

Shopconcept A/S

Egeskovvej 5, 8700 Horsens

Company reg. no. 11 16 99 96

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 25 March 2021.

Jørgen Flodgaard
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

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Management's report

Today, the board of directors and the managing director have presented the annual report of Shopconcept A/S for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Horsens, 24 March 2021

Managing Director

John Svane Hansen

Board of directors

Jørgen Flodgaard

Claus Møller

Michael Prip

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 1 January - 31 December 2020, which comprise income statement, statement of financial position, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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.
- 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the 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 express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Fredericia, 24 March 2021

BRANDT

State Authorized Public Accounting Firm
Company reg. no. 25 49 21 45

Carsten Pedersen

State Authorised Public Accountant
mne27866

Company information

The company	Shopconcept A/S Egeskovvej 5 8700 Horsens
	Company reg. no. 11 16 99 96 Financial year: 1 January - 31 December
Board of directors	Jørgen Flodgaard Claus Møller Michael Prip
Managing Director	John Svane Hansen
Auditors	BRANDT Statsautoriseret Revisionspartnerselskab Prinsessegade 60 7000 Fredericia
Parent company	Shopconcept Holding ApS

Management commentary

The principal activities of the company

Shopconcept A/S covers all activities from the sale of specially designed shop fittings to turn-key deliveries of shop and restaurant concepts within retail, airports, trade fair stands and shop-in-shop solutions. The Company has in-house functions with knowledge of all processes in a turn-key delivery as well as own subsidiaries in Lithuania, including production.

Unusual circumstances

There has been no unusual matters, which have affected the recognition or measurement.

Uncertainties about recognition or measurement

There has been no significant uncertainty that has affected the recognition or measurement.

Development in activities and financial matters

The Company's customers were affected by Covid-19, which is reflected in the result, which also includes a larger loss on debtors than normally. Nevertheless, the Company has managed to achieve a zero result as a function of a quick cost adjustment as well as the influx of new customers who are less affected by the Covid-19 situation. Based on the approved accounts, the result is described as satisfying in light of the enormous impacts that have been in the industry.

The financial result and position has turned out as expected.

Events occurring after the end of the financial year

No event have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross profit	7.604.291	12.571.496
1 Staff costs	-7.531.077	-10.573.275
Depreciation and impairment of property, land, and equipment	-266.103	-439.414
Profit before net financials	-192.889	1.558.807
Other financial income from group enterprises	110.685	132.150
Other financial income	0	15.019
Other financial costs	-59.586	-176.114
Pre-tax net profit or loss	-141.790	1.529.862
Tax on net profit or loss for the year	25.396	-340.489
Net profit or loss for the year	-116.394	1.189.373
Proposed appropriation of net profit:		
Dividend for the financial year	2.600.000	1.000.000
Transferred to retained earnings	0	189.373
Allocated from retained earnings	-2.716.394	0
Total allocations and transfers	-116.394	1.189.373

Statement of financial position at 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Assets		
Non-current assets		
2 Other fixtures and fittings, tools and equipment	483.654	712.716
3 Leasehold improvements	63.461	86.587
Total property, plant, and equipment	<u>547.115</u>	<u>799.303</u>
Total non-current assets	<u>547.115</u>	<u>799.303</u>
Current assets		
Manufactured goods and goods for resale	935.271	754.790
Prepayments for goods	0	686.004
Total inventories	<u>935.271</u>	<u>1.440.794</u>
Trade receivables	3.411.565	10.479.656
Contract work in progress	1.427.925	664.232
Receivables from group enterprises	2.827.618	3.136.168
Deferred tax assets	116.396	91.000
Income tax receivables	0	19.500
Other receivables	234.510	361.650
Prepayments and accrued income	364.580	241.023
Total receivables	<u>8.382.594</u>	<u>14.993.229</u>
Cash on hand and demand deposits	<u>4.343.815</u>	<u>7.341</u>
Total current assets	<u>13.661.680</u>	<u>16.441.364</u>
Total assets	<u>14.208.795</u>	<u>17.240.667</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Equity			
4	Contributed capital	500.000	500.000
5	Retained earnings	3.032.247	5.748.641
6	Proposed dividend for the financial year	2.600.000	1.000.000
	Total equity	<u>6.132.247</u>	<u>7.248.641</u>
Liabilities other than provisions			
	Other payables	<u>0</u>	<u>235.323</u>
	Total long term liabilities other than provisions	<u>0</u>	<u>235.323</u>
	Bank loans	67.718	2.985.759
	Prepayments received from customers	2.815.733	81.952
	Trade payables	2.783.192	5.435.836
	Payables to group enterprises	112.795	132.277
	Other payables	<u>2.297.110</u>	<u>1.120.879</u>
	Total short term liabilities other than provisions	<u>8.076.548</u>	<u>9.756.703</u>
	Total liabilities other than provisions	<u>8.076.548</u>	<u>9.992.026</u>
	Total equity and liabilities	<u>14.208.795</u>	<u>17.240.667</u>
7	Charges and security		
8	Contingencies		

Notes

All amounts in DKK.

	<u>2020</u>	<u>2019</u>
1. Staff costs		
Salaries and wages	6.639.479	9.449.180
Pension costs	802.557	957.537
Other costs for social security	89.041	166.558
	<u>7.531.077</u>	<u>10.573.275</u>
Average number of employees	<u>13</u>	<u>15</u>
2. Other fixtures and fittings, tools and equipment		
Cost 1 January 2020	1.987.577	2.452.412
Additions during the year	91.740	422.596
Disposals during the year	-418.789	-887.431
Cost 31 December 2020	<u>1.660.528</u>	<u>1.987.577</u>
Amortisation and writedown 1 January 2020	-1.274.861	-1.759.143
Amortisation and depreciation for the year	-307.139	-402.932
Reversal of depreciation, amortisation and impairment loss, assets disposed of	405.126	887.214
Amortisation and writedown 31 December 2020	<u>-1.176.874</u>	<u>-1.274.861</u>
Carrying amount, 31 December 2020	<u>483.654</u>	<u>712.716</u>
3. Leasehold improvements		
Cost 1 January 2020	785.493	750.373
Additions during the year	0	36.097
Disposals during the year	-639.074	-977
Cost 31 December 2020	<u>146.419</u>	<u>785.493</u>
Depreciation and writedown 1 January 2020	-698.906	-663.618
Amortisation and depreciation for the year	-23.126	-36.265
Reversal of depreciation, amortisation and impairment loss, assets disposed of	639.074	977
Depreciation and writedown 31 December 2020	<u>-82.958</u>	<u>-698.906</u>
Carrying amount, 31 December 2020	<u>63.461</u>	<u>86.587</u>

Notes

All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>
4. Contributed capital		
Contributed capital 1 January 2020	500.000	500.000
	<u>500.000</u>	<u>500.000</u>
5. Retained earnings		
Retained earnings 1 January 2020	5.748.641	5.559.268
Retained earnings for the year	-2.716.394	189.373
	<u>3.032.247</u>	<u>5.748.641</u>
6. Proposed dividend for the financial year		
Dividend 1 January 2020	1.000.000	2.300.000
Distributed dividend	-1.000.000	-2.300.000
Dividend for the financial year	<u>2.600.000</u>	<u>1.000.000</u>
	<u>2.600.000</u>	<u>1.000.000</u>
7. Charges and security		
Mortgage debt is secured by way of all-moneys mortgage (floating charge) a nominal value of DKK thousand 6.500. This security comprises the assets below, stating the carrying amounts:		
		DKK in thousands
Property, plant and equipment		<u>547</u>
Inventories		935
Trade receivables		3.412
Contract work in progress		1.428

Notes

All amounts in DKK.

8. Contingencies

Contingent liabilities

The company has entered into leasing agreements for fixed assets with an annual benefit of DKK thousand 42 and a residual obligation of DKK thousand 105.

The company has an annual rent obligation of DKK thousand 850 and a residual obligation of DKK thousand 1.550.

Joint taxation

With NordConcept Holding ApS, company reg. no 37414298 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Accounting policies

The annual report for Shopconcept A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

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

Recognition and measurement in general

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

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

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

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

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

Income statement

Gross profit

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

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

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Accounting policies

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Financial income and expenses

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

Tax on net profit or loss for the year

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

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

Accounting policies

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. In order to meet expected losses, impairment takes place at the net realisable value.

Accounting policies

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress can not be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments and accrued income

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

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

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

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

Accounting policies

According to the rules of joint taxation, Shopconcept A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

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

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

Liabilities other than provisions

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