ANNUAL REPORT

1. January - 31. December 2018

EATALY DANMARK A/S UNDER FRIVILLIG LIKVIDATION

Østergade 52
1100 København K

CVR-No. 37 83 47 93
3. Financial year

Presented and adopted by
the General Meeting
29. May 2019

Kristian Gustav Andersson
Chairman of the meeting

TABLE OF CONTENTS

Please note that Danish decimal and digit grouping symbols have been used in the Annual Report.

The Company:
Eataly Danmark A/S under frivillig likvidation
Østergade 52
1100 København K

Liquidator:
Kristian Gustav Andersson

Auditors:
Lægård Revision
Statsautoriseret revisionsfirma
Østerbrogade 62
2100 København Ø

Today the liquidator presented the Annual Report for 2018 for Eataly Danmark A/S under frivillig likvidation.

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

We find the accounting policies applied appropriate, and the Annual Report therefore provides a true and fair view of the Company's assets, liabilities and equity, financial position and results of the company. In our opinion, the Management's Review includes a true and fair description of the matters mentioned in the review.

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

Copenhagen, 29. May 2019.

Liquidator:

Kristian Gustav Andersson

To the shareholders of Eataly Danmark A/S under frivillig likvidation.

Opinion:

We have audited the Financial Statements of Eataly Danmark A/S under frivillig likvidation for the financial year 1. January - 31. December 2018, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies, for the Company. The Financial Statements are prepared in accordance with the Danish Financial

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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter:

Without modifying our conclusion, we refer to the management's Review where it is stated that the management intends to liquidate the company through a solvent liquidation in 2019.

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 of accounting information 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.

Auditor’s Responsibilities for the Audit of the Financial Statements - continued:

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

Copenhagen, 29. May 2019.
Lægård Revision, CVR-No. 18 43 70 82
State Authorised Public Accountants

Jørn Møller Christoffersen
Registered Accountant
MNE-No. mne35409

Principal activities:

Eataly Danmark A/S under frivillig likvidation' principal activities was to carry on retail and catering trade. The company has entered liquidation and is without activity.

Development in activities and financial affairs:

It has been decided to liquidate the company. Attorney Kristian Gustav Andersson was appointet as liquidator on 19th. November 2018. It is expected that the company will be liquidated through a solvent liquidation in 2019.

During the financial year, the parent company has executed a remission of debts with a total amount of 61 mill. DKK.

The annaul report of Eataly Danmark A/S under frivillig likvidation for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act regarding reporting medium-sized class B enterprises.

Necessary adjustments have been made so that measurement takes place according to the realization principle, as a result of the company being in a liquidation process.

The significant areas of the accounting policies, which are presented using the same policies as last year, are mentioned below.

GENERALLY REGARDING RECOGNITION AND MEASUREMENT

Income is recognised in the Income Statement as earned, including value adjustments of financial assets and liabilities. Likewise, all expenses including depreciation/amortisation, impairment losses, and reversals which are due to changes in estimated amounts previously

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

Liabilities are recognised in the balance sheet when it is probable that the future economic benefits will flow out of the Company and when the measurement of the value of the liability

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

Allowances are made for predictable losses and risks that arise before the presentation of the Annual Report and that confirm or invalidate circumstances that existed at the balance sheet date.

The carrying value of the tangible fixed assets, are reviewed annually to determine, if there are any indication of impairment, besides what is determined as normal depreciation. If this is the case, the assets will be written down to its recoverable amount.

THE INCOME STATEMENT:

Gross income:

Gross income comprises the net turnover, other operating income and other external costs.

Revenue:

Revenue from services is recognized in the income statement, when the service have been delivered.

Cost of sales:

Cost of sales includes costs incurred to achieve net sales for the year. Including direct and indirect costs for raw materials and consumables.

Other operating income:

Other operating income comprises items of a secondary activity, including profit on sale of intangible and tangible fixed assets.

Other external costs:

Other external costs include costs relating to sales, advertising, administration and premises.

Staff costs:

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

Financials:

Financial income and costs are recognised in the income statement, with the amounts concerning the financial year. Financial income and costs include interest and transactions in foreign currency.

Tax on results for the year:

Tax on results for the year which comprises current tax and changes in deferred tax is recognised in the Income Statement with the portion of taxes related to the taxable income for the year whereas the portion attributable to entries on equity is recognised directly in equity.

AKTIVER:

Financial assets:

Other receivables are measured at amortized cost, which normally corresponds to the nominal value.

Tangible fixed assets:

Equipment, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses

The depreciable amount is cost less expected residual value after the end of the asset's life.

Cost includes the purchase price, as well as expenses directly attributable to the acquisition, up until the moment the asset is ready to be commissioned.

Assets are depreciated under the straight-line method over the expected useful lives of the assets and the scrap value:

	Operating time	Scrap value
Other plants, fixtures and equipment	3-5 year	0

Small assets are recognised as costs in the Income Statement in the year of acquisition.

Profits and losses arising from disposal of plant and equipment are stated as the difference between the selling price less the selling costs and the carrying amount of the asset at the time of the disposal. Profits and losses are recognised in the Income Statement in other operating income or other operating expenses.

Inventories:

Inventories are measured at cost on basis of "first in - first out" (FIFO) accounting. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and direct production cost.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables:

Receivables are measured at amortised cost which usually equals nominal value. The value will be adjusted to meet expected losses.

Prepayments:

Prepayments recognized under assets include incurred expenses relating to subsequent financial years.

Cash funds:

Cash equivalents consist of bank deposits and cash. Cash and cash equivalents are carried at fair value.

LIABILITIES:

Tax payable and deferred tax:

Current tax liabilities and current tax receivable are recognised in the balance sheet as tax calculated on the taxable income for the year adjusted for tax on previous years' taxable income and taxes paid on account/prepaid.

Deferred tax is measured according to the balance sheet liability method in respect of temporary differences between the carrying amount and the tax base of assets and liabilities. In cases, e.g. in respect of shares in which the statement of the tax base can be made according to alternative taxation rules, deferred tax is measured on the basis of the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets including the tax value of tax loss carryforwards, are measured at the expected realisable value, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realisable value.

Liabilities:

Liabilities concerning debts to suppliers and other debt are measured at amortised cost which usually corresponds to the nominal value.

Conversion of foreign currency:

Transactions in foreign currency are translated at the exchange rates on the transaction date. Differences in exchange rates arising between the transaction date and the payment date are recognized in the income statement as financial income and expenses.

Receivables, debt and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are measured at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the time of the origin of the debt is recognized in the income statement under financial income and expenses.

Note		2018	2017
	GROSS PROFIT	-3.626.856	-6.193.863
1	Staff costs	-8.986.146	-18.561.392
	PROFIT (LOSS) FROM ORDINARY OPERATING ACTIVITIES	-12.613.002	-24.755.255
	Depreciation, amortisation expense and impairment losse	0	-9.655.840
	PROFIT/LOSS BEFORE INTEREST AND TAX	-12.613.002	-34.411.095
	Financial income	8.951	0
	Finance expenses arising from group enterprises	-50.162	-304.207
	Financial expenses	-83.736	-205.912
	PROFIT/LOSS BEFORE TAX	-12.737.949	-34.921.214
	Tax on profit for the year	0	0
	PROFIT/LOSS AFTER TAX	-12.737.949	-34.921.214
	PROPOSED DISTRIBUTION OF PROFIT		
	Retained earnings	-12.737.949	-34.921.214
	TOTAL DISTRIBUTION	-12.737.949	-34.921.214

ASSETS

Note		31/12 2018	31/12 2017
	Other fixtures and fittings, tools and equipment	0	9.048.796
	TANGIBLE ASSETS	0	9.048.796
	Other receivables	0	48.656
	FINANCIAL ASSETS	0	48.656
	NON-CURRENT ASSETS	0	9.097.452
	Manufactured goods and goods for resale	0	1.376.100
	INVENTORIES	0	1.376.100
	Trade receivables	276.798	7.638.289
	Receivables from group enterprises	0	56.660
	Other receivables	593.039	1.072.259
	Prepayments	0	120.624
	RECEIVABLES	869.837	8.887.832
	CASH AND CASH EQUIVALENTS	692.739	1.122.215
	CURRENT ASSETS	1.562.576	11.386.147
	TOTAL ASSETS	1.562.576	20.483.599

LIABILITIES

Note		31/12 2018	31/12 2017
	Contributed capital	500.000	500.000
	Retained earnings	210.099	-47.958.302
	EQUITY	710.099	-47.458.302
	Trade payables	513.958	9.659.779
	Payables to group enterprises	48.520	56.380.385
	Other short-term payables	290.000	1.901.737
	SHORT-TERM LIABILITIES	852.479	67.941.901
	LIABILITIES	852.479	67.941.901
	LIABILITIES AND EQUITY	1.562.576	20.483.599

1	Staff costs	2018	2017
	Wages and salaries	6.808.583	14.258.513
	Pensions	313.660	894.260
	Other social security contributions	137.549	262.077
	Other employee costs	1.726.353	3.146.542
	TOTAL	8.986.146	18.561.392
	Average number of full time employees	23	44

Jørn Christoffersen
Registreret revisor
På vegne af: Lægård Revision - Statsautoriseret revisionsfirma
Serienummer: CVR:18437082-RID:1086866764080
IP: 91.236.xxx.xxx
2019-05-31 10:43:44Z
NEM ID

Kristian Gustav Andersson
Likvidator
På vegne af: Eataly Danmark A/S
Serienummer: PID:9208-2002-2-496290013687
IP: 87.49.xxx.xxx
2019-05-31 10:49:09Z
NEM ID