

Retailors Denmark ApS

H.C. Andersens Boulevard 38, 3. th

1553 København V

CVR No. 42368865

Annual Report 2022

2. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 26 June 2023

Alon Elmaliyah
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Retailors Denmark ApS for the financial year 1 January 2022 - 31 December 2022.

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 assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

In our 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.

Copenhagen, 26 June 2023

Executive Board

Tomer Czapnik
Manager

Alon Elmaliyah
Manager

Company details

Company	Retailors Denmark ApS H.C. Andersens Boulevard 38, 3. th 1553 København V
CVR No.	42368865
Financial year	1 January 2022 - 31 December 2022
Executive Board	Tomer Czapnik Alon Elmaliyah

Management's Review

The Company's principal activities

The Company's principal activities is to trade, purchase, represent, import and export all kinds of fashion items, clothing and footwear as well as related business in Denmark.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK 41,651 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 63,574,383 and an equity of DKK -7,990.

Material changes in the Company's operations and financial matters

There were no significant event after the balance sheet date and accounting policies remain unchanged from previous year.

Accounting Policies

Reporting Class

The annual report of Retailors Denmark ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner. All other currencies are considered foreign currencies.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates 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

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, capital and 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.

Accounting Policies

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

Raw materials and consumables used

Costs for raw materials and consumables comprise the cost of goods purchased less discounts, costs subcontractors and change in inventories for the year.

Other external expenses

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

External expenses comprise selling costs, facility costs and administrative expenses.

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. The item is deducted from refunds from public authorities.

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, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Tax on net profit for the year

Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non-deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax.

The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

Balance sheet

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 data 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.

Accounting Policies

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

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

Other fixtures and fittings, tools and equipment	5 years	0%
Leasehold improvements	10 years	0%

Inventories

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

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.

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base 22% 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.

Deferred tax assets which are not expected utilised within a few years have been disclosed in notes under contingent assets.

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.

Other payables

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

Accruals and deferred income entered as liabilities

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

Income Statement

	Note	2022 DKK	2021 DKK
Gross profit		3,768,096	-114,926
Staff expenses		-3,157,775	0
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-90,007	0
Writedowns of current assets other than current financial assets		-118,748	0
Profit from ordinary operating activities		401,566	-114,926
Other finance income	1	29,924	0
Finance expenses	2	-372,219	2
Profit from ordinary activities before tax		59,271	-114,924
Tax expense on ordinary activities	4	-17,620	25,283
Profit		41,651	-89,641
Proposed distribution of results			
Retained earnings		41,651	-89,641
Distribution of profit		41,651	-89,641

Balance Sheet as of 31 December

	Note	2022 DKK	2021 DKK
Assets			
Fixtures, fittings, tools and equipment		1,993,639	0
Leasehold improvements		9,665,401	337,583
Property, plant and equipment	5	11,659,040	337,583
Fixed assets		11,659,040	337,583
Manufactured goods and goods for resale		12,041,365	154
Prepayments for goods		252,705	0
Inventories		12,294,070	154
Short-term receivables from group enterprises		1,671,182	0
Current deferred tax		0	25,283
Short-term tax receivables		77,798	0
Other short-term receivables		6,770,450	9,216
Receivables		8,519,430	34,499
Cash and cash equivalents		31,101,843	40,000
Current assets		51,915,343	74,653
Assets		63,574,383	412,236

Balance Sheet as of 31 December

	Note	2022 DKK	2021 DKK
Liabilities and equity			
Contributed capital		40,000	40,000
Retained earnings		-47,990	-89,641
Equity		-7,990	-49,641
Provisions for deferred tax	6	70,135	0
Provisions		70,135	0
Payables to group enterprises		30,267,452	0
Long-term liabilities other than provisions	7	30,267,452	0
Trade payables		24,329,088	56,079
Payables to group enterprises		1,501,838	405,798
Other payables		2,884,326	0
Deferred income, liabilities		4,529,534	0
Short-term liabilities other than provisions		33,244,786	461,877
Liabilities other than provisions within the business		63,512,238	461,877
Liabilities and equity		63,574,383	412,236
Contingent liabilities	8		
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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	40,000	-89,641	-49,641
Profit (loss)	0	41,651	41,651
Equity 31 December 2022	40,000	-47,990	-7,990

The share capital has remained unchanged for the last 5 years. The share capital consists of 40 000 shares of DKK 1,00. The shares have not been divided into classes.

Notes

1. Other finance income

	2022	2021
	DKK	DKK
Other finance income	29,924	0
	29,924	0

2. Finance expenses

	2022	2021
	DKK	DKK
Finance expenses arising from group enterprises	192,703	0
Other finance expenses	179,516	-2
	372,219	-2

3. Staff expenses

	2022	2021
	DKK	DKK
Wages and salaries	2,628,611	0
Social security contributions	89,444	0
Other employee expense	439,720	0
	3,157,775	0

Average number of employees	5	0
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4. Tax expense

	2022	2021
	DKK	DKK
Adjustments for deferred tax	17,620	-25,283
	17,620	-25,283

5. Property, plant and equipment

	Fixtures, fittings, tools and equipment	Leasehold improvements
Cost at the beginning of the year	0	337,582
Addition during the year, incl. improvements	2,046,198	9,359,540
Cost at the end of the year	2,046,198	9,697,122
Amortisation for the year	-52,559	-31,721
Impairment losses and amortisation at the end of the year	-52,559	-31,721
Carrying amount at the end of the year	1,993,639	9,665,401

6. Provisions for deferred tax

Provision for deferred tax	70,135	0
Balance at the end of the year	70,135	0

Notes**7. Long-term liabilities**

	Due after 1 year DKK	Due within 1 year DKK	Due after 5 years DKK
Payables to group enterprises	30,267,452	0	0
	<u>30,267,452</u>	<u>0</u>	<u>0</u>

8. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

9. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

10. Consolidation - Related parties

Name and registered office of the parent preparing consolidated financial statements for the smallest group:
Retailors Europe BV, Kalverstraat 185, 1012XC Amsterdam, Holland