

# LS Retail Danmark ApS

Præstevej 10A  
3480 Fredensborg  
Denmark

CVR no. 38 77 37 39

## Annual report 2019

The annual report was presented and approved at the  
Company's annual general meeting on

10 July 2020

Magnus Norddahl  
Chairman

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## Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of LS Retail Danmark ApS for the financial year 1 January – 31 December 2019.

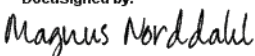
The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

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

I recommend that the annual report be approved at the annual general meeting.

Fredensborg, 10 July 2020  
Executive Board:

DocuSigned by:  
  
Magnus Steffen Norddahl  
Director

Management confirms that the Company fulfills the requirements to be exempt of audit.



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## **Auditor's report on the compilation of financial statements**

### **To the Management of LS Retail Danmark ApS**

We have compiled the financial statements of LS Retail Danmark ApS for the financial year 1 January – 31 December 2019 based on the Company's bookkeeping records and other information provided by you. The financial statements comprise income statement, balance sheet and notes, including accounting policies.

We performed our work in accordance with ISRS 4410 *Engagements to Compile Financial Statements*.

We have applied our professional expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with the independence and other ethical requirements of the IESBA Codes of Ethics, which is based on fundamental principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion as to whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 10 July 2020

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'Anja Bjørnholt Lüthcke'.

Anja Bjørnholt Lüthcke  
State Authorised  
Public Accountant  
mne26779

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## **Management's review**

### **Company details**

LS Retail Danmark ApS  
Præstevej 10A  
3480 Fredensborg  
Denmark

CVR no.:	38 77 37 39
Established:	1 July 2017
Financial year:	1 January – 31 December

### **Executive Board**

Magnus Steinarr Norddahl, Director

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## **Management's review**

### **Operating review**

#### **Principal activities**

To provide principal consulting concerning software as well as sales of software and connected business.

#### **Development in activities and financial position**

The Company's income statement for 2019 shows a profit of DKK 125,785 as against DKK 388,679 in 2018. Equity in the Company's balance sheet at 31 December 2019 stood at DKK 564,464 as against DKK 438,679 at 31 December 2018.

#### **Events after the balance sheet date**

Management considers the consequences of COVID-19 a subsequent event. Management follow the situation closely, but do not at current time expect any material effect to the company's revenue or profitability.

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## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2019	1/7 2017- 31/12 2018
<b>Gross profit</b>		3,722,532	4,084,700
Staff costs	2	-3,530,867	-3,571,554
Depreciation, amortisation and impairment losses		-20,660	-6,544
<b>Operating profit</b>		171,005	506,602
Financial expenses		-6,013	-5,943
<b>Profit before tax</b>		164,992	500,659
Tax on profit for the year		-39,207	-111,980
<b>Profit for the year</b>		125,785	388,679
<b>Proposed profit appropriation</b>			
Retained earnings		125,785	388,679
		125,785	388,679

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## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2019	2018
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>			
Fixtures and fittings, tools and equipment		59,903	13,273
<b>Total fixed assets</b>		59,903	13,273
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group entities		510,777	868,557
Other receivables		25,369	8,482
Prepayments		61,281	0
		597,427	877,039
<b>Cash at bank and in hand</b>		514,035	46,544
<b>Total current assets</b>		1,111,462	923,583
<b>TOTAL ASSETS</b>		1,171,365	936,856



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## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2019	2018
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		50,000	50,000
Retained earnings		<u>514,464</u>	<u>388,679</u>
<b>Total equity</b>		<u>564,464</u>	<u>438,679</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other payables		<u>151,326</u>	<u>0</u>
<b>Current liabilities</b>			
Trade payables		197,730	98,678
Corporation tax		39,207	74,338
Other payables		<u>218,638</u>	<u>325,161</u>
		<u>455,575</u>	<u>498,177</u>
<b>Total liabilities</b>		<u>606,901</u>	<u>498,177</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>1,171,365</u></u>	<u><u>936,856</u></u>
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## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of LS Retail Danmark ApS for 2019 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Upon recognition of foreign subsidiaries and associates that are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Upon recognition of foreign subsidiaries that are integrated entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

### Income statement

#### Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### Revenue

Income is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Services based on time spent are recognised in revenue as the work is performed.

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#### 1 Accounting policies (continued)

##### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

##### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, as well as gains and losses on transactions in foreign currencies.

##### Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### Balance sheet

#### Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

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#### 1 Accounting policies (continued)

##### Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

##### Cash at bank and in hand

Cash at bank and in hand comprise cash.

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

##### Liabilities

Other liabilities are measured at net realisable value.

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#### 2 Staff costs

DKK	2019	1/7 2017- 31/12 2018
Wages and salaries	3,520,334	3,560,667
Other social security costs	10,533	10,887
	<u>3,530,867</u>	<u>3,571,554</u>
Average number of full-time employees	<u>4</u>	<u>4</u>

#### 3 Related party disclosures

##### Control

LS Retail Danmark ApS is part of the consolidated financial statements of LS Retail Ehf., Hagasmari 3, 201 Kopavogur, Iceland, which is the smallest group in which the Company is included as a subsidiary.