

Humac A/S


Sydvestvej 21, 3th floor
2600 Glostrup

CVR no. 13 39 75 97

Annual report 2019/20

The annual report was presented and approved at the
Company's annual general meeting on

5 April 2021



chairman

Contents

| | |
|---|----|
| Statement by the Board of Directors and the Executive Board | 2 |
| Independent auditor's report | 3 |
| Management's review | 6 |
| Company details | 6 |
| Financial highlights | 7 |
| Operating review | 8 |
| Financial statements 1 October – 30 September | 10 |
| Income statement | 10 |
| Balance sheet | 11 |
| Statement of changes in equity | 13 |
| Cash flow statement | 14 |
| Notes | 15 |

Humac A/S
Annual report 2019/20
CVR no. 13 39 75 97

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Humac A/S for the financial year 1 October 2019 – 30 September 2020.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 September 2020 and of the results of the Company's operations and cash flows for the financial year 1 October 2019 – 30 September 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

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

Glostrup, 5 April 2021
Executive Board:



Michael Bech

Board of Directors:



Philippe Gens
Chairman



Denis Sitnikoy



Tikhon Smykov



Michael Bech



Independent auditor's report

To the shareholders of Humac A/S

Opinion

We have audited the financial statements of Humac A/S for the financial year 1 October 2019 – 30 September 2020 comprising income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including 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 Company's assets, liabilities and financial position at 30 September 2020 and of the results of the Company's operations and cash flows for the financial year 1 October 2019 – 30 September 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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 rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

Independent auditor's report

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 company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.



Humac A/S
Annual report 2019/20
CVR no. 13 39 75 97

Independent auditor's report

Based on the work we have performed, we conclude that the Management's review 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's review.

Copenhagen, 5 April 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'Joakim Juul Larsen'.

Joakim Juul Larsen
State Authorised
Public Accountant
mne32803

Humac A/S
Annual report 2019/20
CVR no. 13 39 75 97

Management's review

Company details

Humac A/S
Sydvestvej 21, 3th floor
2600 Glostrup

Telephone: +45 70 21 53 53
Fax: +45 70 21 53 55
Website: www.humac.dk

CVR no.: 13 39 75 97
Established: 1 August 1989
Registered office: Glostrup
Financial year: 1 October – 30 September

Board of Directors

Philippe Gens, Chairman
Denis Sitnikov
Tikhon Smykov
Michael Bech

Executive Board

Michael Bech

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen

Management's review

Financial highlights

| DKK'000 | 2019/20 | 2018/19 | 2017/18 | 2016/17 | 2015/16 |
|--|---------|---------|---------|---------|---------|
| Key figures | | | | | |
| Revenue | 682,923 | 725,968 | 729,443 | 724,913 | 647,862 |
| Gross profit/loss | 69,739 | 64,430 | 65,922 | 71,620 | 69,671 |
| Ordinary operating profit/loss | 2,287 | -920 | 1,229 | 7,173 | 922 |
| Profit/loss from financial income and expenses | -3,027 | -2,694 | -2,880 | -2,880 | -2,412 |
| Profit/loss for the year | -740 | -3,614 | -1,515 | 3,114 | -1,165 |
| Total assets | 116,200 | 125,474 | 128,662 | 127,482 | 92,222 |
| Equity | 8,114 | 8,854 | 12,468 | 13,984 | 12,035 |
| Cash flows from operating activities | 42,395 | -544 | -5,169 | -5,020 | -10,683 |
| Cash flows from investing activities | -3,961 | -3,803 | -4,890 | -5,790 | -8,005 |
| Cash flows from financing activities | -38,504 | 4,410 | -676 | 11,037 | -392 |
| Total cash flows | -70 | 63 | -397 | 227 | 2,110 |
| Ratios | | | | | |
| Gross margin | 10% | 9% | 9% | 10% | 11% |
| Operating margin | 0% | 0% | 0% | 1% | 0% |
| Return on equity | -9% | -35% | -11% | 24% | -10% |
| Solvency ratio | 7% | 7% | 10% | 11% | 13% |
| Average number of full-time employees | 151 | 155 | 152 | 151 | 164 |

The financial ratios have been calculated as follows:

Gross margin
$$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

Operating margin
$$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$$

Return on equity
$$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$$

Solvency ratio
$$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

Management's review

Operating review

Principal activities

The Company's principal activity is sales of consumer electronics, IT equipment, system integration and other IT-related services. At the end of the financial year, the Company operated 23 monobrand stores, Apple and Bang & Olufsen and three online shops focusing on sales directly to private and business customers, a direct sales function focusing on all segments in the B2B area, as well as local authorized service sites for Apple products.

Development in activities and financial position

This is the Company's tenth year of operation under the ownership of the Inventive Retail Group.

The Inventive Retail Group (IRG) was founded in Russia in 1995 and has collaborated with Apple since 1996. In recent years, the Group has invested heavily in retail chain set-up, following the same model as Humac, and the Group currently runs several monobrand concepts in Russia and Denmark. The Group's Management has extensive experience with retailing across markets and runs several monobrand retail concepts (a total of over 350 monobrand stores within several brands, including Apple, LEGO, Samsung, Nike, Sony, Street Beat, Bang & Olufsen, and UNOde50).

In 2019/20, Humac A/S continued the ongoing process of digitisation and cost efficiency improvement, relocation and expansion of the number of stores as well as optimization of sales and service channels. As of 30 September, the chain includes 23 stores and four service sites as well as B2B and three online shops with both cash sales and credit sales under Humac.dk, soundstore.dk and Rentefri.dk. Rentefri.dk is based on fully interest-free financing of consumer electronics in cooperation with Santander Consumer Bank.

Covid 19 has impacted Humac's operation negatively in March, April, and May 2020 under the lockdown period. After reopening the retail business in May, the retail operations has been able to recover and regain a significant part of the lost revenue and business.

Humac has maintained its market share in the retail area, but revenue was impacted negatively in 2019/20 due to the lockdown period. Some part of this revenue has shifted to online business and Humac has seen a growth in online business during 2020.

In the B2B area, Humac has seen a growth in revenue due to an increase in the amount of the workforce working from home, fueling a need for additional computer equipment for use at home.

Expectations for the result

During the financial year 2019/20 the Company realised a loss of DKK 0.7 million.

Management considers the result unsatisfactory.

The combination of the Covid 19 pandemic as well as necessary investments in business operations during the Covid-19 pandemic, as well as further digitization, are factors that have significantly influenced results for the year.

Accordingly, equity declined from DKK 8,854 thousand at the beginning of the financial year to DKK 8,114 thousand at the end of the financial year as a result. The Board of Directors has decided that for now the Company is not to pay any dividends to its investors and at the same time has assessed that at present, the Company is not to receive any additional capital. The current credit facilities are retained to ensure continued operations for the Company. The company has been able to control the cash flow very accurately during the lock down and demonstrated its ability to secure the health of the company in situations like these.

Management expects improved profit development for the financial year 2020/21.

Management's review

Operating review

The Management and the Board of Directors are aware that the situation is uncertain due to Covid 19 and lock down periods and related impact to the retail market.

Expectations for the coming year

Humac will continue to reduce costs and optimise processes and systems, thus focusing on delivering the best customer experience, including additional use of IT systems to optimise operations and generate additional sales.

The Company's Management expects the Company's current cash situation to be maintained and improved in 2020/21.

However, the continued uncertainty regarding Covid 19 pandemic, further price competition from new/existing chains or lack of deliveries and/or delayed launch of new Apple products may adversely affect the Company's results in the coming year.

It is Management's opinion that the implemented strategic and cost-effective initiatives will ensure growth in revenue and earnings for the coming year (2020/21).

Subsequent events

The lockdown due to Covid 19 in December and ongoing in January and February 2021 will have effect on the coming financial year result.

The impact on the Company's performance relies on the scope of the Government's measures to curtail the spread, including the duration of the restrictions, as well as the level of the Governments' aid packages, and is therefore uncertain and not possible to quantify at the present moment.

Financial statements 1 October – 30 September

Income statement

| DKK'000 | Note | 2019/20 | 2018/19 |
|---|------|----------|----------|
| Revenue | | 682,923 | 725,968 |
| Cost of sales | | -593,982 | -625,660 |
| Other operating income | 2 | 6,707 | 0 |
| Other external costs | | -25,909 | -35,878 |
| Gross profit | | 69,739 | 64,430 |
| Staff costs | 3 | -61,509 | -60,139 |
| Depreciation, amortisation and impairment losses | 4 | -5,943 | -5,211 |
| Profit/loss before financial income and expenses | | 2,287 | -920 |
| Other financial income | | 124 | 497 |
| Other financial expenses | 5 | -3,151 | -3,191 |
| Loss before tax | | -740 | -3,614 |
| Tax on loss for the year | | 0 | 0 |
| Loss for the year | 6 | -740 | -3,614 |

Financial statements 1 October – 30 September

Balance sheet

| DKK'000 | Note | 30/9 2020 | 30/9 2019 |
|--|------|-----------------------|-----------------------|
| ASSETS | | | |
| Fixed assets | | | |
| Intangible assets | 7 | | |
| Rights | | 151 | 263 |
| Software | | 4,686 | 5,413 |
| | | <u>4,837</u> | <u>5,676</u> |
| Property, plant and equipment | 8 | | |
| Fixtures and fittings, tools and equipment | | 3,112 | 2,878 |
| Leasehold improvements | | 1,573 | 3,215 |
| | | <u>4,685</u> | <u>6,093</u> |
| Investments | 9 | | |
| Deposits | | 10,558 | 10,292 |
| Total fixed assets | | <u>20,080</u> | <u>22,061</u> |
| Current assets | | | |
| Inventories | | | |
| Finished goods | | 57,406 | 63,865 |
| Receivables | | | |
| Trade receivables | | 20,131 | 28,030 |
| Receivables from group entities | | 11 | 11 |
| Other receivables | | 14,352 | 6,498 |
| Deferred tax asset | 10 | 3,054 | 3,054 |
| Prepayments | 12 | 769 | 1,488 |
| | | <u>38,317</u> | <u>39,081</u> |
| Cash at bank and in hand | | 397 | 467 |
| Total current assets | | <u>96,120</u> | <u>103,413</u> |
| TOTAL ASSETS | | <u><u>116,200</u></u> | <u><u>125,474</u></u> |

Financial statements 1 October – 30 September

Balance sheet

| DKK'000 | Note | 30/9 2020 | 30/9 2019 |
|---|------|-----------------------|-----------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | 13 | | |
| Contributed capital | | 3,102 | 3,102 |
| Retained earnings | | 5,012 | 5,752 |
| Total equity | | <u>8,114</u> | <u>8,854</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Other credit institutions, current liabilities | | 151 | 38,656 |
| Trade payables | | 51,979 | 34,933 |
| Payables to group entities | | 5,942 | 5,183 |
| Other payables | | 47,502 | 35,004 |
| Deferred income | 14 | 2,512 | 2,844 |
| | | <u>108,086</u> | <u>116,620</u> |
| Total liabilities | | <u>108,086</u> | <u>116,620</u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>116,200</u></u> | <u><u>125,474</u></u> |
| Contractual obligations, contingencies, etc. | 14 | | |
| Mortgages and collateral | 15 | | |
| Related party disclosures | 16 | | |

Financial statements 1 October – 30 September

Statement of changes in equity

| DKK'000 | <u>Contributed capital</u> | <u>Retained earnings</u> | <u>Total</u> |
|---|--------------------------------|------------------------------|--------------|
| Equity at 1 October 2019 | 3,102 | 5,752 | 8,854 |
| Transferred over the distribution of loss | 0 | -740 | -740 |
| Equity at 30 September 2020 | 3,102 | 5,012 | 8,114 |

Financial statements 1 October – 30 September

Cash flow statement

| DKK'000 | Note | 2019/20 | 2018/19 |
|--|------|----------------|---------------|
| Loss for the year | | -740 | -3,614 |
| Depreciation, amortisation and impairment losses | | 5,943 | 5,171 |
| Cash flows from operations before changes in working capital | | 5,203 | 1,557 |
| Change in inventories | | 6,600 | -5,549 |
| Change in receivables | | 762 | 8,181 |
| Change in current liabilities | | 29,830 | -4,733 |
| Cash flows from ordinary activities | | 42,395 | -544 |
| Cash flows from operating activities | | 42,395 | -544 |
| Acquisition of intangible assets | | -1,537 | -1,455 |
| Acquisition of property, plant and equipment | | -2,158 | -2,084 |
| Disposal of property, plant and equipment | | 0 | 40 |
| Rent deposits | | -266 | -304 |
| Cash flows from investing activities | | -3,961 | -3,803 |
| Increase in payables to group | | 0 | 1,215 |
| Repayment of debt to credit institutions | | -38,504 | -27,223 |
| Increase in payables to credit institutions | | 0 | 30,418 |
| Cash flows from financing activities | | -38,504 | 4,410 |
| Cash flows for the year | | -70 | 63 |
| Cash and cash equivalents at the beginning of the year | | 467 | 404 |
| Cash and cash equivalents at year end | | 397 | 467 |

Financial statements 1 October – 30 September

Notes

1 Accounting policies

The annual report of Humac A/S for 2019/20 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Change in comparative figures

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue from the sale of goods for resale is recognised in the income statement provided that transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured excl. VAT, taxes and discounts.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other operating income

Government grants are recognised when it is fairly certain that the grant conditions will be complied with, and the grant will be received.

Grants compensating for costs incurred are recognised directly as operating income in the income statement as costs eligible for grants are incurred. If the conditions for receiving the grant are not complied until after related costs have been recognised, the grant is to be recognised in the income statement when the conditions have been complied with and it is fairly certain that the grant will be awarded.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, etc.

Financial statements 1 October – 30 September

Notes

1 Accounting policies (continued)

Staff costs

Staff costs comprise expenses incurred during the year for management and administration, including expenses for administrative staff.

Financial income and expenses

Financial income and expenses comprise interest income and expense, cash discounts, gains and losses on receivables, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on account tax scheme, etc.

Balance sheet

Intangible assets

Intangible assets comprise rights and software. Rights and software are measured at cost less accumulated amortisation. Amortisation is provided on a straight-line basis over the expected useful lives of the assets.

Property, plant and equipment

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

| | |
|--|-----------|
| Fixtures and fittings, tools and equipment | 3-5 years |
| Leasehold improvements | 3-7 years |

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Depreciation is recognised in the income statement as depreciation.

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is

Financial statements 1 October – 30 September

Notes

1 Accounting policies (continued)

lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost. Write-down is made to net realisable value for anticipated bad debt losses.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 October – 30 September

Notes

1 Accounting policies (continued)

Liabilities

Financial liabilities are measured at amortised cost. Other financial liabilities are measured at net realisable value.

Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

The cash flow statement cannot be directly derived from the other components of the financial statements.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Company's share of profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's share capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term borrowings.

Financial statements 1 October – 30 September

Notes

2 Other operating income

Other operating income includes received government grants awarded in connection with Covid-19.

| DKK'000 | <u>2019/20</u> | <u>2018/19</u> |
|---------|----------------|----------------|
|---------|----------------|----------------|

3 Staff costs

| | | |
|-----------------------------|---------------|---------------|
| Wages and salaries | 57,653 | 56,278 |
| Pensions | 3,108 | 2,982 |
| Other social security costs | <u>748</u> | <u>879</u> |
| | <u>61,509</u> | <u>60,139</u> |

| | | |
|---------------------------------------|------------|------------|
| Average number of full-time employees | <u>151</u> | <u>155</u> |
|---------------------------------------|------------|------------|

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

No remuneration has been paid to the Board of Directors.

4 Depreciation and amortisation

| | | |
|---|--------------|--------------|
| Amortisation on intangible assets | 2,377 | 2,318 |
| Depreciation on property, plant and equipment | 3,566 | 2,854 |
| Gain/loss on disposal | <u>0</u> | <u>39</u> |
| | <u>5,943</u> | <u>5,211</u> |

5 Other financial expenses

| | | |
|------------------------------------|--------------|--------------|
| Interest expense to group entities | 759 | 1,228 |
| Other financial costs | <u>2,392</u> | <u>1,963</u> |
| | <u>3,151</u> | <u>3,191</u> |

Financial statements 1 October – 30 September

Notes

| DKK'000 | 2019/20 | 2018/19 | |
|---|---|-------------------------------|----------------|
| 6 Proposed distribution of loss | | | |
| Retained earnings | -740 | -3,614 | |
| | <u>-740</u> | <u>-3,614</u> | |
| 7 Intangible assets | | | |
| DKK'000 | <u>Rights</u> | <u>Software</u> | <u>Total</u> |
| Cost at 1 October 2019 | 3,422 | 16,780 | 20,202 |
| Additions for the year | 0 | 1,537 | 1,537 |
| Cost at 30 September 2020 | <u>3,422</u> | <u>18,317</u> | <u>21,739</u> |
| Amortisation and impairment losses at 1 October 2019 | -3,159 | -11,367 | -14,526 |
| Amortisation for the year | -112 | -2,265 | -2,377 |
| Amortisation and impairment losses at 30 September 2020 | <u>-3,271</u> | <u>-13,632</u> | <u>-16,903</u> |
| Carrying amount at 30 September 2020 | <u>151</u> | <u>4,685</u> | <u>4,836</u> |
| 8 Property, plant and equipment | | | |
| DKK'000 | <u>Fixtures and fittings, tools and equipment</u> | <u>Leasehold improvements</u> | <u>Total</u> |
| Cost at 1 October 2019 | 20,555 | 27,659 | 48,214 |
| Additions for the year | 1,874 | 284 | 2,158 |
| Cost at 30 September 2020 | <u>22,429</u> | <u>27,943</u> | <u>50,372</u> |
| Depreciation and impairment losses at 1 October 2019 | -17,677 | -24,444 | -42,121 |
| Depreciation for the year | -1,640 | -1,926 | -3,566 |
| Depreciation and impairment losses at 30 September 2020 | <u>-19,317</u> | <u>-26,370</u> | <u>-45,687</u> |
| Carrying amount at 30 September 2020 | <u>3,112</u> | <u>1,573</u> | <u>4,685</u> |
| 9 Investments | | | |
| DKK'000 | | <u>Deposits</u> | |
| Cost at 1 October 2019 | | 10,292 | |
| Additions of the year | | 266 | |
| Cost at 30 September 2020 | | <u>10,558</u> | |
| Carrying amount at 30 September 2020 | | <u>10,558</u> | |

Financial statements 1 October – 30 September

Notes

| DKK'000 | <u>30/9 2020</u> | <u>30/9 2020</u> |
|---|------------------|------------------|
| 10 Deferred tax asset | | |
| Deferred tax at the beginning of the year | 3,054 | 3,054 |
| | <u>3,054</u> | <u>3,054</u> |

The Company's deferred tax asset in total amounts to DKK 3,572 thousand, of which DKK 491 thousand is attributable to the value of tax loss carryforwards.

Management has found it fair to recognise the tax asset of an amount of DKK 3,054 thousand as it is expected to be utilised within the next 3-5 years according to the Company's budgets and projections.

11 Prepayments

Prepayments comprise prepaid expenses regarding rent and insurance.

12 Equity

The share capital consists of 3,102 shares of a nominal value 1,000 each. All shares rank equally

There have been no changes in the share capital during the last five years.

13 Deferred income

Deferred income consists of deposit and payment related to gift card.

14 Contractual obligations, contingencies, etc.

Contingent liabilities

The company has rental obligations liabilities at a total amount of DKK 26,277 thousand (2019: 29,767 thousand), DKK 16,587 thousand are due within 1 year and DKK 9,690 thousand are due after 5 years.

The company has other operating liabilities at a total amount of DKK 434 thousand (2019: DKK 278 thousand), DKK 380 thousand (2019: DKK 226 thousand) are due within 1 year and DKK 54 thousand (2019: 52 thousand) are due after 5 years.

15 Mortgages and collateral

Credit facility of DKK 10 million is secured by company pledge in intangible assets, property, plant and equipment, inventories and trade receivables for one supplier.

Credit facility of DKK 10 million is secured by company pledge in intangible assets, property, plant and equipment and inventories for bank facility.

Through external bank there has been issued a letter of credit to one supplier with total credit facility of DKK 26 million.

\

Financial statements 1 October – 30 September

Notes

16 Related party disclosures

Humac A/S related parties comprise the following:

Control

ReStore Retail Group Limited, Drake Chambers, P.O Box 3321, Road Town, Tortola, British Virgin Islands.

ReStore Retail Group Limited holds the majority of the contributed capital in the Company.

Humac A/S is part of the consolidated financial statements of ReStore Retail Group Limited, Drake Chambers, P.O Box 3321, Road Town, Tortola, British Virgin Islands, which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of ReStore Retail Group Limited can be obtained by contacting the Company at the address above.

Related party transactions

Intercompany balance to Group Company are disclosed in the balance sheet, and expensed interest is disclosed in note 5.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the contributed capital:

ReStore Retail Group Limited, Drake Chambers, P.O Box 3321, Road Town, Tortola, British Virgin Islands.