

OSKA Danmark ApS

Silkegade 21, 1113 København K

Company reg. no. 35 24 03 14

Annual report

2020

The annual report was submitted and approved by the general meeting on the 19 April 2021.

Ingo Behn
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The managing director has today presented the annual report of OSKA Danmark ApS for the financial year 1 January to 31 December 2020.

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

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2020 and of the company's results of its activities in the financial year 1 January to 31 December 2020.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

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

København K, 19 April 2021

Managing Director

Ingo Behn
Director

Independent auditor's report on extended review

To the shareholder of OSKA Danmark ApS

Opinion

We have performed extended review of the annual accounts of OSKA Danmark ApS for the financial year 1 January to 31 December 2020, which comprise profit and loss account, balance sheet, statement of changes in equity, notes and accounting policies. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January to 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We performed the extended review in accordance with the standard from the Danish Business Authority applicable on auditor's reports to small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable on extended review of annual accounts prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the extended review of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainties concerning the enterprise's ability to continue as a going concern

Without modifying our opinion, we draw attention to the fact that there is considerable uncertainty about the company's ability to continue operations. The company has lost its entire share capital. It is a condition for continued operation, that the statement of the supply of the necessary capital actually is implemented. Please refer to managements's comments under note 1.

The management's responsibilities for the annual accounts

Management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Independent auditor's report on extended review

Auditor's responsibilities for the extended review of the annual accounts

Our responsibility is to express an opinion on the financial statements. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the annual accounts. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an evaluation of the achieved audit evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the financial statements.

Statement on the management's review

Management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our extended review of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the extended review, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 19 April 2021

Redmark

State Authorised Public Accountants
Company reg. no. 29 44 27 89

Mark Leerdrup Hansen

State Authorised Public Accountant
mne19802

Company information

The company	OSKA Danmark ApS Silkegade 21 1113 København K
	Company reg. no. 35 24 03 14 Established: 3 May 2013 Financial year: 1 January - 31 December
Managing Director	Ingo Behn, Director
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg
Bankers	Jyske Bank A/S

Management commentary

The principal activities of the company

The company's main activity is to do business with retail sales of clothing and related activities.

Development in activities and financial matters

The results from ordinary activities after tax are DKK -366.365 against DKK -1.072.363 last year. The management consider the results satisfactory.

The company has received compensation from the state in connection with the coronacrisis. The size of of the compensation amounts to 180 T.DKK and is presented in the annual report under Other operating income. Specification of this can be found in note 2 on special items.

Capital resources

The company has lost its capital. The company's capital is expected to be restored within the next years through positive results.

Going Concern

The financial statements have been prepared under the assumption of continued operation. For further description of assumptions for the assessment of going concern, refers to the financial statements Note 1.

Events subsequent to the financial year

The financial development for 2021, will depend to a large extent on the type and extent of the restrictions, which the authorities in Denmark maintain or carry out, in order to counteract the spreading of the coronavirus.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross profit	531.471	105.481
3 Staff costs	-779.245	-1.108.244
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-115.370	-50.934
Operating profit	-363.144	-1.053.697
Other financial income	11.722	0
4 Other financial costs	-14.943	-18.666
Results before tax	-366.365	-1.072.363
Tax on ordinary results	0	0
Net profit or loss for the year	-366.365	-1.072.363
 Proposed appropriation of net profit:		
Allocated from retained earnings	-366.365	-1.072.363
Total allocations and transfers	-366.365	-1.072.363

Statement of financial position at 31 December

All amounts in DKK.

Assets		<u>2020</u>	<u>2019</u>
<u>Note</u>			
Non-current assets			
Goodwill		<u>130.822</u>	<u>214.155</u>
Total intangible assets		<u>130.822</u>	<u>214.155</u>
Other plants, operating assets, and fixtures and furniture		<u>113.061</u>	<u>145.098</u>
Total property, plant, and equipment		<u>113.061</u>	<u>145.098</u>
Deposits		<u>237.657</u>	<u>228.757</u>
Total investments		<u>237.657</u>	<u>228.757</u>
Total non-current assets		<u>481.540</u>	<u>588.010</u>
Current assets			
Manufactured goods and trade goods		<u>267.731</u>	<u>492.943</u>
Total inventories		<u>267.731</u>	<u>492.943</u>
Trade debtors		13.958	38.827
Other debtors		84.620	1.129
Accrued income and deferred expenses		<u>3.394</u>	<u>0</u>
Total receivables		<u>101.972</u>	<u>39.956</u>
Available funds		<u>499.814</u>	<u>789.921</u>
Total current assets		<u>869.517</u>	<u>1.322.820</u>
Total assets		<u>1.351.057</u>	<u>1.910.830</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		<u>2020</u>	<u>2019</u>
<u>Note</u>			
Equity			
Contributed capital		80.000	80.000
Results brought forward		-2.908.944	-2.542.579
Total equity		<u>-2.828.944</u>	<u>-2.462.579</u>
Liabilities other than provisions			
Debt to group enterprises		490.105	484.872
Total long term liabilities other than provisions		<u>490.105</u>	<u>484.872</u>
Prepayments received from customers		0	14.168
Trade creditors		310.578	316.419
Debt to group enterprises		3.218.924	3.163.930
Other debts		160.394	394.020
Total short term liabilities other than provisions		<u>3.689.896</u>	<u>3.888.537</u>
Total liabilities other than provisions		<u>4.180.001</u>	<u>4.373.409</u>
Total equity and liabilities		<u>1.351.057</u>	<u>1.910.830</u>

- 1** Uncertainties concerning the enterprise's ability to continue as a going concern
- 2** Special items
- 5** Charges and security
- 6** Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
	<hr/>	<hr/>	<hr/>
Equity 1 January 2020	80.000	-2.542.579	-2.462.579
Profit or loss for the year brought forward	0	-366.365	-366.365
	<hr/> 80.000	<hr/> -2.908.944	<hr/> -2.828.944

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The Company's management shall submit this report under the condition of continued operation. Management believes that there is no significant risk to the company's continued operation. The reason for this assessment is that OSKA Textilvertriebs GmbH has submitted a declaration of support and subordination agreement put into force until 31 December 2021. OSKA Textilvertriebs GmbH declares that they will support the company with sufficient liquidity. The Company's management assess also that it can rebuild its capital through the next year's earnings.

2. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

Income:

COVID-19 Compensation	180.174
	<u>180.174</u>

Special items are recognised in the following items in the financial statements:

Gross profit	180.174
Profit of special items, net	<u>180.174</u>

Notes

All amounts in DKK.

	<u>2020</u>	<u>2019</u>
3. Staff costs		
Salaries and wages	758.023	1.081.858
Other costs for social security	7.195	9.751
Other staff costs	<u>14.027</u>	<u>16.635</u>
	<u>779.245</u>	<u>1.108.244</u>
Average number of employees	<u>2</u>	<u>3</u>
4. Other financial costs		
Financial costs, group enterprises	7.026	7.041
Other financial costs	<u>7.917</u>	<u>11.625</u>
	<u>14.943</u>	<u>18.666</u>
5. Charges and security		
There are no mortgages and securities.		
6. Contingencies		
Contingent liabilities		
The company has a rent obligation pr. 31-12-2020 that concludes a total of 6 months rent equivalent to 276.000 DKK.		

Accounting policies

The annual report for OSKA Danmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, other operating income, and external costs.

Accounting policies

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises and loss on debtors.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 3 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown

Accounting policies

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life	Residual value
Other plants, operating assets, fixtures and furniture	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

Inventories

Inventories are measured at cost according to the weighted average method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Income tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Accounting policies

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.