

Miinto Holding ApS

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

CVR no. 33 03 61 91

Annual report 2019/20

Approved at the Company's annual general meeting on 4 December 2020

Chairman:

DocuSigned by:
Regina Andersen 12/14/2020
.....82115F50F86644E.....





Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 August 2019 - 31 July 2020	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11



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 2019 - 31 July 2020.

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 2020 and of the results of the Company's operations for the financial year 1 August 2019 - 31 July 2020.

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, 4 December 2020
Executive Board:

DocuSigned by:
Konrad Artur Kierklo 12/14/2020
C2746292874B443
Konrad Artur Kierklo
CEO

Board of Directors:

DocuSigned by:
Regina Andersen 12/14/2020
82115F59F86644E
Regina Møller Andersen
Chairman

DocuSigned by:
Konrad Artur Kierklo 12/14/2020
C2746292874B443
Konrad Artur Kierklo

DocuSigned by:
Carsten Mikkelsen 12/16/2020
B6047AFE5D9C4FF
Carsten Stokholm Mikkelsen

DocuSigned by:
John Maik Christopher Greger 12/14/2020
94E741E09DE340F
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 2019 - 31 July 2020, 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 2020 and of the results of the Company's operations for the financial year 1 August 2019 - 31 July 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 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.
- ▶ 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.



Independent auditor's report

- ▶ 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, 4 December 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

DocuSigned by:
12/16/2020
Morten Friis
E332666920A547C...
Morten Friis
State Authorised Public Accountant
mne32732

DocuSigned by:
12/16/2020
Jonas Busk
415EA8A9D5394CD...
Jonas Busk
State Authorised Public Accountant
mne42771



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 2019 - 31 July 2020
Board of Directors	Regina Møller Andersen, Chairman Konrad Artur Kierklo Carsten Stokholm Mikkelsen John Maik Christopher Greger
Executive Board	Konrad Artur Kierklo, CEO
Auditors	EY 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.

Financial review

The income statement for 2019/20 shows a loss of DKK 47,010 thousand against a loss of DKK 44,326 thousand last year, and the balance sheet at 31 July 2020 shows equity of DKK 28,169 thousand.

In the fiscal year the world economy has been affected by the Covid-19 outbreak. On an ongoing basis management assesses the effect and the risks for the company both in the short and long term. It is difficult to conclude on the effect of Covid-19 on fiscal year 2019/20.

Events after the balance sheet date

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

Outlook

Covid-19 is generally associated with high uncertainty. Therefore, the expectations for the coming year are associated with uncertainty but so far Covid 19 has been an upside for e-commerce in general and also for Miinto.



Financial statements 1 August 2019 - 31 July 2020

Income statement

Note	DKK'000	2019/20	2018/19
	Gross loss	-162	-544
	Income from investments in group enterprises	-46,681	-43,237
3	Financial income	192	103
4	Financial expenses	-429	-815
	Profit/loss before tax	-47,080	-44,493
5	Tax for the year	70	167
	Profit/loss for the year	<u>-47,010</u>	<u>-44,326</u>
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-47,010	-44,326
		<u>-47,010</u>	<u>-44,326</u>



Financial statements 1 August 2019 - 31 July 2020

Balance sheet

Note	DKK'000	<u>2019/20</u>	<u>2018/19</u>
	ASSETS		
	Fixed assets		
6	Investments		
	Investments in group enterprises	85,669	57,626
		<u>85,669</u>	<u>57,626</u>
	Total fixed assets	<u>85,669</u>	<u>57,626</u>
	Non-fixed assets		
	Receivables		
	Joint taxation contribution receivable	70	167
	Prepayments	16	8
		<u>86</u>	<u>175</u>
	Cash	<u>0</u>	<u>37,006</u>
	Total non-fixed assets	<u>86</u>	<u>37,181</u>
	TOTAL ASSETS	<u><u>85,755</u></u>	<u><u>94,807</u></u>



Financial statements 1 August 2019 - 31 July 2020

Balance sheet

Note	DKK'000	2019/20	2018/19
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	638	638
	Retained earnings	27,531	75,097
	Total equity	<u>28,169</u>	<u>75,735</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	40,000	0
	Trade payables	0	11
	Payables to group enterprises	17,586	18,766
	Other payables	0	295
		<u>57,586</u>	<u>19,072</u>
	Total liabilities other than provisions	<u>57,586</u>	<u>19,072</u>
	TOTAL EQUITY AND LIABILITIES	<u>85,755</u>	<u>94,807</u>

- 1 Accounting policies
- 2 Uncertainty regarding going concern
- 7 Contractual obligations and contingencies, etc.
- 8 Related parties



Financial statements 1 August 2019 - 31 July 2020

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
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 foreign exchange adjustments	0	-110	-110
Equity at 1 August 2019	638	75,097	75,735
Transfer through appropriation of loss	0	-47,010	-47,010
Adjustment of investments through foreign exchange adjustments	0	-556	-556
Equity at 31 July 2020	638	27,531	28,169



Financial statements 1 August 2019 - 31 July 2020

Notes to the financial statements

1 Accounting policies

The annual report of Miinto Holding ApS for 2019/20 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 112 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 2019 - 31 July 2020

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 2019 - 31 July 2020

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.

Other payables

Other payables are measured at net realisable value.

2 Uncertainty regarding going concern

Based on the loss after tax of DKK 47,010 thousand the equity at year end is DKK 28,169 thousand.

It is managements expectations that the result and cash flow for 2020/21 will be better than 2019/20, based on this management expects that sufficient capital resources are in place.



Financial statements 1 August 2019 - 31 July 2020

Notes to the financial statements

DKK'000	<u>2019/20</u>	<u>2018/19</u>
3 Financial income		
Interest receivable, group entities	192	103
	<u>192</u>	<u>103</u>
4 Financial expenses		
Other interest expenses	429	814
Exchange adjustments	0	1
	<u>429</u>	<u>815</u>
5 Tax for the year		
Estimated tax charge for the year	-70	-167
	<u>-70</u>	<u>-167</u>



Financial statements 1 August 2019 - 31 July 2020

Notes to the financial statements

6 Investments

DKK'000	Investments in group enterprises
Cost at 1 August 2019	286,302
Additions	75,280
Cost at 31 July 2020	361,582
Value adjustments at 1 August 2019	-228,676
Foreign exchange adjustments	-556
Profit/loss for the year	-40,888
Depreciation on goodwill	-5,793
Value adjustments at 31 July 2020	-275,913
Carrying amount at 31 July 2020	85,669

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 2019 - 31 July 2020

Notes to the financial statements

7 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.

8 Related parties

Miinto Holding ApS' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
BESTSELLER United A/S	Brande	Owens Miinto Holding ApS 60.3%

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>
HEARTLAND A/S	Aarhus

Related party transactions

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

<u>DKK'000</u>	<u>2019/20</u>
Financial income	192
Capital contribution	-75,280