>2018</u> |
|--|------------------|--------------|
| Equity and liabilities | | |
| Equity | | |
| Share Capital | 50.000 | 50 |
| Results brought forward | 608.000 | 465 |
| Equity in total | 658.000 | 515 |
| Liabilities | | |
| Debt to group enterprises | 2.092.481 | 2.838 |
| 3 Long-term liabilities in total | 2.092.481 | 2.838 |
| 3 Short-term part of long-term liabilities | 563.248 | 563 |
| Trade creditors | 13.103 | 8 |
| Corporate tax | 0 | 137 |
| Other debts | 261.740 | 60 |
| Short-term liabilities in total | 838.091 | 768 |
| Liabilities in total | 2.930.572 | 3.606 |
| Equity and liabilities in total | 3.588.572 | 4.121 |
| | | |
| 4 Contingencies | | |

Notes

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK in thousands.

| | <u>2019</u> | <u>2018</u> | | |
|------------------------------------|----------------------|-------------------------|--------------------|--------------------|
| 1. Staff costs | | | | |
| Salaries and wages | 3.778.540 | 3.479 | | |
| Pension costs | 176.888 | 134 | | |
| Other costs for social security | 7.952 | 5 | | |
| | <u>3.963.380</u> | <u>3.618</u> | | |
| | | | | |
| Average number of employees | <u>3</u> | <u>2</u> | | |
| | | | | |
| 2. Other financial costs | | | | |
| Financial costs, group enterprises | 60.846 | 78 | | |
| Other financial costs | 63.480 | 19 | | |
| | <u>124.326</u> | <u>97</u> | | |
| | | | | |
| 3. Liabilities | | | | |
| | Debt in total | Short-term | Long-term | Outstanding |
| | 31 Dec 2019 | part of long- | debt | debt after |
| | <u> </u> | term liabilities | 31 Dec 2019 | 5 years |
| Debt to group enterprises | 2.655.729 | 563.248 | 2.092.481 | 0 |
| | <u>2.655.729</u> | <u>563.248</u> | <u>2.092.481</u> | <u>0</u> |

4. Contingencies

Contingent liabilities

Renting liabilities

The rent of premises can be terminated with 12 months of notice on the 31 december 2020 at the earliest. The rent obligation is TDKK 1.064.