



Grant Thornton

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AM Retail Danmark ApS

C/O Grant Thornton, Stockholmsgade 45, 2100 København Ø

Company reg. no. 36 05 61 42

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 28 June 2024.



Michael Azoulay
Chairman of the meeting

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 statement

Today, the Managing Director has approved the annual report of AM Retail Danmark ApS for the financial year 1 January - 31 December 2023.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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

We recommend that the annual report be approved at the Annual General Meeting.

København Ø, 28 June 2024

Managing Director

Michael Azoulay



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Independent auditor's report

To the Shareholders of AM Retail Danmark ApS

Opinion

We have audited the financial statements of AM Retail Danmark ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. 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 financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 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 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:

Independent auditor's report

- 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.

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.

Independent auditor's report

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

Copenhagen, 28 June 2024

Grant Thornton

Certified Public Accountants
Company reg. no. 34 20 99 36


Michael Beuchert
State Authorised Public Accountant
mne32794

Company information

The company

AM Retail Danmark ApS
C/O Grant Thornton
Stockholmsgade 45
2100 København Ø

Company reg. no. 36 05 61 42
Established: 1 August 2014
Domicile:
Financial year: 1 January - 31 December

Managing Director

Michael Azoulay

Auditors

Grant Thornton, Godkendt Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Bankers

Nykredit Bank A/S

Management's review

Description of key activities of the company

The company's purpose is all activities relating to buying and selling textile products.

Development in activities and financial matters

The gross profit for the year totals DKK 2.432.000 against DKK 1.675.000 last year. Income or loss from ordinary activities after tax totals DKK -71.000 against DKK -548.000 last year. Management considers the net profit or loss for the year unsatisfactory.

Due to losses the company is in a net liability situation. The company is financed by its parent company and the parent company has issued a letter of support.

Events occurring after the end of the financial year

No events have occurred after the end of the financial year that could significantly affect the company's financial position.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	2.431.632	1.675.373
3 Staff costs	-1.506.179	-1.765.455
Depreciation and impairment of property, land, and equipment	-745.850	-495.610
Operating profit	179.603	-585.692
Other financial income	29.816	105.470
4 Other financial expenses	-279.951	-67.415
Pre-tax net profit or loss	-70.532	-547.637
Net profit or loss for the year	-70.532	-547.637
Proposed distribution of net profit:		
Allocated from retained earnings	-70.532	-547.637
Total allocations and transfers	-70.532	-547.637

Balance sheet at 31 December

All amounts in DKK.

Assets	2023	2022
<u>Note</u>	<u></u>	<u></u>
Non-current assets		
5 Other fixtures, fittings, tools and equipment	61.122	22.380
6 Leasehold improvements	2.489.584	1.587.073
Total property, plant, and equipment	<u>2.550.706</u>	<u>1.609.453</u>
7 Deposits	25.500	154.374
Total investments	<u>25.500</u>	<u>154.374</u>
Total non-current assets	<u>2.576.206</u>	<u>1.763.827</u>
Current assets		
Trade receivables	138.652	121.717
Receivables from group enterprises	0	1.751.803
Other receivables	2.078.335	2.236.277
Prepayments	42.954	35.048
Total receivables	<u>2.259.941</u>	<u>4.144.845</u>
Cash and cash equivalents	<u>727.568</u>	<u>866.299</u>
Total current assets	<u>2.987.509</u>	<u>5.011.144</u>
Total assets	<u>5.563.715</u>	<u>6.774.971</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		2023	2022
Note		<u> </u>	<u> </u>
Equity			
Contributed capital		50.000	50.000
Retained earnings		-1.984.263	-1.913.731
Total equity		<u>-1.934.263</u>	<u>-1.863.731</u>
Liabilities other than provisions			
Prepayments received from customers		113.530	0
Trade payables		117.469	0
Payables to group enterprises		6.623.994	8.283.935
Other payables		642.985	354.767
Total short term liabilities other than provisions		<u>7.497.978</u>	<u>8.638.702</u>
Total liabilities other than provisions		<u>7.497.978</u>	<u>8.638.702</u>
Total equity and liabilities		<u>5.563.715</u>	<u>6.774.971</u>
1	Uncertainties relating to going concern		
2	Special items		
8	Contingencies		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2023	50.000	-1.913.731	-1.863.731
Profit or loss for the year brought forward	0	-70.532	-70.532
	50.000	-1.984.263	-1.934.263

Notes

All amounts in DKK.

1. Uncertainties relating to going concern

Due to losses the company is in a net liability situation. The company is financed by its parent company and the parent company has issued a letter of support. On behalf of the received letter of support from the parent company which is valid until May 31st 2025, the annual report is presented on a going concern basis.

2. Special items

The company have been significantly affected by the Covid-19 pandemic and the lockdown of the society. The company has therefore received wage compensation throughout the lockdown.

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

	2023	2022
Income:		
Other operating income	0	31.537
	0	31.537
Special items are recognised in the following items in the financial statements:		
Other operating income under Gross profit	0	31.537
Profit of special items, net	0	31.537

3. Staff costs

Salaries and wages	1.477.830	1.742.325
Other costs for social security	28.349	21.307
Other staff costs	0	1.823
	1.506.179	1.765.455
Average number of employees	4	4

4. Other financial expenses

Financial costs, group enterprises	107.822	35.558
Other financial costs	172.129	31.857
	279.951	67.415

Notes

All amounts in DKK.

5. Other fixtures, fittings, tools and equipment		
Cost 1 January 2023	347.988	347.988
Additions during the year	52.549	0
Cost 31 December 2023	400.537	347.988
Amortisation and write-down 1 January 2023	-325.608	-319.748
Depreciation for the year	-13.807	-5.860
Amortisation and write-down 31 December 2023	-339.415	-325.608
Carrying amount, 31 December 2023	61.122	22.380
6. Leasehold improvements		
Cost 1 January 2023	3.314.889	3.266.275
Additions during the year	1.634.554	48.614
Disposals during the year	-13.700	0
Cost 31 December 2023	4.935.743	3.314.889
Depreciation and write-down 1 January 2023	-1.727.816	-1.238.066
Depreciation for the year	-725.197	-489.750
Depreciation, amortisation and writedown for the year, assets disposed of	6.854	0
Depreciation and write-down 31 December 2023	-2.446.159	-1.727.816
Carrying amount, 31 December 2023	2.489.584	1.587.073
7. Deposits		
Cost 1 January 2023	154.374	144.082
Additions during the year	25.500	10.292
Disposals during the year	-154.374	0
Cost 31 December 2023	25.500	154.374
Carrying amount, 31 December 2023	25.500	154.374
8. Contingencies		
Contingent liabilities		
The company has a total rent liabilities that are equivalent of TDKK 1.280.		

Accounting policies

The annual report for AM Retail Danmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

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

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

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. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises purchase of finished goods for resale.

Accounting policies

Other external costs comprise costs incurred for sales, advertising, administration and premises.

Staff costs

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

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

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.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less 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 carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

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

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	5 years

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.

Accounting policies

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 as other operating income or other operating expenses.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Liabilities other than provisions

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