



Shopconcept A/S

Egeskovej 5
8700 Horsens
CVR No. 11169996

Annual report 2019

The Annual General Meeting adopted the
annual report on 30.04.2020

Jørgen Flodgaard

Chairman of the General Meeting

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Entity details

Entity

Shopconcept A/S

Egeskovvej 5

8700 Horsens

CVR No.: 11169996

Registered office: Horsens

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Claus Møller

Jørgen Flodgaard, formand

Michael Prip

Executive Board

John Svane Hansen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Shopconcept A/S for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 30.04.2020

Executive Board

John Svane Hansen

Board of Directors

Claus Møller

Jørgen Flodgaard
formand

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 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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:

- 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.

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, 30.04.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Michael Bach

State Authorised Public Accountant
Identification No (MNE) mne19691

Management commentary

Primary activities

Shopconcept A/S covers all activities from sale of customised shop fittings to turn-key deliveries, shop and restaurant concepts in retail, airports, 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 Poland and Lithuania, including production.

Development in activities and finances

The Company had geared its organisation to growth in 2019, but this failed at the same time as some of the customers went bankrupt and put their plans on hold. The profit is therefore affected by too high costs compared to revenue, which is on par with 2018. Overall, there has been a net addition of customers, which is also expected to contribute positively to the future activities.

The profit for 2019 was not as expected but is considered satisfactory.

Events after the balance sheet date

Due to the outbreak and spread of COVID-19 at the beginning of 2020, the Company's revenue in 2020 is expected to decline compared to the original budget at the beginning of the year.

This decline is primarily attributable to postponement of orders and lack of new customer orders. The Company has limited the impact of the reduced revenue through staff cuts as most of the Company's staff are salaried employees.

The Company's Management has not experienced any derivative financial effects on the Company's financial statements for 2019 as a result of the outbreak.

At present, however, it is not possible to make a reliable estimate of when the impact of COVID-19 will diminish and when the Company's revenue and operations will be normalised, but the Company's Management has reassessed the budget for the rest of 2020, which shows a break-even position. Based on the updated budget, Management has reassessed the Company's capital resources, and the Company has sufficient liquidity to continue as a going concern.

Apart from this, no events have occurred after the balance sheet date which would influence the evaluation of the annual report.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		12,853,603	14,159,463
Staff costs	2	(10,855,382)	(10,596,190)
Depreciation, amortisation and impairment losses	3	(439,414)	(497,728)
Operating profit/loss		1,558,807	3,065,545
Other financial income from group enterprises		132,150	132,682
Other financial income		15,019	46,589
Other financial expenses		(176,114)	(247,530)
Profit/loss before tax		1,529,862	2,997,286
Tax on profit/loss for the year	4	(340,489)	(670,434)
Profit/loss for the year		1,189,373	2,326,852
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		1,000,000	2,300,000
Retained earnings		189,373	26,852
Proposed distribution of profit and loss		1,189,373	2,326,852

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		712,716	693,270
Leasehold improvements		86,587	86,754
Property, plant and equipment	5	799,303	780,024
Fixed assets		799,303	780,024
Work in progress		664,232	1,533,907
Manufactured goods and goods for resale		754,790	953,677
Prepayments for goods		686,004	1,060,591
Inventories		2,105,026	3,548,175
Trade receivables		10,479,656	10,533,715
Receivables from group enterprises		3,136,168	3,626,808
Deferred tax		91,000	89,000
Other receivables		361,650	367,105
Joint taxation contribution receivable		19,500	0
Prepayments		241,023	198,581
Receivables		14,328,997	14,815,209
Cash		7,341	437,295
Current assets		16,441,364	18,800,679
Assets		17,240,667	19,580,703

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		500,000	500,000
Retained earnings		5,748,641	5,559,268
Proposed dividend		1,000,000	2,300,000
Equity		7,248,641	8,359,268
Other payables		235,323	0
Non-current liabilities other than provisions		235,323	0
Bank loans		2,985,759	2,669,095
Prepayments received from customers		81,952	2,976,036
Trade payables		5,435,836	3,573,142
Payables to group enterprises		132,277	28,641
Joint taxation contribution payable		0	206,453
Other payables		1,120,879	1,768,068
Current liabilities other than provisions		9,756,703	11,221,435
Liabilities other than provisions		9,992,026	11,221,435
Equity and liabilities		17,240,667	19,580,703
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	6		
Contingent liabilities	7		
Assets charged and collateral	8		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	5,559,268	2,300,000	8,359,268
Ordinary dividend paid	0	0	(2,300,000)	(2,300,000)
Profit/loss for the year	0	189,373	1,000,000	1,189,373
Equity end of year	500,000	5,748,641	1,000,000	7,248,641

Notes

1 Events after the balance sheet date

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Apart from this, no events have occurred after the balance sheet date which would influence the evaluation of the annual report.

2 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	9,449,180	9,306,452
Pension costs	957,537	858,291
Other social security costs	166,558	173,074
Other staff costs	282,107	258,373
	10,855,382	10,596,190
Average number of full-time employees	15	16

3 Depreciation, amortisation and impairment losses

	2019	2018
	DKK	DKK
Depreciation of property, plant and equipment	439,197	497,728
Profit/loss from sale of intangible assets and property, plant and equipment	217	0
	439,414	497,728

4 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Current tax	342,489	690,434
Change in deferred tax	(2,000)	(20,000)
	340,489	670,434

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	2,452,412	750,373
Additions	422,596	36,097
Disposals	(887,431)	(977)
Cost end of year	1,987,577	785,493
Depreciation and impairment losses beginning of year	(1,759,143)	(663,618)
Depreciation for the year	(402,932)	(36,265)
Reversal regarding disposals	887,214	977
Depreciation and impairment losses end of year	(1,274,861)	(698,906)
Carrying amount end of year	712,716	86,587

6 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	571,293	700,559

7 Contingent liabilities

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

8 Assets charged and collateral

Mortgage debt is secured by way of all-moneys mortgage (floating charge) and DKK 6,500k nominal. The floating charge comprises unsecured claims, inventories, unregistered motor vehicles, operation equipment, fuel etc. as well as intellectual property rights.

The carrying amount of mortgaged assets is DKK 13.384k.

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.

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, cost of raw materials and consumables 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.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of property, plant and equipment.

Other financial income from group enterprises

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

Other financial income

Other financial income comprises interest income etc.

Other financial expenses

Other financial expenses comprise interest expenses 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.

The Entity is jointly taxed with all Danish group enterprises. 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.

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	3-5 years
Leasehold improvements	3-10 years

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 plus delivery costs.

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.

Deferred tax

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

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax.

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.