Miinto Holding ApS

Prags Boulevard 49, st. 9., 2300 Copenhagen S

CVR no. 33 03 61 91

Annual report 2018/19

Approved at the Company's annual general meeting on 29 November 2019

11/29/2019

Chairman:

DocuSigned by:

Regina M Andersen

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Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Miinto Holding ApS for the financial year 1 August 2018 - 31 July 2019.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 July 2019 and of the results of the Company's operations for the financial year 1 August 2018 - 31 July 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 29 November 2019
Executive Board: 11/28/2019

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Konrad Artur Kierklo
CEO

Board of Directors: 11/29/2019

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Regina M Andersen
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Regina Møller Andersen
Chairman

11/28/2019

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Konrad Artur Kierklo

11/29/2019

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Carsten Mikkelsen
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Carsten Stokholm Mikkelsen

11/29/2019

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John Greger
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John Maik Christopher Greger

Independent auditor's report

To the shareholders of Miinto Holding ApS

Opinion

We have audited the financial statements of Miinto Holding ApS for the financial year 1 August 2018 - 31 July 2019, which comprise income statement, balance sheet, statement of changes in equity 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 financial position of the Company at 31 July 2019 and of the results of the Company's operations for the financial year 1 August 2018 - 31 July 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 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 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 the 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.

Independent auditor's report

- 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 note 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.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 29 November 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Friis	Jonas Busk
State Authorised Public Accountant	State Authorised Public Accountant
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Management's review

Company details

Name	Miinto Holding ApS
Address, Postal code, City	Prags Boulevard 49, st. 9., 2300 Copenhagen S
CVR no.	33 03 61 91
Established	2 June 2010
Registered office	Copenhagen
Financial year	1 August 2018 - 31 July 2019
Board of Directors	Regina Møller Andersen, Chairman Konrad Artur Kierklo Carsten Stokholm Mikkelsen John Maik Christopher Greger
Executive Board	Konrad Artur Kierklo, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Business review

The Company's purpose is to hold ownership of the operating companies around the world as well as maintaining and securing rights, domains and trademarks of the Miinto Group.

Unusual matters having affected the financial statements

During the year, the Company has acquired 100% of the shares in Showroom Sp. Z.o.o. in Poland in exchange of shares in Miinto Holding ApS. We have assessed the transaction and made a purchase price allocation in line with the accounting policy.

Financial review

The income statement for 2018/19 shows a loss of DKK 44,326 thousand against a loss of DKK 47,307 thousand last year, and the balance sheet at 31 July 2019 shows equity of DKK 75,735 thousand.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

The Company's results of operation for 2019/20 is expected to be at the same level as in 2018/19.

Financial statements 1 August 2018 - 31 July 2019

Income statement

Note	DKK'000	2018/19	2017/18
	Gross loss	-544	-42
	Income from investments in group enterprises	-43,237	-47,637
2	Financial income	103	222
3	Financial expenses	-815	-90
	Profit/loss before tax	-44,493	-47,547
4	Tax for the year	167	240
	Profit/loss for the year	-44,326	-47,307
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-44,326	-47,307
		-44,326	-47,307

Financial statements 1 August 2018 - 31 July 2019

Balance sheet

Note	DKK'000	2018/19	2017/18
	ASSETS		
	Fixed assets		
5	**Investments**		
	Investments in group enterprises	57,626	11,907
		57,626	11,907
	Total fixed assets	57,626	11,907
	Non-fixed assets		
	Receivables		
	Joint taxation contribution receivable	167	0
	Prepayments	8	11
		175	11
	Cash	37,006	0
	Total non-fixed assets	37,181	11
	TOTAL ASSETS	94,807	11,918

Financial statements 1 August 2018 - 31 July 2019

Balance sheet

Note	DKK'000	2018/19	2017/18
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	638	480
	Retained earnings	75,097	-19,308
	Total equity	75,735	-18,828
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	0	24,969
	Trade payables	11	0
	Payables to group enterprises	18,766	5,697
	Corporation tax payable	0	35
	Other payables	295	45
		19,072	30,746
	Total liabilities other than provisions	19,072	30,746
	TOTAL EQUITY AND LIABILITIES	94,807	11,918

1 Accounting policies
6 Contractual obligations and contingencies, etc.
7 Related parties

Financial statements 1 August 2018 - 31 July 2019

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 August 2017	480	27,809	28,289
Transfer through appropriation of loss	0	-47,307	-47,307
Adjustment of investments through forreign exchange adjustments	0	-97	-97
Other value adjustments of equity	0	287	287
Equity at 1 August 2018	480	-19,308	-18,828
Additions on corporate acquisition	0	44,000	44,000
Capital increase	158	94,841	94,999
Transfer through appropriation of loss	0	-44,326	-44,326
Adjustment of investments through forreign exchange adjustments	0	-110	-110
Equity at 31 July 2019	638	75,097	75,735

Financial statements 1 August 2018 - 31 July 2019

Notes to the financial statements

1 Accounting policies

The annual report of Miinto Holding ApS for 2018/19 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

External business combinations

Recently acquired entities are recognised in the financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under Investments in group entities. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the parent company financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Financial statements 1 August 2018 - 31 July 2019

Notes to the financial statements

1 Accounting policies (continued)

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from disposal of subsidiaries which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

Income statement

Gross loss

The items revenue and external expenses have been aggregated into one item in the income statement called gross loss in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 August 2018 - 31 July 2019

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Investments in subsidiaries

Equity investments in subsidiaries and associates are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Financial statements 1 August 2018 - 31 July 2019

Notes to the financial statements

1 **Accounting policies (continued)**

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

	DKK'000	2018/19	2017/18
2	**Financial income**		
	Interest receivable, group entities	103	222
		103	222
3	**Financial expenses**		
	Other interest expenses	814	90
	Exchange adjustments	1	0
		815	90

Financial statements 1 August 2018 - 31 July 2019

Notes to the financial statements

DKK'000	2018/19	2017/18
4 **Tax for the year**		
Estimated tax charge for the year	-167	35
Tax adjustments, prior years	0	-275
	-167	-240

5 **Investments**

DKK'000	Investments in group enterprises
Cost at 1 August 2018	197,235
Additions	89,070
Disposals	-3
Cost at 31 July 2019	286,302
Value adjustments at 1 August 2018	-185,328
Foreign exchange adjustments	-110
Profit/loss for the year	-41,871
Depreciation on goodwill	-1,367
Value adjustments at 31 July 2019	-228,676
Carrying amount at 31 July 2019	57,626

Name	Domicile	Interest
Subsidiaries		
Miinto ApS	Copenhagen, Denmark	100.00%
Miinto Host ApS	Copenhagen, Denmark	100.00%
Miinto.no AS	Oslo, Norway	100.00%
Miinto AB	Malmö, Sweden	100.00%
Meinto Benelux B.V.	Amsterdam, Netherlands	100.00%
Miinto Tech PL Sp. Z.o.o.	Warszawa, Poland	100.00%
Miinto.pl Sp. Z.o.o.	Warsawa, Poland	100.00%
Miinto Switzerland AG	Zurich, Switzerland	100.00%
Miinto BE BVBA	Brasschaat, Belgium	100.00%
Showroom Sp. Z.o.o.	Poland	100.00%

Financial statements 1 August 2018 - 31 July 2019

Notes to the financial statements

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent company, HEARTLAND A/S, which acts as management company, and has limited and alternative liability together with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.

7 Related parties

Miinto Holding ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
BESTSELLER United A/S	Brande	Owns Miinto Holding ApS 60.3%
HEARTLAND A/S	Aarhus	Owns BESTSELLER United A/S 100%
Aktieselskabet af 1.1.2017	Aarhus	Owns HEARTLAND A/S 50%
Anders Holch Povlsen	Aarhus	Owns HEARTLAND A/S 50%
Anders Holch Povlsen	Aarhus	Owns Aktieselskabet af 1.1.2017 100%

Information about consolidated financial statements

Parent	Domicile
HEARTLAND A/S	Aarhus

Related party transactions

Miinto Holding ApS was engaged in the below related party transactions:

DKK'000	2018/19
Financial income	103
Capital contribution	-45,070
Capital increases	94,999