

**INTS It's Not The Same
Denmark ApS**

**Sundkrogsgade 21, c/o Harbour House, 2100
Copenhagen**

CVR no. 33 51 18 84

Annual report for 2018

Adopted at the annual general meeting
on 6 May 2019



Line Pedersen
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of INTS It's Not The Same Denmark ApS for the financial year 1 January - 31 December 2018.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

I recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 6 May 2019

Executive board

Alberto Ojinaga Cebrián



Independent auditor's report

To the shareholder of INTS It's Not The Same Denmark ApS

Opinion

We have audited the financial statements of INTS It's Not The Same Denmark ApS for the financial year 1 January - 31 December 2018, which comprise Income statement, balance sheet, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the 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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- 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.

Independent auditor's report

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 management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 6 May 2019

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56


Kim Takata Mücke
State-authorized Public Accountant
MNE no. mne10944

Company details

The company

INTS It's Not The Same Denmark ApS
Sundkrogsgade 21
c/o Harbour House
2100 Copenhagen

CVR no.: 33 51 18 84

Reporting period: 1 January - 31 December 2018

Domicile: Copenhagen

Executive board

Alberto Ojinaga Cebrián

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 København S

Consolidated financial statements

ABASIC S.L.
Passeig del Mare Nostrum 15
08039 Barcelona
Spain

The Company is included in the consolidated financial statements for the parent, ABASIC S.L., which can be obtained by contact to ABASIC S.L.

Management's review

Business activities

The main activity of the company is retail of clothing of all kinds as well as accessories, shoes and leather items under the "Desigual" brand name.

Recognition and measurement uncertainties

The recognition and measurement of items in the financial statements is not subject to any uncertainty.

Unusual matters

The company's financial position at 31 December 2018 and the results of its operations for the financial year ended 31 December 2018 are not affected by any unusual matters.

Business review

The company's income statement for the year ended 31 December shows a loss of DKK 433.655, and the balance sheet at 31 December 2018 shows equity of DKK 4.416.768.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> DKK
Gross profit		2.652.916	5.642.873
Staff costs	1	-1.835.508	-3.736.506
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-809.975</u>	<u>-1.900.682</u>
Profit/loss before net financials		7.433	5.685
Financial costs	2	<u>-14.419</u>	<u>-141.900</u>
Profit/loss before tax		-6.986	-136.215
Tax on profit/loss for the year	3	<u>-426.669</u>	<u>29.967</u>
Profit/loss for the year		<u>-433.655</u>	<u>-106.248</u>
 Distribution of profit			
Retained earnings		<u>-433.655</u>	<u>-106.248</u>
		<u>-433.655</u>	<u>-106.248</u>

Balance sheet 31 December

	<u>Note</u>	<u>2018</u>	<u>2017</u>
		DKK	DKK
Assets			
Other fixtures and fittings, tools and equipment		351.659	1.749.761
Leasehold Improvements		55.114	208.913
Tangible assets		406.773	1.958.674
Deposits		239.600	689.804
Fixed asset investments		239.600	689.804
Total non-current assets		646.373	2.648.478
Finished goods and goods for resale		950.565	1.044.841
Stocks		950.565	1.044.841
Trade receivables		216	67.264
Receivables from group entities		2.560.027	710.692
Other receivables		1.338	3.749
Deferred tax asset		0	116.254
Prepayments		17.518	444.378
Receivables		2.579.099	1.342.337
Cash at bank and in hand		1.231.264	2.458.255
Total current assets		4.760.928	4.845.433
Total assets		5.407.301	7.493.911

Balance sheet 31 December

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> DKK
Equity and liabilities			
Share capital		7.520.380	7.520.380
Retained earnings		-3.103.612	-2.669.957
Equity	4	<u>4.416.768</u>	<u>4.850.423</u>
Trade payables		166.115	268.105
Payables to group entities		351.090	1.517.447
Other payables		<u>473.328</u>	<u>857.936</u>
Total current liabilities		<u>990.533</u>	<u>2.643.488</u>
Total liabilities		<u>990.533</u>	<u>2.643.488</u>
Total equity and liabilities		<u><u>5.407.301</u></u>	<u><u>7.493.911</u></u>
Contingencies, etc.	5		

Notes

	<u>2018</u>	<u>2017</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	1.797.350	3.665.824
Other social security costs	<u>38.158</u>	<u>70.682</u>
	<u>1.835.508</u>	<u>3.736.506</u>
Average number of employees	<u>6</u>	<u>14</u>
	<u>2018</u>	<u>2017</u>
	DKK	DKK
2 Financial costs		
Financial expenses, group entities	9.936	136.215
Exchange loss	<u>4.483</u>	<u>5.685</u>
	<u>14.419</u>	<u>141.900</u>
3 Tax on profit/loss for the year		
Deferred tax for the year	116.254	-29.967
Adjustment of tax concerning previous years	<u>310.415</u>	<u>0</u>
	<u>426.669</u>	<u>-29.967</u>

Notes

4 Equity

	Share capital	Retained earnings	Total
Equity at 1 January 2018	7.520.380	-2.669.957	4.850.423
Net profit/loss for the year	0	-433.655	-433.655
Equity at 31 December 2018	<u>7.520.380</u>	<u>-3.103.612</u>	<u>4.416.768</u>

5 Contingencies, etc.

Total rental and leasing commitments amounts to tDKK 0 as per 31 December 2018 (tDKK 2.364 as per 31 December 2017).

Accounting policies

The annual report of INTS It's Not The Same Denmark ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2018 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report are presented and which confirm or invalidate matters existing at the balance sheet date.

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Accounting policies

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, cost of sales, other operating income and other external expenses.

Revenue

Revenue from the sale of goods for resale is recognised in the income statement, upon transfer of risk, usually on delivery to the buyer and provided that the income can be measured reliably and is expected to be received.

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Cost of sales

Expenses for cost of sales include the used goods in generating the year's revenue.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of leasehold improvements, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

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

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures, fittings, tools and equipment	4-5	years
Leasehold improvements	5	years

Impairment of fixed assets

The carrying amount of leasehold improvements, plant and equipment is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

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 is impaired, an impairment loss for that individual asset is recognised.

Accounting policies

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.