

LS Retail Danmark ApS

DK-Præstevej 10A
3480 Fredensborg

CVR no. 38 77 37 39

Annual report 2020

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

21 May 2021



Magnus Steinarr Norddahl
Chairman

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LS Retail Danmark ApS
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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 2020.

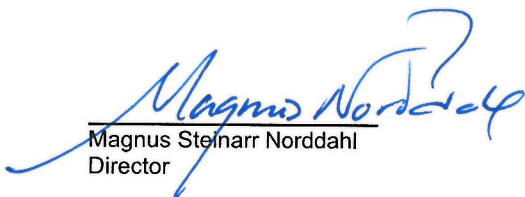
The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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, 21 May 2021
Executive Board:



Magnus Steinarr Norddahl
Director

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



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 2020 based on the Company's bookkeeping records and other information provided by you.

The financial statements comprise income statement, balance sheet, statement of changes in equity 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, 21 May 2021

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Anja Bjørnholt Lüthcke
State Authorised
Public Accountant
mne26779

LS Retail Danmark ApS
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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
Registered office:	Fredensborg
Financial year:	1 January – 31 December

Executive Board

Magnus Steinarr Norddahl, Director

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 2020 shows a profit of DKK 159,712 as against DKK 125,785 in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 724,176 as against DKK 564,464 at 31 December 2019.

Events after the balance sheet date

Management follows the COVID-19 situation closely, but do not at current time expect any material effect to the company's revenue or profitability.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2020	2019
Gross profit		4,271,150	3,722,532
Staff costs	2	-4,022,737	-3,530,867
Depreciation, amortisation and impairment losses		-29,818	-20,660
Profit before financial income and expenses		218,595	171,005
Other financial income		284	0
Other financial expenses		-10,063	-6,013
Profit before tax		208,816	164,992
Tax on profit/loss for the year		-49,104	-39,207
Profit for the year		159,712	125,785
Proposed profit appropriation			
Retained earnings		159,712	125,785
		159,712	125,785

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2020	2019
ASSETS			
Fixed assets			
Property, plant and equipment			
Fixtures and fittings, tools and equipment		30,085	59,903
Total fixed assets		30,085	59,903
Current assets			
Receivables			
Receivables from group entities		434,816	510,777
Other receivables		8,081	25,369
Corporation tax		4,896	0
Prepayments		24,592	61,281
		472,385	597,427
Cash at bank and in hand		1,141,323	514,035
Total current assets		1,613,708	1,111,462
TOTAL ASSETS		1,643,793	1,171,365

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50,000	50,000
Retained earnings		<u>674,176</u>	<u>514,464</u>
Total equity		<u>724,176</u>	<u>564,464</u>
Liabilities			
Non-current liabilities			
Other payables		<u>0</u>	<u>151,326</u>
Current liabilities			
Trade payables		47,524	197,730
Corporation tax		0	39,207
Other payables		<u>872,093</u>	<u>218,638</u>
		<u>919,617</u>	<u>455,575</u>
Total liabilities		<u>919,617</u>	<u>606,901</u>
TOTAL EQUITY AND LIABILITIES		<u>1,643,793</u>	<u>1,171,365</u>
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Financial statements 1 January – 31 December

Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	50,000	514,464	564,464
Transferred over the profit appropriation	<u>0</u>	<u>159,712</u>	<u>159,712</u>
Equity at 31 December 2020	<u><u>50,000</u></u>	<u><u>674,176</u></u>	<u><u>724,176</u></u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of LS Retail Danmark ApS for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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.

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.

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 statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial income and expenses

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

Tax on profit 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.

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

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.

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash.

Liabilities

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

2 Staff costs

DKK	2020	2019
Wages and salaries	4,011,374	3,520,334
Other social security costs	11,363	10,533
	<u>4,022,737</u>	<u>3,530,867</u>
Average number of full-time employees	<u>4</u>	<u>4</u>

3 Related party disclosures

LS Retail Danmark ApS related parties comprise the following:

Control

LS Retail ehf., Hagasmari 3, 201 Kopavogur, Island.

LS Retail ehf. holds the majority of the contributed capital in the Company.

LS Retail Danmark ApS is part of the consolidated financial statements of LS Retail ehf., Hagasmari 3, 201 Kopavogur, Island, which is the smallestgroup, in which the Company is included as a subsidiary.

The consolidated financial statements of LS Retail ehf. can be obtained by contacting the Company at the address above.