

**Shopconcept A/S**  
Egeskovvej 5  
8700 Horsens  
Central Business Registration No  
11169996

## **Annual report 2017**

The Annual General Meeting adopted the annual report on 16.04.2018

### **Chairman of the General Meeting**

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Name: Jørgen Flodgaard Olesen

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## Entity details

### Entity

Shopconcept A/S  
Egeskovvej 5  
8700 Horsens

Central Business Registration No: 11169996

Registered in: Horsens

Financial year: 01.01.2017 - 31.12.2017

### Board of Directors

Jørgen Flodgaard Olesen, Chairman  
Michael Prip  
Erling Daell  
Claus Møller

### Executive Board

John Svane Hansen, CEO

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Shopconcept A/S for the financial year 01.01.2017 - 31.12.2017.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Horsens, 16.04.2018

### Executive Board

John Svane Hansen  
CEO

### Board of Directors

Jørgen Flodgaard Olesen  
Chairman

Michael Prip

Erling Daell

Claus Møller

# Independent auditor's report

## To the shareholders of Shopconcept A/S

### Opinion

We have audited the financial statements of Shopconcept A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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:

## Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

## **Independent auditor's report**

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 16.04.2018

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No: 33963556

Michael Bach  
State Authorised Public Accountant  
Identification number (MNE) mne19691

## Management commentary

### Primary activities

Shopconcept A/S covers all activities from sale of customised shop fittings to turn-key deliveries of entire shop concepts, tax-free areas in airports, stands and shop-in-shop solutions. We have in-house functions with knowledge of all processes in a turn-key delivery as well as subsidiaries in Lithuania and Poland.

### Development in activities and finances

2017 has been another busy year with investments in new departments, employees, customers and growth as well as additional focus on foreign activities.

Shopconcept A/S has also strengthened its activities within concept development for customers in Denmark and abroad and has many active customers today.

Profit for 2017 was as expected and is regarded as satisfactory both in relation to earnings and cash flow.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



## Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
<b>Gross profit</b>		<b>17.022.938</b>	<b>14.095.031</b>
Staff costs	1	(11.297.677)	(9.962.085)
Depreciation, amortisation and impairment losses	2	<u>(601.554)</u>	<u>(499.866)</u>
<b>Operating profit/loss</b>		<b>5.123.707</b>	<b>3.633.080</b>
Other financial income		147.737	49.949
Other financial expenses		<u>(258.673)</u>	<u>(126.809)</u>
<b>Profit/loss before tax</b>		<b>5.012.771</b>	<b>3.556.220</b>
Tax on profit/loss for the year	3	<u>(1.113.599)</u>	<u>(789.320)</u>
<b>Profit/loss for the year</b>		<b><u>3.899.172</u></b>	<b><u>2.766.900</u></b>
<b>Proposed distribution of profit/loss</b>			
Ordinary dividend for the financial year		1.500.000	500.000
Extraordinary dividend distributed in the financial year		639.118	1.000.000
Retained earnings		<u>1.760.054</u>	<u>1.266.900</u>
		<b><u>3.899.172</u></b>	<b><u>2.766.900</u></b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Other fixtures and fittings, tools and equipment		1.091.891	993.323
Leasehold improvements		102.304	106.415
<b>Property, plant and equipment</b>	4	<b><u>1.194.195</u></b>	<b><u>1.099.738</u></b>
<b>Fixed assets</b>		<b><u>1.194.195</u></b>	<b><u>1.099.738</u></b>
Work in progress		1.249.954	133.674
Manufactured goods and goods for resale		1.322.059	1.645.044
Prepayments for goods		29.733	342.617
<b>Inventories</b>		<b><u>2.601.746</u></b>	<b><u>2.121.335</u></b>
Trade receivables		12.282.827	10.140.575
Contract work in progress		0	1.064.000
Receivables from group enterprises		3.656.779	3.541.626
Deferred tax		69.000	0
Other receivables		318.466	230.432
Prepayments		420.652	327.255
<b>Receivables</b>		<b><u>16.747.724</u></b>	<b><u>15.303.888</u></b>
<b>Cash</b>		<b><u>8.587</u></b>	<b><u>7.282</u></b>
<b>Current assets</b>		<b><u>19.358.057</u></b>	<b><u>17.432.505</u></b>
<b>Assets</b>		<b><u>20.552.252</u></b>	<b><u>18.532.243</u></b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		500.000	500.000
Retained earnings		5.532.416	3.772.362
Proposed dividend		1.500.000	500.000
<b>Equity</b>		<b><u>7.532.416</u></b>	<b><u>4.772.362</u></b>
Deferred tax		0	234.000
<b>Provisions</b>		<b><u>0</u></b>	<b><u>234.000</u></b>
Bank loans		1.897.351	5.809.278
Prepayments received from customers		59.564	481.934
Trade payables		5.390.339	2.897.561
Payables to group enterprises		221.158	6.545
Joint taxation contribution payable		916.599	519.320
Other payables		4.534.825	3.811.243
<b>Current liabilities other than provisions</b>		<b><u>13.019.836</u></b>	<b><u>13.525.881</u></b>
<b>Liabilities other than provisions</b>		<b><u>13.019.836</u></b>	<b><u>13.525.881</u></b>
<b>Equity and liabilities</b>		<b><u>20.552.252</u></b>	<b><u>18.532.243</u></b>
Unrecognised rental and lease commitments	5		
Contingent liabilities	6		
Mortgages and securities	7		

## Statement of changes in equity for 2017

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Proposed extraordinary dividend DKK</b>	<b>Proposed dividend DKK</b>
Equity beginning of year	500.000	3.772.362	0	500.000
Ordinary dividend paid	0	0	0	(500.000)
Extraordinary dividend paid	0	0	(639.118)	0
Profit/loss for the year	0	1.760.054	639.118	1.500.000
<b>Equity end of year</b>	<b>500.000</b>	<b>5.532.416</b>	<b>0</b>	<b>1.500.000</b>
				<b>Total DKK</b>
Equity beginning of year				4.772.362
Ordinary dividend paid				(500.000)
Extraordinary dividend paid				(639.118)
Profit/loss for the year				3.899.172
<b>Equity end of year</b>				<b>7.532.416</b>

## Notes

	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	9.965.221	8.790.459
Pension costs	858.935	875.868
Other social security costs	180.274	123.674
Other staff costs	293.247	172.084
	<b>11.297.677</b>	<b>9.962.085</b>
Average number of employees	<b>15</b>	<b>15</b>

	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	0	58.571
Depreciation of property, plant and equipment	505.259	441.295
Profit/loss from sale of intangible assets and property, plant and equipment	96.295	0
	<b>601.554</b>	<b>499.866</b>

	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Tax on profit/loss for the year</b>		
Tax on current year taxable income	1.416.599	519.320
Change in deferred tax for the year	(303.000)	270.000
	<b>1.113.599</b>	<b>789.320</b>

## Notes

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improve- ments DKK</b>
<b>4. Property, plant and equipment</b>		
Cost beginning of year	2.001.695	682.795
Additions	1.259.736	38.275
Disposals	(834.401)	0
<b>Cost end of year</b>	<b>2.427.030</b>	<b>721.070</b>
Depreciation and impairment losses beginning of the year	(1.008.372)	(576.380)
Depreciation for the year	(462.873)	(42.386)
Reversal regarding disposals	136.106	0
<b>Depreciation and impairment losses end of the year</b>	<b>(1.335.139)</b>	<b>(618.766)</b>
<b>Carrying amount end of year</b>	<b>1.091.891</b>	<b>102.304</b>
	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>5. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<b>550.225</b>	<b>832.321</b>

### 6. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which NordConcept Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

### 7. Mortgages and securities

Mortgage debt is secured by way of an all-moneys mortgage (floating charge) and DKK 6,500k nominal.

The floating charge comprises:

Unsecured claims, inventories, unregistered motor vehicles, operating equipment, fuel etc. as well as intellectual property rights.

## Notes

The carrying amount of mortgaged assets is DKK 16.397.234.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income and external expenses.

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.



## Accounting policies

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

### **Changes in inventories of finished goods and work in progress**

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary writedowns of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

### **Costs of raw materials and consumables**

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### **Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### **Depreciation, amortisation and impairment losses**

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

### **Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises etc.

### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises etc.

### **Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## Accounting policies

The Entity is jointly taxed with the parent and all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

### Balance sheet

#### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-10 years
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For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

#### Inventories

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

Cost consists of purchase price.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

#### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

#### Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

## Accounting policies

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as financing costs are recognised in the income statement as incurred.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises cash in hand and bank deposits.

### Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.