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# *East Group ApS*

Siriusvej 17, DK-7430 Ikast

## Annual Report for 2 July 2021 - 31 December 2022

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CVR No. 42 51 60 74

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



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of East Group ApS for the financial year 2 July 2021 - 31 December 2022.

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

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Ikast, 23 June 2023

## Executive Board

Poul Jacob Skovgaard  
Executive officer

## 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 Group ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 2 July 2021 - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of East Group ApS for the financial year 2 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 ("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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of 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 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 Company or to cease operations, or has no realistic alternative but to do so.

## 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 Company's internal control.

# Independent Auditor's report

- 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 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 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.

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.

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 Group ApS Siriusvej 17 DK-7430 Ikast  CVR No: 42 51 60 74 Financial period: 2 July 2021 - 31 December 2022 Municipality of reg. office: Ikast
<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

## Income statement 2 July 2021 - 31 December 2022

	Note	2021/22 TDKK 18 months
<b>Gross profit/loss</b>		<b>-10</b>
Staff expenses	2	-4,382
<b>Profit/loss before financial income and expenses</b>		<b>-4,392</b>
Income from investments in participating interests	3	-6,376
Financial expenses	4	-5,520
<b>Profit/loss before tax</b>		<b>-16,288</b>
Tax on profit/loss for the year	5	1,499
<b>Net profit/loss for the year</b>		<b>-14,789</b>

### Distribution of profit

	2021/22 TDKK
<b>Proposed distribution of profit</b>	
Reserve for net revaluation under the equity method	711
Retained earnings	-15,500
	<b>-14,789</b>

## Balance sheet 31 December 2022

### Assets

	Note	2021/22 TDKK
Investments in subsidiaries	6	279,813
<b>Fixed asset investments</b>		<u>279,813</u>
<b>Fixed assets</b>		<u>279,813</u>
Receivables from group enterprises		1,565
Other receivables		40
Deferred tax asset	7	74
Corporation tax receivable from group enterprises		1,425
Prepayments		32
<b>Receivables</b>		<u>3,136</u>
<b>Cash at bank and in hand</b>		<u>337</u>
<b>Current assets</b>		<u>3,473</u>
<b>Assets</b>		<u>283,286</u>



# Balance sheet 31 December 2022

## Liabilities and equity

	Note	2021/22 TDKK
Share capital		40
Retained earnings		169,945
<b>Equity</b>		<b>169,985</b>
Mortgage loans		90,000
<b>Long-term debt</b>	8	<b>90,000</b>
Mortgage loans	8	22,500
Trade payables		97
Other payables		704
<b>Short-term debt</b>		<b>23,301</b>
<b>Debt</b>		<b>113,301</b>
<b>Liabilities and equity</b>		<b>283,286</b>
Key activities	1	
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## Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 2 July	0	0	0	0
Cash payment concerning formation of entity	40	0	0	40
Contribution from group	0	0	185,445	185,445
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	-15,500	-14,789
<b>Equity at 31 December</b>	<b>40</b>	<b>0</b>	<b>169,945</b>	<b>169,985</b>

# Notes to the Financial Statements

## 1. Key activities

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

	<u>2021/22</u> TDKK
<b>2. Staff Expenses</b>	
Wages and salaries	3,894
Pensions	468
Other social security expenses	20
	<u>4,382</u>
 Average number of employees	 <u>4</u>

	<u>2021/22</u> TDKK
<b>3. Income from investments in participating interests</b>	
Share of profits	32,739
Amortisation of goodwill	-39,115
	<u>-6,376</u>

	<u>2021/22</u> TDKK
<b>4. Financial expenses</b>	
Interest paid to group enterprises	606
Other financial expenses	4,914
	<u>5,520</u>

## Notes to the Financial Statements

	2021/22 TDKK
<b>5. Income tax expense</b>	
Current tax for the year	-1,425
Deferred tax for the year	-74
	<u>-1,499</u>

	2021/22 TDKK
<b>6. Investments in subsidiaries</b>	
Additions for the year	312,900
Cost at 31 December	<u>312,900</u>
Exchange adjustment	573
Net profit/loss for the year	32,739
Dividend to the Parent Company	-26,000
Fair value adjustment of hedging instruments for the year	-1,284
Amortisation of goodwill	-39,115
Value adjustments at 31 December	<u>-33,087</u>
<b>Carrying amount at 31 December</b>	<u><b>279,813</b></u>
Positive differences arising on initial measurement of subsidiaries at net asset value	<u>276,108</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
East.dk ApS	Ikast-Brande	TDKK 179	100%

Goodwill is amortised over the estimated useful life of 10 years.

# Notes to the Financial Statements

2021/22

TDKK

## 7. Deferred tax asset

Amounts recognised in the income statement for the year	74
Deferred tax asset at 31 December	74

## 8. 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:

2021/22

TDKK

### Mortgage loans

After 5 years	0
Between 1 and 5 years	90,000
Long-term part	90,000
Within 1 year	22,500
	<b>112,500</b>

2021/22

TDKK

## 9. 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.	279,813
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### Guarantee obligations

The company have made a guaranty of payment for Sydbank's loans to EAST.DK ApS and EAST.EU GmbH.

### 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 East Holding 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.

# Notes to the Financial Statements

## 10. Accounting policies

The Annual Report of East Group ApS for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2021/22 are presented in TDKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2021/22 of East Holding ApS, the Company has not prepared consolidated financial statements.

### 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.

### Leases

Leases in terms of which the Company 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 Company.

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

# Notes to the Financial Statements

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income statement

### Other external expenses

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

### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income and other external expenses.

### Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

### Income from investments in subsidiaries and participating interests

The items "Income from investments in subsidiaries" and "Income from investments in participating interests" in the income statement include 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 changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with East Holding ApS. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## Balance sheet

### Investments in subsidiaries and participating interests

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

The items "Investments in subsidiaries" and "Investments in participating interests" 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 and participating interests 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 and the participating interests.

# Notes to the Financial Statements

Subsidiaries and participating interests 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.

## 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.

## 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

Loans, such as mortgage loans, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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