East Holding ApS

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

Annual Report for 2023

CVR No. 42 50 84 62

The Annual Report was presented and adopted at the Annual General Meeting of the company on 19/4 2024

Poul Jacob Skovgaard
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of East Holding ApS for the financial year 1 January - 31 December 2023.

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 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Ikast, 19 April 2024

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 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 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 January - 31 December 2023, 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, 19 April 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Mads Hornbæk
State Authorised Public Accountant
mne33762

Company information

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

Group Chart

Company	Residence	Ownership
East Holding ApS	**Ikast-Brande, Denmark**	
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	Guangzhou, China	100
EAST.ESP SL	Barcelona, Spain	100

Financial Highlights

Seen over a 2-year period, the development of the Group is described by the following financial highlights:

	Group	
	2023	2021/22
	TDKK 12 months	TDKK 18 months
Key figures		
Profit/loss		
Revenue	310,047	538,952
Gross profit	60,848	106,968
Profit/loss of primary operations	-11,288	2,517
Profit/loss of financial income and expenses	-7,485	-8,618
Net profit/loss for the year	-21,610	-14,856
Balance sheet		
Balance sheet total	304,139	332,364
Investment in property, plant and equipment	647	782
Equity	150,403	170,369
Cash flows		
Cash flows from:		
- operating activities	16,831	9,535
- investing activities	-638	-293,190
- financing activities	-9,493	292,933
Change in cash and cash equivalents for the year	6,700	9,278
Number of employees	219	224
Ratios		
Gross margin	19.6%	19.8%
Profit margin	-3.6%	0.5%
Solvency ratio	49.5%	55.9%
Return on equity	-12.9%	-16.0%

Management's review

Key Activities

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

Development in the year

The income statement of EAST Holding ApS for 2023 shows a loss of TDKK 21.610, and on 31 December 2023 the balance sheet of EAST Holding ApS shows equity of TDKK 150.402. The result for the year has been challenging and is negatively impacted by less activity in the Danish market.

Foreign exchange risk

Due to activities abroad, the result, cash flows and equity are affected by exchange and interest rate developments. 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 no speculative currency dispositions.

Interest rate risks

Given the group's interest-bearing debt, 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

A continued positive development for the coming year is expected, due to strong demand for the group's products and services along with continuing market and customer expansion. We expect a positive result before tax in the coming year.

Knowledge resources

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

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 sustainability high on the agenda, as EAST wants to work with responsible and more sustainable business operations.

Research and development

EAST is not engaged in research or development activities.

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 offers to buy directly from its collection or have customers develop their own styles, both ways with a lead time from six 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 discounting unnecessary stock or even reduce overproduction.

During 2023 we have developed and renewed our Sustainable Strategy and become more focused within:

Main Risks

Based on a materiality assessment, we have selected several sustainability issues that we have focused and worked on during 2023 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 emissions and especially transportation of goods on behalf of our customers - the type of shipment selected by them. Our primary objective is to provide the customer with enough alternatives to make sustainable choices. We are still in scope of collecting data from 3rd party forwarders.

In addition, we also do not allow for the use of chemical content and other harmful substances. Through our quality standards and 3rd party audits we aim to reduce this risk. We have focused on standardization of the test packages which our external suppliers and partners use and increase the number of tests carried out by an external third party.

Social

- Working environment and social responsibility

We continue to have a goal of offering a 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 who 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 (Environmental, Social and Governance)

As part of our renewed Sustainable Strategy, future KPI reporting has been defined and during 2023 data mapping and collection has been secured. Continued reporting and follow up on ESG will start during 2024.

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.

Due diligence process

Implementing our ESG principles in all parts 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.

Management's review

Actions and results 2023

In 2023 we translated our ambitions for corporate social responsibility into actions by formulating a Sustainable Strategy. Following is what we have achieved in 2023:

Environment

In 2023 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 2023, we have increased our use of more sustainable fabrics with the effect of increasing share of sale from 3% in 2022 to 8% in 2023.

In 2023, 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 2023, 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.

Through focus on our Code of Conduct in 2023 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 2023, 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.

Internally, we have accomplished training of all employees with respect to our Code of Conduct, anti-corruption and whistleblower policies.

In 2023, we have continued implementing a supplier quality system, and have increased the share of our tier-1 suppliers. This is an element in increasing the robustness of our ESG compliance program through its focus on traceability, 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.

Expectations

Our expectations for 2023 within 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. Also, we continue to increase the sale of sustainable fabrics.

Reducing the quantity of physical samples and its related effect on the environment from introducing and showing the strength use of 3D design.

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 to 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 internally with our employees as well as externally 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.

The first management level which consists in 2023 of 9 female and 7 males and therefore equal gender distribution has been fulfilled through the year.

Table: Gender composition

	2023	2022
Top Management level		
Total number of members	4	4
Underrepresented gender in %	25	25
First management level		
Total number of members	16	12
Underrepresented gender in %	43	42

Management's review

Data ethics

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

At EAST we ensure the confidentiality of our data during collection, data storage, data processing and date 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.

Income statement 1 January - 31 December

	Note	Group 2023	Group 2021/22	Parent company 2023	Parent company 2021/22
		TDKK 12 months	TDKK 18 months	TDKK 12 months	TDKK 18 months
Revenue	1	310,047	538,952	0	0
Other operating income		420	1,442	0	0
Cost of goods sold		-202,029	-374,612	0	0
Other external expenses		-47,590	-58,814	-193	-70
Gross profit		**60,848**	**106,968**	**-193**	**-70**
Staff expenses	2	-43,650	-63,814	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-28,486	-39,953	0	0
Other operating expenses		0	-684	0	0
Profit/loss before financial income and expenses		**-11,288**	**2,517**	**-193**	**-70**
Income from investments in subsidiaries		0	0	-21,462	-14,789
Financial income		57	9	3	0
Financial expenses		-7,542	-8,627	0	-16
Profit/loss before tax		**-18,773**	**-6,101**	**-21,652**	**-14,875**
Tax on profit/loss for the year	4	-2,837	-8,755	42	19
Net profit/loss for the year	5	**-21,610**	**-14,856**	**-21,610**	**-14,856**

Balance sheet 31 December

Assets

	Note	Group 2023	Group 2021/22	Parent company 2023	Parent company 2021/22
		TDKK	TDKK	TDKK	TDKK
Acquired other similar rights		734	972	0	0
Goodwill		209,382	236,993	0	0
Intangible assets	6	**210,116**	**237,965**	**0**	**0**
Other fixtures and fittings, tools and equipment		412	611	0	0
Leasehold improvements		569	433	0	0
Property, plant and equipment	7	**981**	**1,044**	**0**	**0**
Investments in subsidiaries	8	0	0	150,168	169,985
Deposits	9	232	168	0	0
Fixed asset investments		**232**	**168**	**150,168**	**169,985**
Fixed assets		**211,329**	**239,177**	**150,168**	**169,985**
Raw materials and consumables		2,824	1,696	0	0
Finished goods and goods for resale		9,410	19,090	0	0
Prepayments for goods		3,658	6,407	0	0
Inventories		**15,892**	**27,193**	**0**	**0**
Trade receivables		50,268	42,313	0	0
Other receivables	10	8,513	9,975	0	2
Deferred tax asset	11	578	1,331	0	0
Corporation tax		0	2,889	0	2,889
Corporation tax receivable from group enterprises		1,361	0	42	0
Prepayments	12	220	208	0	0
Receivables		**60,940**	**56,716**	**42**	**2,891**
Cash at bank and in hand		**15,978**	**9,278**	**243**	**422**
Current assets		**92,810**	**93,187**	**285**	**3,313**
Assets		**304,139**	**332,364**	**150,453**	**173,298**

Balance sheet 31 December

Liabilities and equity

		Group		Parent company	
	Note	2023	2021/22	2023	2021/22
		TDKK	TDKK	TDKK	TDKK
Share capital		1,930	1,930	1,930	1,930
Reserve for hedging transactions		1,410	0	0	0
Reserve for exchange rate conversion		234	573	0	0
Retained earnings		146,829	167,866	148,473	168,439
Equity		**150,403**	**170,369**	**150,403**	**170,369**
Other provisions	13	289	950	0	0
Provisions		**289**	**950**	**0**	**0**
Credit institutions		67,500	90,000	0	0
Long-term debt	14	**67,500**	**90,000**	**0**	**0**
Credit institutions	14	59,462	46,455	0	0
Prepayments received from customers		110	68	0	0
Trade payables		18,206	10,943	0	10
Corporation tax		0	390	0	0
Payables to group enterprises relating to corporation tax		2,528	920	0	2,870
Other payables	10	5,641	12,269	50	49
Short-term debt		**85,947**	**71,045**	**50**	**2,929**
Debt		**153,447**	**161,045**	**50**	**2,929**
Liabilities and equity		**304,139**	**332,364**	**150,453**	**173,298**

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Statement of changes in equity

Group

	Share capital	Reserve for hedging transactions	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,930	0	0	168,439	170,369
Exchange adjustments	0	0	234	0	234
Fair value adjustment of hedging instruments, beginning of year	0	1,646	0	0	1,646
Fair value adjustment of hedging instruments, end of year	0	162	0	0	162
Tax on adjustment of hedging instruments for the year	0	-398	0	0	-398
Net profit/loss for the year	0	0	0	-21,610	-21,610
Equity at 31 December	**1,930**	**1,410**	**234**	**146,829**	**150,403**

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,930	0	168,439	170,369
Exchange adjustments	0	234	0	234
Fair value adjustment of hedging instruments, beginning of year	0	1,646	0	1,646
Fair value adjustment of hedging instruments, end of year	0	162	0	162
Tax on adjustment of hedging instruments for the year	0	-398	0	-398
Net profit/loss for the year	0	-1,644	-19,966	-21,610
Equity at 31 December	**1,930**	**0**	**148,473**	**150,403**

Cash flow statement 1 January - 31 December

		Group	
	Note	2023	2021/22
		TDKK 12 months	TDKK 18 months
Result of the year		-21,610	-14,856
Adjustments	15	38,808	57,326
Change in working capital	16	6,620	-5,358
Cash flow from operations before financial items		**23,818**	**37,112**
Financial income		57	9
Financial expenses		-7,308	-8,381
Cash flows from ordinary activities		**16,567**	**28,740**
Corporation tax paid		264	-19,205
Cash flows from operating activities		**16,831**	**9,535**
Purchase of intangible assets		13	-1,154
Purchase of property, plant and equipment		-587	-814
Fixed asset investments made etc		-64	-36
Sale of fixed asset investments made etc		0	18
Business acquisition		0	-291,204
Cash flows from investing activities		**-638**	**-293,190**
Repayment of loans from credit institutions		-9,493	-28,003
Raising of loans from credit institutions		0	135,000
Cash capital increase		0	185,936
Cash flows from financing activities		**-9,493**	**292,933**
Change in cash and cash equivalents		**6,700**	**9,278**
Cash and cash equivalents at 1 January		9,278	0
Cash and cash equivalents at 31 December		**15,978**	**9,278**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		15,978	9,278
Cash and cash equivalents at 31 December		**15,978**	**9,278**

Notes to the Financial Statements

	Group		Parent company	
	2023	2021/22	2023	2021/22
	TDKK 12 months	TDKK 18 months	TDKK 12 months	TDKK 18 months
1. Revenue				
Geographical segments				
Denmark	168,947	292,354	0	0
Europe	141,100	246,598	0	0
	310,047	**538,952**	**0**	**0**

The group has only one activity, which is why information is only given on geographical segments.

	Group		Parent company	
	2023	2021/22	2023	2021/22
	TDKK 12 months	TDKK 18 months	TDKK 12 months	TDKK 18 months
2. Staff Expenses				
Wages and salaries	37,027	55,209	0	0
Pensions	1,542	2,019	0	0
Other social security expenses	5,081	6,586	0	0
	43,650	**63,814**	**0**	**0**
Including remuneration to the Executive Board and Board of Directors	**1,723**	**1,961**	**0**	**0**
Average number of employees	**219**	**224**	**0**	**0**

Notes to the Financial Statements

	Group		Parent company	
	2023	2021/22	2023	2021/22
	TDKK 12 months	TDKK 18 months	TDKK 12 months	TDKK 18 months
3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	27,836	39,329	0	0
Depreciation of property, plant and equipment	650	624	0	0
	28,486	**39,953**	**0**	**0**

	Group		Parent company	
	2023	2021/22	2023	2021/22
	TDKK 12 months	TDKK 18 months	TDKK 12 months	TDKK 18 months
4. Income tax expense				
Current tax for the year	2,498	9,274	-42	-19
Deferred tax for the year	339	-519	0	0
	2,837	**8,755**	**-42**	**-19**

	Parent company	
	2023	2021/22
	TDKK	TDKK
5. Profit allocation		
Reserve for net revaluation under the equity method	-1,644	711
Retained earnings	-19,966	-15,567
	-21,610	**-14,856**

Notes to the Financial Statements

6. Intangible fixed assets
Group

	Acquired other similar rights	Goodwill
	TDKK	TDKK
Cost at 1 January	1,257	276,108
Exchange adjustment	-20	0
Cost at 31 December	1,237	276,108
Impairment losses and depreciation at 1 January	286	39,115
Exchange adjustment	-8	0
Depreciation for the year	225	27,611
Impairment losses and depreciation at 31 December	503	66,726
Carrying amount at 31 December	**734**	**209,382**

7. Property, plant and equipment
Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 1 January	2,482	940
Exchange adjustment	-62	-71
Additions for the year	75	572
Cost at 31 December	2,495	1,441
Impairment losses and depreciation at 1 January	1,871	508
Exchange adjustment	-33	-41
Depreciation for the year	245	405
Impairment losses and depreciation at 31 December	2,083	872
Carrying amount at 31 December	**412**	**569**

Notes to the Financial Statements

	Parent company	
	2023	2021/22
	TDKK	TDKK

8. Investments in subsidiaries

	2023 TDKK	2021/22 TDKK
Cost at 1 January	185,485	0
Additions for the year	0	185,485
Cost at 31 December	185,485	185,485
Value adjustments at 1 January	-15,500	0
Exchange adjustment	234	573
Net profit/loss for the year	-21,462	-14,789
Fair value adjustment of hedging instruments for the year	1,411	-1,284
Value adjustments at 31 December	-35,317	-15,500
Carrying amount at 31 December	**150,168**	**169,985**

Investments in subsidiaries are specified as follows:

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

9. Other fixed asset investments
Group

	Deposits
	TDKK
Cost at 1 January	168
Additions for the year	64
Cost at 31 December	232
Carrying amount at 31 December	**232**

Notes to the Financial Statements

	Group		Parent company	
	2023	2021/22	2023	2021/22
	TDKK	TDKK	TDKK	TDKK

10. Derivative financial instruments

Derivative financial instruments contracts in the form of forward exchange contracts have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

Assets	163	0	0	0
Liabilities	0	1,646	0	0

Forward exchange contracts have been concluded to hedge future buy of goods in CNY. At the balance sheet date, the fair value of the forward exchange contracts amounts to TDKK 163 (2022: TDKK -1,646). The forward exchange contracts have a term of 1-12 months.

11. Deferred tax asset

	Group		Parent company	
	2023	2021/22	2023	2021/22
	TDKK	TDKK	TDKK	TDKK
Deferred tax asset at 1 January	1,331	450	0	0
Amounts recognised in the income statement for the year	-355	519	0	0
Amounts recognised in equity for the year	-398	362	0	0
Deferred tax asset at 31 December	**578**	**1,331**	**0**	**0**

12. Prepayments

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

Notes to the Financial Statements

	Group		Parent company	
	2023	2021/22	2023	2021/22
	TDKK	TDKK	TDKK	TDKK

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 289 (2022: TDKK 950) have been recognised for expected warranty claims.

Other provisions	289	950	0	0
	289	**950**	**0**	**0**

The provisions are expected to mature as follows:				
Provisions falling due after 5 years	0	0	0	0
	0	**0**	**0**	**0**

	Group		Parent company	
	2023	2021/22	2023	2021/22
	TDKK	TDKK	TDKK	TDKK

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:

Credit institutions				
After 5 years	0	0	0	0
Between 1 and 5 years	67,500	90,000	0	0
Long-term part	67,500	90,000	0	0
Within 1 year	22,500	22,500	0	0
Other short-term debt to credit institutions	36,962	23,955	0	0
	126,962	**136,455**	**0**	**0**

Notes to the Financial Statements

15. Cash flow statement - Adjustments

	Group	
	2023	2021/22
	TDKK 12 months	TDKK 18 months
Financial income	-57	-9
Financial expenses	7,542	8,627
Depreciation, amortisation and impairment losses, including losses and gains on sales	28,486	39,953
Tax on profit/loss for the year	2,837	8,755
	38,808	**57,326**

16. Cash flow statement - Change in working capital

	Group	
	2023	2021/22
	TDKK 12 months	TDKK 18 months
Change in inventories	11,301	-2,119
Change in receivables	-6,505	28,667
Change in other provisions	-661	950
Change in trade payables, etc	677	-31,210
Fair value adjustments of hedging instruments	1,808	-1,646
	6,620	**-5,358**

17. Contingent assets, liabilities and other financial obligations

	Group		Parent company	
	2023	2021/22	2023	2021/22
	TDKK	TDKK	TDKK	TDKK
Charges and security				
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	37,466	55,979	0	0

17. Contingent assets, liabilities and other financial obligations

	Group		Parent company	
	2023	2021/22	2023	2021/22
	TDKK	TDKK	TDKK	TDKK
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	758	386	0	0
Between 1 and 5 years	590	130	0	0
	1,348	**516**	**0**	**0**
Rent obligations, non-cancellation period 1-27 months. (2022: 4-24 months.)	3,841	5,334	0	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 is disclosed in the Annual Report of AE 2017 Admin ApS, which is the management company of the joint taxation purposes. 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 Company's liability.

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.

	Group	
	2023	2021/22
	TDKK 12 months	TDKK 18 months

19. Fee to auditors appointed at the general meeting

	2023	2021/22
PwC		
Audit fee	363	547
Tax advisory services	244	297
Non-audit services	0	1,849
	607	**2,693**
BDO		
Audit fee	110	127
	110	**127**

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 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TDKK.

Recognition and measurement

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. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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.

Notes to the Financial Statements

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.

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.

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

Revenue

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.

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
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.

Notes to the Financial Statements

Prepayments

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

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 liabilities

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.

Notes to the Financial Statements

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.

Cash and cash equivalents

Cash and cash equivalents comprise .

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

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity