Tel.: +45 97 12 52 44
herning@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Guldborgvej 1
DK-7400 Herning
CVR no. 20 22 26 70

IRO DENMARK APS

ØSTERGADE 17 ST. TH., 1100 KØBENHAVN K

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 8 August 2024

Sujuan Liu

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 32 32 57 85

CONTENTS

COMPANY DETAILS

Company	IRO DENMARK ApS Østergade 17 st. th. 1100 Copenhagen K	
	CVR No.:	32 32 57 85
	Established:	27 December 2013
	Municipality:	Copenhagen
	Financial Year:	1 January - 31 December
Executive Board	Sujuan Liu	
Auditor	BDO Statsautoriseret revisionsaktieselskab Guldborgvej 1 7400 Herning	

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of IRO DENMARK ApS for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

I recommend the Annual Report be approved at the Annual General Meeting.

København K, 8 August 2024

Executive Board

Sujuan Liu

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholder of IRO DENMARK ApS

Conclusion
We have performed an extended review of the Financial Statements of IRO DENMARK ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Conclusion
We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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 Extended Review of the Financial Statements
Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

Statement on the Management Commentary
Management is responsible for the Management Commentary.

Our conclusion on the Financial Statements does not cover the Management Commentary, and we do not express any form of assurance conclusion thereon.

THE INDEPENDENT AUDITOR'S REPORT

In connection with our extended review 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 during the extended review, 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 in the Management Commentary.

Herning, 8 August 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jan Buskbjerg
Authorised Public Accountant
MNE no. mne23183

MANAGEMENT COMMENTARY

Principal activities
The principal activities comprise of retail sales of women's and men's clothing.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS PROFIT		**2.715.579**	**2.011.588**
Staff costs	1	-2.404.475	-1.692.065
Depreciation, amortisation and impairment losses		-214.841	-70.989
Other operating expenses		-250.000	0
OPERATING LOSS		**-153.737**	**248.534**
Other financial income	2	0	251
Other financial expenses	3	-96.228	-18.679
LOSS BEFORE TAX		**-249.965**	**230.106**
Tax on profit/loss for the year	4	9.075	-50.575
LOSS FOR THE YEAR		**-240.890**	**179.531**

PROPOSED DISTRIBUTION OF PROFIT

Retained earnings		-240.890	179.531
TOTAL		**-240.890**	**179.531**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Other plant, fixtures and equipment		236.311	97.443
Leasehold improvements		407.078	167.629
Property, plant and equipment		**643.389**	**265.072**
Rent deposit and other receivables		1.567.711	1.444.895
Financial non-current assets		**1.567.711**	**1.444.895**
NON-CURRENT ASSETS		**2.211.100**	**1.709.967**
Finished goods and goods for resale		1.866.152	1.405.214
Inventories		**1.866.152**	**1.405.214**
Trade receivables		402.327	1.445.075
Receivables from group enterprises		80.823	0
Other receivables		0	11.500
Corporation tax receivable		46.854	26.582
Prepayments		692	0
Receivables		**530.696**	**1.483.157**
Cash and cash equivalents		**831.101**	**698.491**
CURRENT ASSETS		**3.227.949**	**3.586.862**
ASSETS		**5.439.049**	**5.296.829**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital		80.000	80.000
Retained earnings		3.699.049	3.939.939
EQUITY		**3.779.049**	**4.019.939**
Provisions for deferred tax		10.820	23.041
PROVISIONS		**10.820**	**23.041**
Payables to group enterprises		750.669	0
Non-current liabilities	5	**750.669**	**0**
Trade payables		152.458	38.180
Debt to Group companies		0	586.984
Other liabilities		746.053	628.685
Current liabilities		**898.511**	**1.253.849**
LIABILITIES		**1.649.180**	**1.253.849**
EQUITY AND LIABILITIES		**5.439.049**	**5.296.829**
Contingencies etc.	6		

EQUITY

DKK	Share Capital	Retained earnings	Total
Equity at 1 January 2023	80.000	3.939.939	4.019.939
Proposed profit allocation		-240.890	-240.890
Equity at 31 December 2023	**80.000**	**3.699.049**	**3.779.049**

NOTES

	2023 DKK	2022 DKK	Note
Staff costs			1
Average number of full time employees	6	5	
Wages and salaries	2.355.743	1.656.417	
Social security costs	48.732	35.648	
	2.404.475	**1.692.065**	
Other financial income			2
Group enterprises	0	251	
	0	**251**	
Other financial expenses			3
Group enterprises	5.136	0	
Other interest expenses	91.092	18.679	
	96.228	**18.679**	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year	3.146	44.418	
Adjustment of deferred tax	-12.221	6.157	
	-9.075	**50.575**	

Long-term liabilities 5

DKK	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Payables to group enterprises	750.669	0	0	0
	750.669	**0**	**0**	**0**

Contingencies etc. 6

Contingent liabilities
The company has made a rent contract with a commitment of TDKK 1.568, which falls due within 1 year.

ACCOUNTING POLICIES

The Annual Report of IRO DENMARK ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue
Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales
Cost of sales comprise costs of purchased goods for resale used to reach the revenue for the year and decrease or increase of inventories of goods for resale. Additionally, normal impairment of inventories of goods for resale is included.

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses
Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group’s and the Company’s activities. Losses from sale of intangible and tangible fixed assets are also included.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Tangible fixed assets
Leasehold improvements and other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

ACCOUNTING POLICIES

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment...	3-5 years	0 %
Leasehold improvements...	6 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets
Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Impairment of fixed assets
The carrying amount of tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct production cost.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

ACCOUNTING POLICIES

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.