

Axel Arigato ApS

Pilestræde 16,

1112 København K

CVR No. 39771209

Annual Report 2023

5. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 28 June 2024

David Albin Johansson
Chairman

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Axel Arigato ApS

Management's Statement

Today, Management has considered and adopted the Annual Report of Axel Arigato ApS for the financial year 1 January 2023 - 31 December 2023.

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

In my opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023.

In my opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

København K, 28 June 2024

Executive Board

David Albin Johansson
CEO

Management's Statement

The Independent Practitioner's Report

To the shareholders of Axel Arigato ApS

Conclusion

We have performed an extended review of the Financial Statements of Axel Arigato ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, 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 operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis of conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

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.

Axel Arigato ApS

Management's Statement

In connection with our extended review 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 extended review, 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Hellerup, 28 June 2024

PriceWaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33771231

Flemming Eghoff
State Authorised Public Accountant
mne30221

Axel Arigato ApS

Company details

Company	Axel Arigato ApS Pilestræde 16, 1112 København K
CVR No.	39771209
Financial year	1 January 2023 - 31 December 2023
Executive Board	David Albin Johansson
Auditors	PriceWaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

Management's Review

The Company's principal activities

The principal activities comprise company with retail trade of footwear clothing and accessories and, at the discretion of the Executive Board, related to this.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of DKK 312.275 and the Balance Sheet at 31 December 2023 a balance sheet total of DKK 10.498.193 and an equity of DKK 102.218.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The annual report of Axel Arigato ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

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

The financial statement have been prepared under the historical cost principle.

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 amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, 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 financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

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.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and

Accounting Policies

goods for resale, other operating income, costs for raw materials and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, bad debts etc.

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible and intangible assets

Amortization and impairment of intangible assets, property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized 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
Acquired intangible assets	5 years	0%
Other fixtures and fittings, tools and equipment	3-10 years	0%
Leasehold improvements	5 years	0%

Profit or loss resulting from the sale of intangible assets or property, plant and equipment 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 based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, realised and unrealised capital gains and losses regarding, accounts payable and transactions in foreign currencies, and surcharges and allowances under the advance-payment of tax scheme.

Tax on net profit 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.

Balance sheet

Intangible assets

Other intangible assets, including licenses and acquired rights etc., are measured at cost less accumulated amortization and impairment losses.

An impairment test of acquired intangible assets is performed in the event of indications of a decrease in value. Furthermore, annual impairment tests are performed for ongoing and activated development projects, if any. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

Accounting Policies

Property, plant and equipment

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

The carrying amounts of property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortization and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

Deposits

Deposits are measured at cost.

Inventories

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

The net realizable value of inventories is calculated as the selling price less costs of completion and costs incurred to make the sale. The value is determined taking into account the negotiability of inventories, obsolescence and expected development in sales price.

Receivables

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

Impairment of accounts receivables past due is established on individual assessment of receivables.

Prepaid expenses

Prepaid expenses recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Accounting Policies

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the 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 crystallize as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Liabilities

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

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

Income Statement

	Note	2023 kr.	2022 kr.
Gross profit		4.580.581	4.287.606
Employee benefits expense	1	-2.118.778	-2.087.428
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-1.760.725	-1.759.889
Other operating expenses		-144.364	-58.161
Profit from ordinary operating activities		556.714	382.128
Other finance income		30.472	20.898
Other finance expenses		-182.891	-10.824
Profit from ordinary activities before tax		404.295	392.202
Tax expense on ordinary activities		-92.020	-86.282
Profit		312.275	305.920
Proposed distribution of results			
Retained earnings		312.275	305.920
Distribution of profit		312.275	305.920

Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
Assets			
Acquired intangible assets	2	100.000	250.000
Intangible assets		100.000	250.000
Fixtures, fittings, tools and equipment	3	86.667	229.645
Leasehold improvements	4	981.143	2.535.486
Property, plant and equipment		1.067.810	2.765.131
Deposits, investments		777.863	772.863
Investments		777.863	772.863
Fixed assets		1.945.673	3.787.994
Manufactured goods and goods for resale		799.612	1.173.697
Inventories		799.612	1.173.697
Short-term receivables from group enterprises		5.765.958	115.593
Current deferred tax		151.540	111.802
Other short-term receivables		177.012	427.720
Prepaid expenses		771.160	0
Receivables		6.865.670	655.115
Cash and cash equivalents		887.238	767.801
Current assets		8.552.520	2.596.613
Assets		10.498.193	6.384.607

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Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
Liabilities and equity			
Contributed capital		50.000	50.000
Retained earnings		52.218	-260.057
Equity		102.218	-210.057
Payables to group enterprises		2.128.543	0
Long-term liabilities other than provisions		2.128.543	0
Trade payables		1.029.839	201.464
Payables to group enterprises		6.976.435	6.298.630
Tax payables		131.758	39.688
Other payables		129.400	54.882
Short-term liabilities other than provisions		8.267.432	6.594.664
Liabilities		10.395.975	6.594.664
Liabilities and equity		10.498.193	6.384.607
Contingent liabilities	5		
Collaterals and assets pledges as security	6		

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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2023	50.000	-260.057	-210.057
Profit (loss)	0	312.275	312.275
Equity 31 December 2023	50.000	52.218	102.218

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

Notes

	2023	2022
1. Employee benefits expense		
Wages and salaries	2.054.225	2.015.294
Post-employment benefit expense	20.353	22.449
Social security contributions	44.200	42.186
Other employee expense	0	7.499
	2.118.778	2.087.428
Average number of employees	6	6
2. Acquired intangible assets		
Cost at the beginning of the year	750.000	750.000
Cost at the end of the year	750.000	750.000
Depreciation and amortisation at the beginning of the year	-500.000	-350.000
Amortisation for the year	-150.000	-150.000
Impairment losses and amortisation at the end of the year	-650.000	-500.000
Carrying amount at the end of the year	100.000	250.000
3. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	659.689	659.689
Disposal during the year	-33.671	0
Cost at the end of the year	626.018	659.689
Depreciation and amortisation at the beginning of the year	-430.044	-293.613
Amortisation for the year	-135.495	-136.431
Reversal of prior years' impairment losses and amortisation	26.188	0
Impairment losses and amortisation at the end of the year	-539.351	-430.044
Carrying amount at the end of the year	86.667	229.645

Notes

	2023	2022
4. Leasehold improvements		
Cost at the beginning of the year	8.490.962	8.490.962
Disposal during the year	-292.356	0
Cost at the end of the year	8.198.606	8.490.962
Depreciation and amortisation at the beginning of the year	-5.955.476	-4.441.213
Amortisation for the year	-1.475.231	-1.514.263
Reversal of prior years' impairment losses and amortisation	213.244	0
Impairment losses and amortisation at the end of the year	-7.217.463	-5.955.476
Carrying amount at the end of the year	981.143	2.535.486

5. Contingent liabilities

The company has a rental obligation amounting to T.DKK 1.978, which can be terminated earliest per 31 December 2024.

6. Collaterals and securities

The company have issued a bank guarantee through the bank, regarding rent, amounting to DKK 933.482 until 30. September 2024.