

REVISIONS FIRMAET EDELBO

STATSAUTORISERET
REVISIONSPARTNERSELSKAB

ShopcoDK A/S

Nyvej 46
5762 Vester Skerninge

CVR No. 35412743

Annual Report 2017

4. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 28 March 2018



Tim Hansen
Chairman



KOGTVEDLUND

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Management's Statement

Today, Management has considered and adopted the Annual Report of ShopcoDK A/S for the financial year 1 January 2017 - 31 December 2017.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January 2017 - 31 December 2017.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Svendborg, 19 March 2018

Executive Board

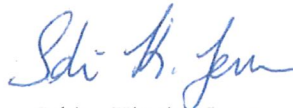


Tim Hansen
Manager

Supervisory Board



Dwight Stuart Aston



Sabine Kirstine Jensen



Kent Enrico Petersen

Independent Auditor's Report

To the shareholders of ShopcoDK A/S

Opinion

We have audited the financial statements of ShopcoDK A/S for the financial year 1. januar 2017 - 31. december 2017, which comprise an income statement, balance sheet and notes. 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 Company's financial position at 31. december 2017 and of the results of its operations for the financial year 1. januar 2017 - 31. december 2017 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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 responsibility 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

Independent Auditor's Report

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- *Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- *Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- *Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Independent Auditor's Report

Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Svendborg, 19 March 2018

Revisionsfirmaet Edelbo

Statsautoriseret Revisionspartnerselskab

CVR-no. 35486178



Ole Nielsen

statsaut. revisor

mne11737

Company details

Company	ShopcoDK A/S Nyvej 46 5762 Vester Skerninge
CVR No.	35412743
Financial year	1 January 2017 - 31 December 2017
Supervisory Board	Dwight Stuart Aston Sabine Kirstine Jensen Kent Enrico Petersen
Executive Board	Tim Hansen , Manager
Auditors	Revisionsfirmaet Edelbo Statsautoriseret Revisionspartnerselskab "Kogtvedlund" Kogtvedparken 17 5700 Svendborg CVR-no.: 35486178

Management's Review

The Company's principal activities

The Company's principal activities consist of the manufacture and sale of store fixtures and related services.

Development in activities and financial matters

The Company's Income Statement of the financial year 1. januar 2017 - 31. december 2017 shows a result of DKK -1.169.935 and the Balance Sheet at 31. december 2017 a balance sheet total of DKK 4.235.172 and an equity of DKK 1.401.195.

The profit for the year has been strongly influenced by the relocation to new premises. In total, it is estimated that the move has affected the profit for the year negatively by 1 to 1.5 million. Due to the fact that, for a period, the company has had to outsource its own production, and use crew hours for the relocation itself and the restoration and optimization of production in new premises. Finally, for a large part of the year, rent has been held for both the new and the old premises.

In addition, sales declined during the year, as the year 2016 was extraordinarily affected by a single major order to Mexico, so 2017 is closer to normal sales for company.

Post financial year events

After the end of the financial year, the United States has proposed an import of customs duties on imported goods. As the company's largest market is the United States, the company will be highly dependent on whether this proposal is implemented and, if so, in what detail it takes place. Such a duty may significantly impair or improve the company's competitiveness in the United States, depending on its precise design.

Accounting Policies

Reporting Class

The Annual Accounts for ShopcoDK A/S for the year 2017 has been prepared in accordance with the regulations in the Danish Financial Statements Act for reporting class B enterprises with optional regulations for reporting class C enterprises.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Revenue is recognized in the income statement if delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably and is expected. Revenue is recognized net of VAT and taxes and net of discounts relating to sales.

Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature to the principal activity of the Company.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Plant and machinery	5-6 years	0%
Leasehold improvements	6 years	0%

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Accounting Policies

Balance Sheet

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Tangible assets leased and meeting the terms of financial leasing are treated according to the same guidelines as purchased assets.

The cost of financial leased assets is measured at the lowest amount of the purchase price, according to the leases and the present value of the lease payments, calculated on the basis of leases internal interest rates.

Other investments

Other securities and equity investments are measured at the market value at the balance sheet date if they are listed, or at an estimated fair value if they are not.

Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Merchandise are measured at cost comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Proposed dividend for the year is recognised as a separate item in equity.

Accounting Policies

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Financial liabilities

Liabilities are measured at amortized cost, which usually corresponds to nominal value.

Financial liabilities also include the capitalized residual obligation on finance leases.

Lease commitments

Leases of fixed assets where the company has substantially all the risks and rewards of ownership (finance leases) are recognized in the balance sheet as assets. The assets are measured initially calculated cost equal to the fair value or (if lower) the present value of future lease payments. When calculating the present value of the leases internal interest rate as the discount rate or an approximated value. Finance leases are depreciated like other similar tangible assets.

The capitalized remaining lease obligation is recognized in the balance sheet as a liability, and the financial charge is recognized over the term of the.

All other leases are classified as operating leases. Payments made under operating leases and other leases are recognized in the income statement over the lease term. The company's total liability relating to operating leases appears from contingencies etc.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2017 kr.	2016 kr.
Gross profit		1.877.273	5.231.477
Employee benefits expense	1	-2.552.604	-3.081.398
Depreciation		-753.638	-676.611
Profit from ordinary operating activities		<u>-1.428.969</u>	<u>1.473.468</u>
Finance expenses		-67.612	-168.405
Profit from ordinary activities before tax		<u>-1.496.581</u>	<u>1.305.063</u>
Tax expense on ordinary activities	2	326.646	-300.980
Profit for the year		<u>-1.169.935</u>	<u>1.004.083</u>
Proposed distribution of results			
Retained earnings		-1.169.935	1.004.083
Distribution of profit		<u>-1.169.935</u>	<u>1.004.083</u>

Balance Sheet as of 31 December

	Note	2017 kr.	2016 kr.
Assets			
Plant and machinery	3	1.761.704	2.258.794
Leasehold improvements	4	172.884	78.417
Property, plant and equipment		<u>1.934.588</u>	<u>2.337.211</u>
Fixed assets		<u>1.934.588</u>	<u>2.337.211</u>
Manufactured goods and goods for resale		805.419	369.525
Inventories		<u>805.419</u>	<u>369.525</u>
Short-term trade receivables		242.998	1.526.578
Short-term receivables from associates		623.717	1.051.140
Current deferred tax		232.190	0
Other short-term receivables		272.489	548.716
Deferred expenses		0	217.689
Receivables		<u>1.371.394</u>	<u>3.344.123</u>
Cash and cash equivalents		<u>123.771</u>	<u>532.086</u>
Current assets		<u>2.300.584</u>	<u>4.245.734</u>
Assets		<u>4.235.172</u>	<u>6.582.945</u>

Balance Sheet as of 31 December

	Note	2017 kr.	2016 kr.
Liabilities and equity			
Contributed capital	5	1.550.000	1.550.000
Retained earnings	6	-148.805	1.021.130
Net equity		<u>1.401.195</u>	<u>2.571.130</u>
Provisions for deferred tax		0	94.456
Provisions		<u>0</u>	<u>94.456</u>
Lease commitments		309.951	502.938
Long-term liabilities other than provisions	7	<u>309.951</u>	<u>502.938</u>
Short-term part of long-term liabilities other than provisions		192.987	185.203
Debt to banks		533.298	335.428
Trade payables		1.095.202	2.018.648
Payables to associates		536.832	535.058
Tax payables		55.039	212.921
Other payables		110.668	127.163
Short-term liabilities other than provisions		<u>2.524.026</u>	<u>3.414.421</u>
Liabilities other than provisions within the business		<u>2.833.977</u>	<u>3.917.359</u>
Liabilities and equity		<u>4.235.172</u>	<u>6.582.945</u>
Contingent liabilities	8		
Collaterals and assets pledges as security	9		

Notes

	2017	2016
1. Employee benefits expense		
Wages and salaries	2,132,136	2,643,943
Post-employment benefit expense	283,646	327,532
Social security contributions	105,919	89,915
Other employee expense	30,903	20,008
	<u>2,552,604</u>	<u>3,081,398</u>
Average number of employees	<u>7</u>	<u>8</u>
2. Tax expense		
Taxes	0	212,921
Deferred tax	-326,646	88,059
	<u>-326,646</u>	<u>300,980</u>
3. Plant and machinery		
Cost at the beginning of the year	3,561,984	3,007,780
Addition during the year, incl. improvements	68,623	554,204
Cost at the end of the year	<u>3,630,607</u>	<u>3,561,984</u>
Depreciation and amortisation at the beginning of the year	-1,303,190	-805,852
Amortisation for the year	-565,713	-497,338
Impairment losses and amortisation at the end of the year	<u>-1,868,903</u>	<u>-1,303,190</u>
Carrying amount at the end of the year	<u>1,761,704</u>	<u>2,258,794</u>
Carrying amount of recognised assets not owned by the Company	600,625	833,125
4. Leasehold improvements		
Cost at the beginning of the year	117,622	47,822
Addition during the year, incl. improvements	204,409	69,800
Disposal during the year	-87,230	0
Cost at the end of the year	<u>234,801</u>	<u>117,622</u>
Depreciation and amortisation at the beginning of the year	-39,205	-16,605
Amortisation for the year	-22,712	-22,600
Impairment losses and amortisation at the end of the year	<u>-61,917</u>	<u>-39,205</u>
Carrying amount at the end of the year	<u>172,884</u>	<u>78,417</u>

Notes

5. Contributed capital

Balance at the beginning of the year	1.550.000	1.550.000
Balance at the end of the year	1.550.000	1.550.000

The share capital has remained unchanged for the last 5 years.

6. Retained earnings

Balance at the beginning of the year	1.021.130	17.047
Additions during the year	-1.169.935	1.004.083
Balance at the end of the year	-148.805	1.021.130

7. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Lease commitments	309.951	192.987	0
	309.951	192.987	0

8. Contingent liabilities

The company has signed a lease with CAMO Erhverv ApS regarding the lease Græsholmevej 57, 5700 Svendborg. The lease is interminable until 1 January 2022 with a notice period of 6 months. The commitment amounts to 39.049 DKK. per month or total 2.108.646 DKK.

9. Collaterals and securities

The company has delivered enterprise mortgage at nom. 750.000 DKK. to Nordea Bank A/S, with security in unsecured claims, inventories and assets and business furniture.