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Shopconcept A/S

Egeskovvej 5, 8700 Horsens

Company reg. no. 11 16 99 96

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 3 March 2022.

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 %.

Contents

Management's statement

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 2021.

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 2021 and of the company's results of activities in the financial year 1 January – 31 December 2021.

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 at the Annual General Meeting.

Horsens, 28 February 2022

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 2021, which comprise income statement, statement of financial position, notes and a summary of significant 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 2021 and of the results of the company's activities for the financial year 1 January - 31 December 2021 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 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.

Emphasis of matter

We draw attention to the uncertainty described in note 1, which we can agree on.

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.

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's Review

Management is responsible for the Management's Review.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

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's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that Management's Review 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's Review.

Fredericia, 28 February 2022

RSM Danmark
Statsautoriseret Revisionspartnerselskab
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	RSM Danmark Statsautoriseret Revisionspartnerselskab Prinsessegade 60 7000 Fredericia	
Parent company	Shopconcept Holding ApS	

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

The annual report includes a sales receivable from a customer of DKK 1.5 million. Negotiations are currently underway with the customer regarding the payment, including the conclusion of multi-year payment agreements. These negotiations have not yet been concluded, so it may be difficult to assess the outcome. Based on our knowledge of the customer and our discussions, it is our assessment that the customer will in the long run be able to pay our receivable, which is why no loss provisions have been made for this. These assessments are in nature subject to uncertainty.

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 financial result and position has turned out as expected.

Events occurring after the end of the financial year

No event have occured 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.

Note		2021	2020
	Gross profit	**9.712.196**	**7.604.291**
2	Staff costs	-7.894.284	-7.531.077
	Depreciation and impairment of property, land, and equipment	-307.651	-266.103
	Profit before net financials	**1.510.261**	**-192.889**
	Other financial income from group enterprises	77.337	110.685
	Other financial costs	-12.734	-59.586
	Pre-tax net profit or loss	**1.574.864**	**-141.790**
	Tax on net profit or loss for the year	-351.920	25.396
	Net profit or loss for the year	**1.222.944**	**-116.394**
	Proposed appropriation of net profit:		
	Dividend for the financial year	500.000	2.600.000
	Transferred to retained earnings	722.944	0
	Allocated from retained earnings	0	-2.716.394
	Total allocations and transfers	**1.222.944**	**-116.394**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2021	2020
	Non-current assets		
3	Other fixtures and fittings, tools and equipment	315.353	483.654
4	Leasehold improvements	125.369	63.461
	Total property, plant, and equipment	440.722	547.115
5	Investments in subsidiaries	185.900	0
	Total investments	185.900	0
	Total non-current assets	**626.622**	**547.115**
	Current assets		
	Manufactured goods and goods for resale	1.493.782	935.271
	Total inventories	1.493.782	935.271
	Trade receivables	10.032.859	3.411.565
	Contract work in progress	564.585	1.427.925
	Receivables from group enterprises	2.106.744	2.827.618
	Deferred tax assets	89.531	116.396
	Other receivables	250.125	234.510
	Prepayments and accrued income	172.355	364.580
	Total receivables	13.216.199	8.382.594
	Cash on hand and demand deposits	2.901	4.343.815
	Total current assets	**14.712.882**	**13.661.680**
	Total assets	**15.339.504**	**14.208.795**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2021	2020
	Equity		
	Contributed capital	500.000	500.000
	Retained earnings	3.755.191	3.032.247
	Proposed dividend for the financial year	500.000	2.600.000
	Total equity	**4.755.191**	**6.132.247**
	Long term labilities other than provisions		
	Bank loans	1.340.143	67.718
	Prepayments received from customers	2.325.969	2.815.733
	Trade payables	4.403.102	2.783.192
	Payables to group enterprises	0	112.795
	Income tax payable	343.442	0
	Other payables	2.171.657	2.297.110
	Total short term liabilities other than provisions	10.584.313	8.076.548
	Total liabilities other than provisions	**10.584.313**	**8.076.548**
	Total equity and liabilities	**15.339.504**	**14.208.795**

1 Uncertainties concerning recognition and measurement

6 Charges and security

7 Contingencies

Notes

All amounts in DKK.

	2021	2020

1. Uncertainties concerning recognition and measurement

The annual report includes a sales receivable from a customer of DKK 1.5 million. Negotiations are currently underway with the customer regarding the payment, including the conclusion of multi-year payment agreements. These negotiations have not yet been concluded, so it may be difficult to assess the outcome. Based on our knowledge of the customer and our discussions, it is our assessment that the customer will in the long run be able to pay our receivable, which is why no loss provisions have been made for this. These assessments are in nature subject to uncertainty.

2. Staff costs

	2021	2020
Salaries and wages	6.907.302	6.639.479
Pension costs	885.784	802.557
Other costs for social security	101.198	89.041
	7.894.284	**7.531.077**
Average number of employees	13	13

3. Other fixtures and fittings, tools and equipment

	2021	2020
Cost 1 January 2021	1.660.528	1.987.577
Additions during the year	108.640	91.740
Disposals during the year	0	-418.789
Cost 31 December 2021	**1.769.168**	**1.660.528**
Amortisation and writedown 1 January 2021	-1.176.874	-1.274.861
Amortisation and depreciation for the year	-276.941	-307.139
Reversal of depreciation, amortisation and impairment loss, assets disposed of	0	405.126
Amortisation and writedown 31 December 2021	**-1.453.815**	**-1.176.874**
Carrying amount, 31 December 2021	**315.353**	**483.654**

All amounts in DKK.

		31/12 2021	31/12 2020
4.	**Leasehold improvements**		
	Cost 1 January 2021	146.419	785.493
	Additions during the year	92.618	0
	Disposals during the year	0	-639.074
	Cost 31 December 2021	**239.037**	**146.419**
	Depreciation and writedown 1 January 2021	-82.958	-698.906
	Amortisation and depreciation for the year	-30.710	-23.126
	Reversal of depreciation, amortisation and impairment loss, assets disposed of	0	639.074
	Depreciation and writedown 31 December 2021	**-113.668**	**-82.958**
	Carrying amount, 31 December 2021	**125.369**	**63.461**
5.	**Investments in subsidiaries**		
	Additions during the year	185.900	0
	Cost 31 December 2021	**185.900**	**0**
	Carrying amount, 31 December 2021	**185.900**	**0**

6. Charges and security

Mortage debt is secured by way of all-moneys mortage (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	440
Inventories	1.494
Trade receivables	10.033
Contract work in progress	565

All amounts in DKK.

7. Contingencies

Contingent liabilities

The company has entered into leasing agreements for fixed assets with an annual benefit of DKK thousand 350.

The company has an annual rent obligation of DKK thousand 950 and a residual obligation of DKK thousand 600.

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.

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.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

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.

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.

Results from

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:

	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

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other 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.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

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.

Investments

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. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

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”.

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.