



**LiveTrends Design Group Europe
ApS**

Odensevej 32
5620 Glamsbjerg
CVR No. 41917253

**Annual report 07.12.2020 -
31.12.2021**

The Annual General Meeting adopted the
annual report on 22.06.2022

Martin Rasmussen

Chairman of the General Meeting

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Entity details

Entity

LiveTrends Design Group Europe ApS

Odensevej 32

5620 Glamsbjerg

Business Registration No.: 41917253

Registered office: Assens

Financial year: 07.12.2020 - 31.12.2021

Board of Directors

Thomas Offer Viskum Madsen

Martin Christian Rasmussen

Søren Offer Viskum Madsen

Bisser Mihailov Georgiev

Executive Board

Martin Christian Rasmussen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

P. O. Box 10

5100 Odense

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of LiveTrends Design Group Europe ApS for the financial year 07.12.2020 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 07.12.2020 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Odense, 22.06.2022

Executive Board

Martin Christian Rasmussen

Board of Directors

Thomas Offer Viskum Madsen

Martin Christian Rasmussen

Søren Offer Viskum Madsen

Bisser Mihailov Georgiev

Independent auditor's extended review report

To the shareholders of LiveTrends Design Group Europe ApS

Conclusion

We have performed an extended review of the financial statements of LiveTrends Design Group Europe ApS for the financial year 07.12.2020 - 31.12.2021, which comprise the 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 our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 07.12.2020 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor'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 about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Odense , 22.06.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Allan Dydensborg Madsen

State Authorised Public Accountant
Identification No (MNE) mne34144

Management commentary

Primary activities

The object of the Company is to be in the agriculture business and trade of home decor goods to the retail market and other businesses relation hereto.

Development in activities and finances

The result for the year is affected of increase in freight rates and energy prices, the management consider the result for the year to be satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020/21

	Notes	2020/21 DKK
Gross profit/loss		12,701,707
Staff costs	1	(10,174,888)
Depreciation, amortisation and impairment losses	2	(963,668)
Operating profit/loss		1,563,151
Other financial income		9,659
Other financial expenses	3	(589,591)
Profit/loss before tax		983,219
Tax on profit/loss for the year	4	(222,983)
Profit/loss for the year		760,236
Proposed distribution of profit and loss		
Retained earnings		760,236
Proposed distribution of profit and loss		760,236

Balance sheet at 31.12.2021

Assets

	Notes	2020/21 DKK
Goodwill		8,550,000
Intangible assets	5	8,550,000
Other fixtures and fittings, tools and equipment		132,418
Property, plant and equipment	6	132,418
Deposits		3,000
Financial assets		3,000
Fixed assets		8,685,418
Manufactured goods and goods for resale		15,375,670
Inventories		15,375,670
Trade receivables		3,916,896
Other receivables		58,646
Receivables from owners and management	7	38,675
Receivables		4,014,217
Cash		162,606
Current assets		19,552,493
Assets		28,237,911

Equity and liabilities

	Notes	2020/21 DKK
Contributed capital		50,000
Retained earnings		3,690,236
Equity		3,740,236
Deferred tax		117,603
Provisions		117,603
Bank loans		3,870,604
Other payables		9,631,650
Non-current liabilities other than provisions	8	13,502,254
Current portion of non-current liabilities other than provisions	8	1,329,996
Bank loans		2,055,952
Trade payables		5,189,623
Income tax payable		105,380
Other payables	9	2,196,867
Current liabilities other than provisions		10,877,818
Liabilities other than provisions		24,380,072
Equity and liabilities		28,237,911
Unrecognised rental and lease commitments	10	
Contingent liabilities	11	
Assets charged and collateral	12	

Statement of changes in equity for 2020/21

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	50,000	2,930,000	2,980,000
Profit/loss for the year	0	760,236	760,236
Equity end of year	50,000	3,690,236	3,740,236

Notes

1 Staff costs

	2020/21
	DKK
Wages and salaries	9,903,506
Other social security costs	147,960
Other staff costs	123,422
	10,174,888
Average number of full-time employees	24

2 Depreciation, amortisation and impairment losses

	2020/21
	DKK
Amortisation of intangible assets	950,000
Depreciation of property, plant and equipment	13,668
	963,668

3 Other financial expenses

	2020/21
	DKK
Financial expenses from group enterprises	139,729
Other interest expenses	388,834
Exchange rate adjustments	29,033
Other financial expenses	31,995
	589,591

4 Tax on profit/loss for the year

	2020/21
	DKK
Current tax	105,380
Change in deferred tax	117,603
	222,983

5 Intangible assets

	Goodwill DKK
Additions	9,500,000
Cost end of year	9,500,000
Amortisation for the year	(950,000)
Amortisation and impairment losses end of year	(950,000)
Carrying amount end of year	8,550,000

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Additions	146,086
Cost end of year	146,086
Depreciation for the year	(13,668)
Depreciation and impairment losses end of year	(13,668)
Carrying amount end of year	132,418

7 Receivables from owners and management

	Executive Board DKK
Receivables	38,675
Interest rate (%)	10,5

The amount is repaid in maj 2022.

8 Non-current liabilities other than provisions

	Due within 12 months 2020/21 DKK	Due after more than 12 months 2020/21 DKK
Bank loans	1,329,996	3,870,604
Other payables	0	9,631,650
	1,329,996	13,502,254

Other payable includes loan to Offer Madsen Ltd. 8.927 T.DKK., and holiday pay obligation 705 T.DKK.

9 Other payables

	2020/21
	DKK
VAT and duties	695,228
Wages and salaries, personal income taxes, social security costs, etc payable	1,069,234
Holiday pay obligation	331,281
Other costs payable	101,124
	2,196,867

10 Unrecognised rental and lease commitments

	2020/21
	DKK
Liabilities under rental or lease agreements until maturity in total	3,692,523

11 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where LiveTrends Design Group Europe Holding ApS. serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

12 Assets charged and collateral

Bank loans are secured by indemnity letter 6.500 T.DKK with security in inventory, goodwill and operating equipment, to book value 24.058 T.DKK.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

Non-comparability

This is the company's first financial year, and no comparative figures are given.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment

3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.