



Sønderjyllands Revision
Statsautoriseret revisionsaktieselskab

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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 2021

The annual report was submitted and approved by the general meeting on the 03/03/2022

Stefan Brandmann
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Executive Board has approved the annual report of Brax Denmark ApS for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

The Executive Board consider the conditions for audit exemption of the 2021 financial statements to be met.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Padborg, 15 February 2022

Executive board



Uwe Hetberg



Nils Schrahe



Stefan Brandmann

Practitioner's compilation report

To the shareholders of Brax Denmark ApS

We have compiled the financial statements of Brax Denmark ApS for the financial year 1 January - 31 December 2021 based on the company's bookkeeping and on information you have provided.

These financial statements comprise a summary of significant accounting policies, income statement, balance sheet and notes.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.

These financial statements 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 these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Padborg, 15 February 2022

Sønderjyllands Revision

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



Søren Kring

State Authorised Public Accountant
mne31458

Company information

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

Brax Denmark ApS is an agency for brokerage of sales in the product area outerwear for women and Men of the brand BRAX to the clothing retail trade in Denmark.

Development in activities and financial matters

Income from ordinary activities after tax totals TDKK 208 against TDKK -35 last year. Management considers the net profit for the year satisfactory.

The financial year has been affected by the coronavirus and the restrictions caused by the coronavirus crisis.

Consequently, the company has applied for compensation from the state compensation scheme in relation to the coronavirus crisis, comprising compensation for wages. The extent of the compensation amounts to TDKK 91 thousand and is recognised in the financial statements under Other operating income. Specifications in this relation appears from note 1 concerning special items.

Expected developments

In 2022, the financial development will largely depend on the type and the extent of the restrictions maintained or introduced by the Danish authorities in order to prevent the spread of the coronavirus. In anticipation of the company not being subject to shutdown, the management expects the company's financial position and profit for the financial year 2022 to be insignificantly affected by the consequences of the coronavirus.

Accounting policies

The annual report for Brax Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

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. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Accounting policies

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external expenses comprise expenses incurred for sales, advertising, administration and premises.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 7 years.

Investments

Deposits

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

Accounting policies

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets 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 for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	4.228.993	4.244
2 Staff costs	-3.300.374	-3.632
Amortisation and impairment of intangible assets	-565.714	-566
Profit before net financials	362.905	46
Other financial income	7.628	11
3 Other financial expenses	-104.321	-92
Pre-tax net profit or loss	266.212	-35
Tax on net profit or loss for the year	-57.992	0
Net profit or loss for the year	208.220	-35
Proposed appropriation of net profit:		
Transferred to retained earnings	208.220	0
Allocated from retained earnings	0	-35
Total allocations and transfers	208.220	-35

Balance sheet at 31 December

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

<u>Assets</u>	<u>2021</u>	<u>2020</u>
<u>Note</u>		
Non-current assets		
Goodwill	1.697.143	2.263
Total intangible assets	<u>1.697.143</u>	<u>2.263</u>
Deposits	302.861	266
Total investments	<u>302.861</u>	<u>266</u>
Total non-current assets	<u>2.000.004</u>	<u>2.529</u>
Current assets		
Income tax receivables	0	34
Other receivables	105.841	91
Prepayments	120.753	68
Total receivables	<u>226.594</u>	<u>193</u>
Cash and cash equivalents	<u>171.007</u>	<u>161</u>
Total current assets	<u>397.601</u>	<u>354</u>
Total assets	<u>2.397.605</u>	<u>2.883</u>

Balance sheet at 31 December

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity and liabilities		
Equity		
Contributed capital	50.000	50
Retained earnings	781.096	573
Total equity	831.096	623
Long term liabilities other than provisions		
Payables to group enterprises	624.941	1.359
4 Total long term liabilities other than provisions	624.941	1.359
4 Current portion of long term liabilities	563.248	563
Trade payables	5.000	10
Income tax payable	27.992	0
Other payables	345.328	328
Total short term liabilities other than provisions	941.568	901
Total liabilities other than provisions	1.566.509	2.260
Total equity and liabilities	2.397.605	2.883
1 Special items		
5 Contingencies		

Notes

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	<u>2021</u>	<u>2020</u>
Income:		
Salarycompensation, Corona	<u>91.162</u>	<u>63</u>
	<u>91.162</u>	<u>63</u>
Special items are recognised in the following items in the financial statements:		
Gross profit	<u>91.162</u>	<u>63</u>
Profit of special items, net	<u>91.162</u>	<u>63</u>
	<u>2021</u>	<u>2020</u>
2. Staff costs		
Salaries and wages	3.051.363	3.455
Pension costs	239.923	170
Other costs for social security	<u>9.088</u>	<u>7</u>
	<u>3.300.374</u>	<u>3.632</u>
Average number of employees	<u>3</u>	<u>3</u>

Notes

Amounts concerning 2021: DKK.

Amounts concerning 2020: DKK thousand.

	<u>2021</u>	<u>2020</u>
3. Other financial expenses		
Financial costs, group enterprises	25.872	38
Other financial costs	78.449	54
	<u>104.321</u>	<u>92</u>

4. Long term liabilities other than provisions

	<u>Total payables 31 Dec 2021</u>	<u>Current portion of long term payables</u>	<u>Long term payables 31 Dec 2021</u>	<u>Outstanding payables after 5 years</u>
Payables to group enterprises	1.188.189	563.248	624.941	0
	<u>1.188.189</u>	<u>563.248</u>	<u>624.941</u>	<u>0</u>

5. Contingencies

Contingent liabilities

Renting liabilities

The rent of premises can be terminated with 12 months notice. The rent obligation is TDKK 533.

The company has received salary compensation due to corona, 91 TDKK. The final settlement is not possible to complete. There can come korrektioner to the received amount.