

Digital Flying Tiger Copenhagen A/S

Strandgade 71, 1401 Copenhagen K


CVR no. 41 99 21 74

Annual report 2021

(As of the establishment of the Company 4 January - 31 December 2021)

Approved at the Company's annual general meeting on 7 July 2022

Chair of the meeting:

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Digital Flying Tiger Copenhagen A/S for the financial year as of the establishment of the Company 4 January - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year as of the establishment of the Company 4 January - 31 December 2021.

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

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

Copenhagen, 7 July 2022
Executive Board:



.....
Martin le Sage de Fontenay
Jermiin

Board of Directors:



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Christian Kofoed Hertz
Jakobsen
Chair



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Martin le Sage de Fontenay
Jermiin



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Jens Aarup Mikkelsen

Independent auditor's report

To the shareholder of Digital Flying Tiger Copenhagen A/S

Opinion

We have audited the financial statements of Digital Flying Tiger Copenhagen A/S for the financial year as of the establishment of the Company 4 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year as of the establishment of the company 4 January - 31 December 2021 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 as to 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 taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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.

Independent auditor's report

- ▶ 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Copenhagen, 7 July 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Thomas Bruun Kofoed
State Authorised Public Accountant
mne28677

Management's review

Company details

Name	Digital Flying Tiger Copenhagen A/S
Address, Postal code, City	Strandgade 71, 1401 Copenhagen K
CVR no.	41 99 21 74
Established	4 January 2021
Registered office	Copenhagen
Financial year	4 January - 31 December 2021
Board of Directors	Christian Kofoed Hertz Jakobsen, Chair Martin le Sage de Fontenay Jermiin Jens Aarup Mikkelsen
Executive Board	Martin le Sage de Fontenay Jermiin
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

Digital Flying Tiger Copenhagen A/S ("Flying Tiger Copenhagen" or "the company") is a variety and seasonal e-commerce retailer offering a broad range of primarily own-branded, own-designed products with an assortment of categories ranging from hobby, home, party, toys, electronic and gadgets and fashion accessories, with the products having a distinct Scandinavian design.

The company was established on 4th of January 2021 with the aim to hold all E-commerce activities separately from the other retail activities in the Zebra A/S Group.

The annual accounts for 2021 financial year are the first to be submitted on behalf of Digital Flying Tiger Copenhagen A/S.

Financial review

The income statement for 2021 shows a profit of EUR 47 thousand, and the balance sheet at 31 December 2021 shows equity of EUR 101 thousand.

The 2021 activity for Digital Flying Tiger Copenhagen A/S has been the buildup of the e-commerce site to enhance the market offering across Europe. The buildup phase usually holds larger investments in set-ups and learnings, while the benefits of such might be delayed. The priority has been to enter as many markets as possible in 2021, while the web-site still has room for further improvements and developments to better suit the local markets. This will be the future development projects in 2022.

Events after the balance sheet date

While the company has not experienced an adverse impact from Covid-19 on the financial statements for 2021, the company is closely monitoring the potential impact of Covid-19 on its operations and financial reporting for 2022 and beyond, as the impact of the Covid-19 pandemic continues to unfold.

Russia's invasion of Ukraine and any related sanctions have not yet had a material impact on the company and the company is closely monitoring the potential impact on its financial reporting for 2022 and beyond.

No other important events have occurred after the end of the financial year.

Financial statements for the period 4 January - 31 December 2021

Income statement

Note	EUR	2021
	Revenue	2,941,318
	Cost of sales	-1,511,733
	Other external expenses	-1,349,580
	Gross profit	80,005
2	Financial income	336
3	Financial expenses	-19,836
	Profit before tax	60,505
4	Tax for the year	-13,311
	Profit for the year	47,194
	Recommended appropriation of profit	
	Retained earnings	47,194
		47,194

Financial statements for the period 4 January - 31 December 2021

Balance sheet

Note	EUR	<u>2021</u>
	ASSETS	
	Non-fixed assets	
	Inventories	
	Finished goods and goods for resale	<u>1,248,110</u>
		<u>1,248,110</u>
	Receivables	
	Receivables from group enterprises	<u>3,620,961</u>
		<u>3,620,961</u>
	Cash	<u>32,891</u>
	Total non-fixed assets	<u>4,901,962</u>
	TOTAL ASSETS	<u><u>4,901,962</u></u>

Financial statements for the period 4 January - 31 December 2021

Balance sheet

Note	EUR	<u>2021</u>
	EQUITY AND LIABILITIES	
	Equity	
5	Share capital	53,789
	Retained earnings	<u>47,194</u>
	Total equity	<u>100,983</u>
	Liabilities other than provisions	
	Current liabilities other than provisions	
	Prepayments received from customers	86,514
	Trade payables	1,963,599
	Payables to group enterprises	2,647,082
	Joint taxation contribution payable	13,311
	Other payables	<u>90,473</u>
		<u>4,800,979</u>
	Total liabilities other than provisions	<u>4,800,979</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>4,901,962</u></u>

- 1 Accounting policies
- 6 Contractual obligations and contingencies, etc.
- 7 Related parties

Financial statements for the period 4 January - 31 December 2021

Statement of changes in equity

EUR	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Cash payments concerning formation of enterprise	53,789	0	53,789
Transfer through appropriation of profit	<u>0</u>	<u>47,194</u>	<u>47,194</u>
Equity at 31 December 2021	<u><u>53,789</u></u>	<u><u>47,194</u></u>	<u><u>100,983</u></u>

Financial statements for the period 4 January - 31 December 2021

Notes to the financial statements

1 Accounting policies

The annual report of Digital Flying Tiger Copenhagen A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Reporting currency

The financial statements are presented in euros (EUR), as the Company's most significant transactions are settled in EUR.

Income statement

Revenue

The Company has chosen IFRS 15 Revenue from contracts with customers as interpretation for revenue recognition.

Revenue from the sale of the goods is recognised when the Company sells a product to a customer and thereby transfers the control of the goods to the customer, and where the selling price is determined reliably and expected to be paid.

Control is transferred to the customer upon completion of delivery by the external courier.

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

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue, including external costs directly attributable to the sale of products such as freight and handling.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements for the period 4 January - 31 December 2021

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Other payables

Other payables are measured at net realisable value.

Prepayments received from customers

Prepayments from customers comprise of sales for which payment has received, where criteria for recognition of revenue have not been met.

Financial statements for the period 4 January - 31 December 2021

Notes to the financial statements

EUR	2021
2	Financial income
	Interest receivable, group entities
	336
	<u>336</u>
3	Financial expenses
	Interest expenses, group entities
	17,812
	Other interest expenses
	163
	Exchange losses
	1,265
	Other financial expenses
	596
	<u>19,836</u>
4	Tax for the year
	Estimated tax charge for the year
	13,311
	<u>13,311</u>

5 Share capital

The Company's share capital has remained DKK 400,000 since the establishment.

6 Contractual obligations and contingencies, etc.

The Company is jointly taxed with Treville X Partners ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends in the group of jointly taxed entities. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Other financial obligations

Liabilities include an obligation related to warehouse and logistics services with remaining contract terms of 1 year and 4 months. The monetary obligation is variable upon performance-based criteria and includes a minimum monetary commitment for the Company of EUR 492 thousand.

7 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Zebra A/S	Strandgade 71 - 73, DK-1401 Copenhagen K	https://flyingtiger.com/pages/annualreport2021

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
Zebra A/S	Strandgade 71 - 73, DK-1401 Copenhagen K