

---

# *East Holding ApS*

C/O East.dk ApS, Siriusvej 17, DK-7430 Ikast

## Annual Report for 1 July 2021 - 31 December 2022

---

CVR No. 42 50 84 62

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 23/6 2023

Poul Jacob Skovgaard  
Chairman of the  
general meeting



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company information	5
Group Chart	6
Financial Highlights	7
Management's Review	8
<b>Financial Statements</b>	
Income Statement 1 July - 31 December	13
Balance sheet 31 December	14
Statement of changes in equity	16
Cash Flow Statement 1 July - 31 December	17
Notes to the Financial Statements	18

# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of East Holding ApS for the financial year 1 July 2021 - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021/22.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Consolidated Financial Statements and Parent Company Financial Statements be adopted at the Annual General Meeting.

Ikast, 23 June 2023

## Executive Board

Poul Jacob Skovgaard

## Board of Directors

Daniel Georg Winberg  
Chairman

Jan Jakobsen

Annette Pia Brøndholt Sørensen

David Anders Lowe Rehnberg

# Independent Auditor's report

To the shareholder of East Holding ApS

## Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 July 2021 - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of East Holding ApS for the financial year 1 July 2021 - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the 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 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.

## 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 Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company 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.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

# Independent Auditor's report

## 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 judgement and maintain professional scepticism 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- 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.

# Independent Auditor's report

Herning, 23 June 2023

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
*CVR No 33 77 12 31*

Jacob F Christiansen  
State Authorised Public Accountant  
mne18628

Mads Hornbæk  
State Authorised Public Accountant  
mne33762

## Company information

<b>The Company</b>	East Holding ApS C/O East.dk ApS Siriusvej 17 DK-7430 Ikast  CVR No: 42 50 84 62 Financial period: 1 July 2021 - 31 December 2022 Municipality of reg. office: Ikast-Brande
<b>Board of Directors</b>	Daniel Georg Winberg, chairman Jan Jakobsen Annette Pia Brøndholt Sørensen David Anders Lowe Rehnberg
<b>Executive Board</b>	Poul Jacob Skovgaard
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4 7400 Herning

# Group Chart

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
<b>East Holding ApS</b>	<b>Ikast-Brande, Denmark</b>	
East Group ApS	Ikast-Brande, Denmark	100
EAST.DK ApS	Ikast-Brande, Denmark	100
EAST.EU GmbH	Düsseldorf, Germany	100
Guangzhou Trendseuro Garment Co Ltd	Cuangzhou, China	100



# Financial Highlights

Seen over a 1-year period, the development of the Group is described by the following financial highlights:

	<b>Group</b>
	<b>2021/22</b>
	TDKK 18 months
<b>Key figures</b>	
<b>Profit/loss</b>	
Revenue	538,952
Gross profit/loss	106,968
Profit/loss of ordinary primary operations	1,759
Profit/loss before financial income and expenses	2,517
Profit/loss of financial income and expenses	-8,618
Net profit/loss	-14,856
<b>Balance sheet</b>	
Balance sheet total	332,364
Investment in property, plant and equipment	782
Equity	170,369
<b>Cash flows</b>	
Cash flows from:	
- operating activities	9,535
- investing activities	-293,190
- financing activities	292,933
Change in cash and cash equivalents for the year	9,278
Number of employees	224
<b>Ratios</b>	
Gross margin	19.8%
Profit margin	0.5%
Return on assets	0.8%
Solvency ratio	51.3%
Return on equity	-8.3%

# Management's review

## Key activities

The main activity has consisted of importing and exporting of textile goods.

## Development in the year

The income statement of EAST Holding ApS for 2021/22 shows a loss of TDKK 14,856, and on 31 December 2022 the balance sheet of EAST Holding ApS shows positive equity of TDKK 170,368. The result for the year is considered satisfactory but is negatively affected by higher freight costs and unfavorable exchange rates.

## Foreign exchange risks

Due to activities abroad the result, cash flows and equity are affected by exchange and interest rate developments for a few currencies. It is EAST's policy to hedge commercial currency risks. Hedging is primarily via forward exchange contracts to hedge expected purchases within the next 12 months. There are not speculative currency dispositions.

## Interest rate risks

As the interest-bearing has a reasonable level, moderate changes in the interest rate level will have direct effect on earnings. No interest dispositions are entered into to hedge interest rate risks.

## Targets and expectations for the year ahead

EAST expect a continued positive development for the coming year, due to strong demand of our products and services along with our continuing market and customer expansion. We expect a result before tax to be DKK 5-15 million.

## Knowledge resources

The future income of EAST is in general not depended on any specific knowledgeable resources. EAST has high focus on 3D and digitalization to strengthen our value chain and improve the experience working with EAST.

## Research and development

EAST is not engaged in research or development activities.

## External environment

EAST is environmentally conscious and works continuously to reduce the environmental impact of the company's operations. The Management is aware of measures that can protect the environment and are therefore having ESG high on the agenda, as EAST wants to work with responsible and more sustainable business operations.

# Management's review

## Statement of corporate social responsibility

### Business Model

EAST's business model is design and production of private label products for the fashion industry. The production is based on long term collaboration with factories in our supply chain, based outside Denmark.

Strong processes and high flexibility are key to bring lead time down on latest fashion and designs. EAST offer to buy directly from our collection or have customers develop their own styles, both ways with a lead time from four to eight weeks if needed.

Our flexible setup can add value to customers by having the right styles, the right volume at the right time to lower risks of unnecessary stock or even reduce overproduction.

During 2022 we have developed and renewed our Sustainable Strategy and become focused for a more sustainable development.

### The UN's Sustainable Development Goals (SDG)

As part of our social responsibility, we have continued our work integrating the UN's sustainable development goals into our sustainable strategy. Following five goals are our focus:

#### #8 Decent work and Economic Growth

We will work to promote health and safe work environment by implementing appropriate policies, processes and practice towards illness and injury.

#### #9 Industry, innovation and infrastructure

We want to pioneer and invest in different digitalization of business processes and collaboration.

#### #12 Responsible consumption and Production

We are active in lowering the waste of finish garments (reduce burning).

#### #13 Climate action

Be active in the textile industry's challenges reducing and improving the waste and energy consumption.

#### #16 Peace, justice and strong institutions

Ensure fair working conditions and adhere to human rights.

# Management's review

## Main Risks

Based on materiality assessment, we have selected several ESG issues that we have worked on during 2022 both in our own group and in our value chain.

### Environment

In relation to environmental and climate impact and the risks that EAST affects, and is affected by, our focus is related to CO2 emission and use of chemicals.

From managing our CO2 emission our biggest risk is related to scope 3 and especially transportation off goods on behalf of our customers - the type of shipment selected by them. Our primary objective is to provide customer with enough alternatives to make sustainable choices.

In addition, we also foresee a risk related to chemical content and other harmful substances. Through our quality standards we do not allow these, and it has lead us to focus on a standardization of the test packages which our external suppliers and partners use and also increase the number of tests carried out by an external third part.

### Social

- Working environment and social responsibility

We continue to have good working environment to our employees, among other things flexible working conditions in relation to illness, parental leave or other family or life circumstances. We also require that our partners comply to our social responsibility requirements.

We are aware that part of our risks could be found in our value chain. Therefore, we have continued to work exclusively to engage suppliers to live up to our values and requirements for adherence to an internationally recognized code of conduct such as the UN Global Compact and amfori BSCI.

- Human rights

Overall, we assess that some of the most significant risks related to human rights in textile industry is linked to labor rights and circumstances related to work.

Our focus on SDG #8 relates to how we can promote health and safe work environment. We follow international principles and standards in respect for human rights, and we seek to avert or reduce the negative impacts that our activities could contribute to.

### Governance

Anti-bribery and corruption are essential components of our Code of Conduct and principles we follow. EAST's accountability ambition and zero tolerance towards bribery and corruption continue to be translated into actions through ongoing dialogue with our employees as well as business partners who represent an increased risk, for example based on their geographical location.

## Key performance indicators – ESG

As part of our renewed Sustainable Strategy, future KPI reporting has been defined and during 2022 data mapping and collection has been secured. Data collected for 2022 is not representative for a full year reporting.

## Corporate Social Responsibility Policy

EAST's overall policy on ESG – in the form of our Code of Conduct – follow the principles of internationally recognized codes of conduct such as the UN Global Compact, Amfori BSCI and GOOTS. Our suppliers sign our Code of Conduct and are also covered by our Terms of Business Agreement, where they are obliged to act in accordance with decent and responsible ESG conditions.

Our ESG actions all follow local and international recognized standards and guidelines for e.g., digital quality management, preparation of CO2 accounts, establishment of a whistleblower scheme, etc.

# Management's review

## Due diligence process

Living our ESG principles in all part of our business is key, especially acting on the principles of due diligence to identify any issue as early as possible. When we look for new supplier, we always focus of their ESG conditions and how they can fulfill our ESG requirements and quality system.

Inspections are carried out by our own organization or external third parties, depending on the circumstances.

## Actions and results 2022

In 2022, we have translated our ambitions for corporate social responsibility into actions by formulating a Sustainable Strategy. Following is what we have achieved in 2022:

### Environment

In 2022 we have mapped our CO2 emission in scope 1,2 and 3 and settled our baseline for future KPI evaluation. For scope 1 and 2 we have a solid baseline in place with continuing data collection and for Scope 3 we cover most upstream but work to improve our downstream data collection.

In addition, in 2022, we have worked to further develop our compliance efforts within chemical content and other harmful substances, including standardized test packages and procedures that have been applied to some of our products. In 2022, we have not found any violation of the limit values for chemicals and other harmful substances under the REACH Regulation (EU Regulation no. 1907/2006 as amended).

### Social

We have worked with our suppliers on implementing appropriate policies, processes and practices that reduces illness and injury. In 2022, we continued to translate our ambition for decent work into actions with our employee handbook. We will continue to develop and promote our viewpoint of health and safety. In addition, we have continued to act on the need for flexibility among our employees, so that illness, maternity and other family and life circumstances result in a positive development.

During 2022 we have been audited, with no remarks, about our working conditions in 2022 from the Danish Working Environment Authority.

Through our focus on our Code of Conduct in 2022 we have also worked on health and safe environment for workers at our suppliers. As a result of our actions, none of the third-party assessment of our suppliers have led to any remarks or violations of our Code of Conduct on this basis.

### Governance

In 2022, we have had an increased focus on understanding ESG issues in our value chain, including the inherent risk of corruption or bribery that naturally accompanies EAST's international activities.

Externally we have accomplished subcontractors signing our Supplier Code of Conduct and anti-corruption policy.

Internal we have accomplished to take all employees through our Code of Conduct, anti-corruption and whistleblower policies.

In 2022, we have implemented a supplier quality system, and have now the majority our direct suppliers as Tier-1 leading to increase transparency. This is an element in increasing the robustness of our ESG compliance program, and we expect to use our learnings from the roll-out of the quality system to further dialogue with our partners on anti-bribery and corruption as well as other governance issues.

# Management's review

## Expectations

Our expectations for 2023 within corporate social responsibility and ESG relate to a continued assessment of the risks and impacts associated with our activities in relation to:

### Environment

We continue to develop our action plan with objectives to reduce CO2 emissions both from our own locations and from our partners.

### Social

Keep develop the way we make supplier assessment of concrete potential and current risks of human and labor violations in our value chain.

### Governance

Continue improve and develop our internal and external understanding of processes and compliance measures along with the documentation needs.

For 2023 we will continue our positive development on growing ESG awareness internal with our employees as well as external with our suppliers. This will improve our traceability and data collection and improve our sustainable reporting and tracking.

## Statement on gender composition

EAST's top management level consists of the Board of Directors, which consists of 1 female and 3 males. It is assessed that EAST has an equal gender distribution in accordance with the Danish Business Authority's guidelines.

It is also the board's policy to have an equal proportion of the underrepresented gender in the rest of the group management levels. In 2022, this has been fulfilled as the first management level consists of 1 female and 2 males and the next management level consists of 6 females and 3 males.

## Statement on data ethics

EAST handles ordinary data in form of customer, supplier and employee data. Data is processed in accordance with GDPR and our privacy and information security policies.

In EAST we ensure the confidentiality of our data during collection, data storage, data processing and data reporting using strict rules for passwords, firewalls, security programs etc. We take care and control of all processed data and training our employees is a priority for us.

As EAST is a B2B company and has limited processing of personally sensitive data, it is our own assessment that there is no need for a policy for data ethics. EAST will continuously assess whether a policy is necessary.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income statement 1 July 2021 - 31 December 2022

		<b>Group</b>	<b>Parent company</b>
	Note	2021/22	2021/22
		TDKK 18 months	TDKK 18 months
Revenue	1	538,952	0
Other operating income		1,442	0
Cost of goods sold		-374,612	0
Other external expenses		-58,814	-70
<b>Gross profit/loss</b>		<b>106,968</b>	<b>-70</b>
Staff expenses	2	-63,814	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-39,953	0
Other operating expenses		-684	0
<b>Profit/loss before financial income and expenses</b>		<b>2,517</b>	<b>-70</b>
Income from investments in subsidiaries	4	0	-14,789
Financial income		9	0
Financial expenses		-8,627	-16
<b>Profit/loss before tax</b>		<b>-6,101</b>	<b>-14,875</b>
Tax on profit/loss for the year	5	-8,755	19
<b>Net profit/loss for the year</b>	6	<b>-14,856</b>	<b>-14,856</b>

## Balance sheet 31 December 2022

### Assets

		<b>Group</b>	<b>Parent company</b>
	Note	2021/22	2021/22
		TDKK	TDKK
Acquired other similar rights		972	0
Goodwill		236,993	0
<b>Intangible assets</b>	7	<b>237,965</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		611	0
Leasehold improvements		433	0
<b>Property, plant and equipment</b>	8	<b>1,044</b>	<b>0</b>
Investments in subsidiaries	9	0	169,985
Deposits	10	168	0
<b>Fixed asset investments</b>		<b>168</b>	<b>169,985</b>
<b>Fixed assets</b>		<b>239,177</b>	<b>169,985</b>
Raw materials and consumables		1,696	0
Finished goods and goods for resale		19,090	0
Prepayments for goods		6,407	0
<b>Inventories</b>		<b>27,193</b>	<b>0</b>
Trade receivables		42,313	0
Other receivables		9,975	2
Deferred tax asset	11	1,331	0
Corporation tax		2,889	2,889
Prepayments	12	208	0
<b>Receivables</b>		<b>56,716</b>	<b>2,891</b>
<b>Cash at bank and in hand</b>		<b>9,278</b>	<b>422</b>
<b>Current assets</b>		<b>93,187</b>	<b>3,313</b>
<b>Assets</b>		<b>332,364</b>	<b>173,298</b>



## Balance sheet 31 December 2022

### Liabilities and equity

		<b>Group</b>	<b>Parent company</b>
	Note	2021/22	2021/22
		TDKK	TDKK
Share capital		1,930	1,930
Other reserves		573	0
Retained earnings		167,866	168,439
<b>Equity</b>		<b>170,369</b>	<b>170,369</b>
Other provisions	13	950	0
<b>Provisions</b>		<b>950</b>	<b>0</b>
Credit institutions		90,000	0
<b>Long-term debt</b>	14	<b>90,000</b>	<b>0</b>
Credit institutions	14	46,455	0
Prepayments received from customers		68	0
Trade payables		10,943	10
Corporation tax		390	0
Payables to group enterprises relating to corporation tax		920	2,870
Other payables		12,269	49
<b>Short-term debt</b>		<b>71,045</b>	<b>2,929</b>
<b>Debt</b>		<b>161,045</b>	<b>2,929</b>
<b>Liabilities and equity</b>		<b>332,364</b>	<b>173,298</b>
Contingent assets, liabilities and other financial obligations	17		
Related parties	18		
Fee to auditors appointed at the general meeting	19		
Subsequent events	20		
Accounting Policies	21		

## Statement of changes in equity

### Group

	Share capital	Other reserves	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 July	0	0	0	0
Exchange adjustments	0	573	0	573
Cash payment concerning formation of entity	40	0	0	40
Cash capital increase	1,890	0	127,671	129,561
Contribution from group	0	0	56,335	56,335
Fair value adjustment of hedging instruments, end of year	0	0	-1,646	-1,646
Tax on adjustment of hedging instruments for the year	0	0	362	362
Net profit/loss for the year	0	0	-14,856	-14,856
<b>Equity at 31 December</b>	<b>1,930</b>	<b>573</b>	<b>167,866</b>	<b>170,369</b>

### Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 July	0	0	0	0
Cash payment concerning formation of entity	40	0	0	40
Cash capital increase	1,890	0	127,671	129,561
Contribution from group	0	0	56,335	56,335
Exchange adjustments relating to foreign entities	0	573	0	573
Fair value adjustment of hedging instruments, end of year	0	-1,646	0	-1,646
Tax on adjustment of hedging instruments for the year	0	362	0	362
Net profit/loss for the year	0	711	-15,567	-14,856
<b>Equity at 31 December</b>	<b>1,930</b>	<b>0</b>	<b>168,439</b>	<b>170,369</b>

## Cash flow statement 1 July 2021 - 31 December 2022

	<b>Group</b>	
	Note	2021/22
		TDKK
Result of the year		-14,856
Adjustments	15	57,326
Change in working capital	16	-5,358
<b>Cash flow from operations before financial items</b>		<b>37,112</b>
Financial income		9
Financial expenses		-8,381
<b>Cash flows from ordinary activities</b>		<b>28,740</b>
Corporation tax paid		-19,205
<b>Cash flows from operating activities</b>		<b>9,535</b>
Purchase of intangible assets		-1,154
Purchase of property, plant and equipment		-814
Fixed asset investments made etc		-36
Sale of fixed asset investments made etc		18
Business acquisition		-291,204
<b>Cash flows from investing activities</b>		<b>-293,190</b>
Repayment of loans from credit institutions		-28,003
Raising of loans from credit institutions		135,000
Cash capital increase		185,936
<b>Cash flows from financing activities</b>		<b>292,933</b>
<b>Change in cash and cash equivalents</b>		<b>9,278</b>
<b>Cash and cash equivalents at 31 December</b>		<b>9,278</b>
Cash and cash equivalents are specified as follows:		
Cash at bank and in hand		9,278
<b>Cash and cash equivalents at 31 December</b>		<b>9,278</b>

# Notes to the Financial Statements

	<b>Group</b>	<b>Parent company</b>
	<u>2021/22</u>	<u>2021/22</u>
	TDKK	TDKK
<b>1. Revenue</b>		
<b>Geographical segments</b>		
Denmark	292,354	0
Europe	246,598	0
	<u>538,952</u>	<u>0</u>

	<b>Group</b>	<b>Parent company</b>
	<u>2021/22</u>	<u>2021/22</u>
	TDKK	TDKK

## 2. Staff Expenses

Wages and salaries	55,209	0
Pensions	2,019	0
Other social security expenses	6,586	0
	<u>63,814</u>	<u>0</u>

Including remuneration to the Executive Board and Board of Directors 1,961

Average number of employees 224 0

	<b>Group</b>	<b>Parent company</b>
	<u>2021/22</u>	<u>2021/22</u>
	TDKK	TDKK

## 3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment

Amortisation of intangible assets	39,329	0
Depreciation of property, plant and equipment	624	0
	<u>39,953</u>	<u>0</u>

## Notes to the Financial Statements

	<u>Parent company</u>
	<u>2021/22</u>
	TDKK
<b>4. Income from investments in subsidiaries</b>	
Share of losses	-14,789
	<u>-14,789</u>

	<u>Group</u>	<u>Parent company</u>
	<u>2021/22</u>	<u>2021/22</u>
	TDKK	TDKK
<b>5. Income tax expense</b>		
Current tax for the year	9,274	-19
Deferred tax for the year	-519	0
	<u>8,755</u>	<u>-19</u>

	<u>Group</u>	<u>Parent company</u>
	<u>2021/22</u>	<u>2021/22</u>
	TDKK	TDKK
<b>6. Profit allocation</b>		
Reserve for net revaluation under the equity method	0	711
Retained earnings	-14,856	-15,567
	<u>-14,856</u>	<u>-14,856</u>

# Notes to the Financial Statements

## 7. Intangible fixed assets

### Group

	Acquired other similar rights	Goodwill
	<u>TDKK</u>	<u>TDKK</u>
Cost at 1 July	0	0
Exchange adjustment	-11	0
Net effect from merger and acquisition	109	0
Additions for the year	<u>1,159</u>	<u>276,108</u>
Cost at 31 December	<u>1,257</u>	<u>276,108</u>
Impairment losses and amortisation at 1 July	0	0
Exchange adjustment	-3	0
Net effect from merger and acquisition	74	0
Amortisation for the year	<u>214</u>	<u>39,115</u>
Impairment losses and amortisation at 31 December	<u>285</u>	<u>39,115</u>
<b>Carrying amount at 31 December</b>	<u><b>972</b></u>	<u><b>236,993</b></u>

# Notes to the Financial Statements

## 8. Property, plant and equipment

### Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 1 July	0	0
Exchange adjustment	-28	-22
Net effect from merger and acquisition	1,931	759
Additions for the year	579	203
Cost at 31 December	<u>2,482</u>	<u>940</u>
Impairment losses and depreciation at 1 July	0	0
Exchange adjustment	-11	-16
Net effect from merger and acquisition	1,664	127
Depreciation for the year	218	396
Impairment losses and depreciation at 31 December	<u>1,871</u>	<u>507</u>
<b>Carrying amount at 31 December</b>	<b><u>611</u></b>	<b><u>433</u></b>

## Notes to the Financial Statements

Parent  
company

2021/22

TDKK

### 9. Investments in subsidiaries

Additions for the year	185,485
Cost at 31 December	<u>185,485</u>
Exchange adjustment	573
Net profit/loss for the year	-14,789
Fair value adjustment of hedging instruments for the year	-1,284
Value adjustments at 31 December	<u>-15,500</u>
<b>Carrying amount at 31 December</b>	<b><u>169,985</u></b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
East Group ApS	Ikast	TDKK 40	100%

### 10. Other fixed asset investments

#### Group

	Deposits
	TDKK
Cost at 1 July	0
Net effect from merger and acquisition	150
Additions for the year	36
Disposals for the year	-18
Cost at 31 December	<u>168</u>
<b>Carrying amount at 31 December</b>	<b><u>168</u></b>



## Notes to the Financial Statements

<b>Group</b>	<b>Parent company</b>
<u>2021/22</u>	<u>2021/22</u>
TDKK	TDKK

### 11. Deferred tax asset

Net effect from merger and acquisition	450	0
Amounts recognised in the income statement for the year	519	0
Amounts recognised in equity for the year	362	0
<b>Deferred tax asset at 31 December</b>	<b>1,331</b>	<b>0</b>

### 12. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### 13. Other provisions

The Company provides warranties of on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions of TDKK 950 (2021: TDKK 0) have been recognised for expected warranty claims.

<b>Group</b>	<b>Parent company</b>
<u>2021/22</u>	<u>2021/22</u>
TDKK	TDKK
Other provisions	0
<b>950</b>	<b>0</b>

The provisions are expected to mature as follows:

Provisions falling due after 5 years	0	0
--------------------------------------	---	---

# Notes to the Financial Statements

## 14. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>Group</u>	<u>Parent company</u>
	2021/22	2021/22
	TDKK	TDKK
<b>Credit institutions</b>		
After 5 years	0	0
Between 1 and 5 years	90,000	0
Long-term part	<u>90,000</u>	<u>0</u>
Within 1 year	22,500	0
Other short-term debt to credit institutions	23,955	0
Short-term part	<u>46,455</u>	<u>0</u>
	<u>136,455</u>	<u>0</u>

### Group

2021/22

TDKK

## 15. Cash flow statement - Adjustments

Financial income	-9
Financial expenses	8,627
Depreciation, amortisation and impairment losses, including losses and gains on sales	39,953
Tax on profit/loss for the year	8,755
	<u>57,326</u>

## Notes to the Financial Statements

	<u>Group</u>
	<u>2021/22</u>
	TDKK
<b>16. Cash flow statement - Change in working capital</b>	
Change in inventories	-2,119
Change in receivables	28,667
Change in other provisions	950
Change in trade payables, etc	-31,210
Fair value adjustments of hedging instruments	-1,646
	<u>-5,358</u>

<u>Group</u>	<u>Parent company</u>
<u>2021/22</u>	<u>2021/22</u>
TDKK	TDKK

## 17. Contingent assets, liabilities and other financial obligations

### Charges and security

The following assets have been placed as security with mortgage credit institutes:

Investments in subsidiaries as security for both the company's and subsidiaries bank liabilities.	0	169,985
---	---	---------

The following assets have been placed as security with bankers:

Corporate mortgage totaling TDKK 20,000. which provides a mortgage on inventories, receivables from sales and services, as well as tangible fixed assets to a total carrying amount of	55,979	0
--	--------	---

### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	386	0
Between 1 and 5 years	130	0
	<u>516</u>	<u>0</u>

Rent obligations, non-cancellation period 3-24 months.	5,334	0
--	-------	---

### Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to TDKK 0. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group's liability.

# Notes to the Financial Statements

## 18. Related parties

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

There have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration. All transactions were carried out on normal market terms pursuant to the Annual Accounts Act § 98C subsection 7.

	<u>Group</u>
	<u>2021/22</u>
	TDKK
<b>19. Fee to auditors appointed at the general meeting</b>	
<b>PwC</b>	
Audit fee	547
Tax advisory services	297
Non-audit services	<u>1,849</u>
	<u><b>2,693</b></u>
<b>BDO</b>	
Audit fee	<u>127</u>
	<u><b>127</b></u>

## 20. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

# Notes to the Financial Statements

## 21. Accounting policies

The Annual Report of East Holding ApS for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2021/22 are presented in TDKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, East Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

### Business combinations

#### *Business acquisitions carried through on or after 1 July 2018*

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

# Notes to the Financial Statements

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

## ***Pooling of interests***

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

## **Leases**

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

## **Translation policies**

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

# Notes to the Financial Statements

## Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

## Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

## Segment information on revenue

Information on geographical segments is based on the Group's risks and returns and its internal financial reporting system.

## Income statement

### Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Cost of goods sold

Cost of goods sold comprise the purchase price etc. for goods sold in the year.

### Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

# Notes to the Financial Statements

## Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

## Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

## Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

## Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

## Balance sheet

### Intangible fixed assets

#### *Goodwill*

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

#### *Other intangible fixed assets*

Software are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Software are amortised over the period of the agreements, which is 3-5 years.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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



# Notes to the Financial Statements

Leasehold improvements

3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

## **Impairment of fixed assets**

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

## **Investments in subsidiaries**

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

## **Other fixed asset investments**

Other fixed asset investments consist of deposits.

## **Inventories**

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

## **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

## **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

# Notes to the Financial Statements

## Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

## Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

## Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

## Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

## Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

### Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

### Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

### Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

# Notes to the Financial Statements

## Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

## Financial Highlights

### Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit before financials} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit before financials} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$