

Bershka Slovakia, s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 January 2021

(Value data in tables are disclosed in whole euro unless stipulated otherwise)

I. GENERAL INFORMATION

1. Company Details

Business name and seat	Bershka Slovakia, s. r. o., Einsteinova 18, 851 01 Bratislava 5 – Petržalka
Date of establishment	14 November 2006
Date of incorporation (according to the Commercial Register)	22 May 2007
Business activities	Purchase of goods for resale to end customers (retail).

2. Employees

Item	2020	2019
Full-time equivalent	59.71	64.06
Number of employees as at the reporting date	54	62
<i>Of which: Managers</i>	12	10

3. Unlimited Guarantee

Bershka Slovakia, s.r.o., (hereinafter the "Company") is not an unlimited liability shareholder in other companies pursuant to Article 56 (5) of the Commercial Code.

4. Basis of Preparation for the Financial Statements

The financial statements as at 31 January 2021 represent the extraordinary financial statements prepared in compliance with Article 17 (6) of Act of the National Council of the Slovak Republic No. 431/2002 Coll. on Accounting for the reporting period from 1 February 2020 to 31 January 2021. The Company merged with Zara Slovakia, s.r.o. with the effective date of 1 February 2021. Assets, liabilities and contracts will be transferred to Zara Slovakia, s.r.o. As the preparation date of these extraordinary financial statements is the same as the reporting date of the annual financial statements, these financial statements are considered to be the annual financial statements.

The financial statements are intended for general use and information; they are not intended for the purposes of any specific user or consideration of any specific transactions. Accordingly, users should not rely exclusively on these financial statements when making decisions.

In some tables, information for the reporting period from 1 February 2020 to 31 January 2021 is presented as 2020 and for the reporting period from 1 February 2019 to 31 January 2020 as 2019.

5. Approval of the 2019 Financial Statements

The 2019 financial statements of Bershka Slovakia, s.r.o. were approved by the Annual General Meeting held on 26 April 2020.

6. Consolidated Financial Statements

BERSHKA Slovakia, s.r.o. is a subsidiary of Industria de Diseño Textil, S.A. (hereafter INDITEX, S.A.), with its registered office at Avda. de la Diputación – Edificio Inditex, 151 42 Arteixo, A Coruña, Spain, which has a 100% share in its registered capital.

INDITEX, S. A. is the immediate consolidating entity and prepares the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU for all groups of companies in the consolidation group.

The consolidated financial statements are available directly at the registered office of INDITEX, S.A. (Avda. de la Diputación – Edificio Inditex, 151 42 Arteixo, A Coruña, Spain).

Bershka Slovakia, s. r. o.**Notes to the Separate Financial Statements****Prepared as at 31 January 2021****(Value data in tables are disclosed in whole euro unless stipulated otherwise)****II. ACCOUNTING PRINCIPLES AND METHODS APPLIED**

1. The Company applies accounting principles and procedures pursuant to the Act on Accounting and Accounting Procedures for Businesses effective in the Slovak Republic. The accounting books are kept in the monetary units of the Slovak currency, ie euro.
2. During 2020, as part of the Group reorganisation, the Company's sole partner decided on the Company's merger with Zara Slovakia, s.r.o. Company management filed a merger motion, which was approved by the court as at the preparation date of these financial statements, and the Company was dissolved without liquidation via a merger on 1 February 2021. As a result, the financial statements were not prepared under the going-concern assumption. These financial statements reflect the expected realisable value of assets and liabilities related to the discontinuation of the Company's operations, as disclosed in the respective Notes below.
3. Assets and liabilities as at 31 December 2021 are disclosed at fair values in line with Article 27 (1) (c) of Act No. 431/2002 Coll. with the revaluation amount of EUR 136 413. The Company did not identify any differences between the fair value of assets and liabilities disclosed in these financial statements and the value of assets and liabilities prior to remeasurement, except for separate movable assets and sets of movables.
4. Revenues and costs are recognised as they are earned or incurred under the accrual basis of accounting. All revenues and costs related to the reporting period are used as a basis regardless of their settlement date.
5. When measuring assets and liabilities, the prudence principle is followed, ie all risks, losses, and impairments related to assets and liabilities and known as at the reporting date are used as a basis.
6. Revenue recognition – revenues are recognised when the delivery terms are fulfilled, since at that moment significant risks and ownership rights are transferred to the customer.
7. Non-current and current receivables, payables, loans, and interest-bearing borrowings – receivables and payables are disclosed on the balance sheet as either non-current or current following their residual maturities as at the reporting date. Portions of non-current receivables and portions of non-current payables due within one year from the reporting date are disclosed on the balance sheet as current receivables and current payables, as appropriate.
8. Estimates made – when compiling financial statements, the Company's management is required to prepare estimates and assumptions that influence the recognised amounts of assets and liabilities, and the disclosure of contingent assets and liabilities as at the reporting date, as well as the disclosed amounts of revenues and expenses during the year. The actual results may differ from these estimates.
9. Reported tax – Slovak tax legislation is relatively new, lacks precedents, and is subject to continuous amendments. Since various interpretations of tax laws and regulations in the application thereof to various transaction types exist, the amounts disclosed in the financial statements may later change, based on the ultimate opinion of the tax authorities.

9. Recognition of Individual Items of Assets and Liabilities – Initial Measurement

Upon acquisition, the cost principle is applied (ie the historical cost convention) and individual items of assets and liabilities are measured as follows:

- a) Purchased non-current tangible and intangible assets – at cost. The cost includes the acquisition price, the related incidental costs (customs duties, transportation, assembly, insurance premiums, etc) and all price reductions (credit notes, discounts, rebates, price reductions, bonuses, etc).
- b) Non-current tangible assets generated internally – at own costs. Own costs include direct costs associated with production or other activities and indirect costs attributable to production or other activities.

Bershka Slovakia, s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 January 2021

(Value data in tables are disclosed in whole euro unless stipulated otherwise)

- c) Non-current intangible and tangible assets acquired by other means:
- Non-current assets acquired for no consideration – at fair value.
 - Assets newly identified during a stocktake and not yet recoded in accounting books – at fair value.
 - Assets acquired by the contracting authority for no consideration from a concessionaire for performance in the form of a concession for construction works – at fair value.
 - Assets acquired by the purchase of a business or part thereof, and acquired through a contribution of a business or part thereof and assets acquired through an exchange – at fair value.
- d) Purchased inventory:
- Purchased raw materials – at cost (consisting of the acquisition price and transport costs). If identical inventories are disposed of, the FIFO method is used (the initial price for measuring the additions to inventories was used as the initial price for measuring the disposals of inventories). Incidental costs include customs duties, transportation costs, and commissions. Incidental costs are allocated as a variance using the ratio between the total of the balances and additions to variances on the total of the balances and additions to inventories.
 - Purchased merchandise – at cost. If identical inventories are disposed of, the FIFO method is used (the initial price for measuring the additions to inventories was used as the initial price for measuring the disposals of inventories). Incidental costs include transportation costs, customs duties, and commissions.
- e) Inventories developed internally:
- Work-in-progress, semi-finished goods, and finished goods are measured at own cost, which includes direct costs associated with production or other activities, and/or also a portion of indirect costs attributable to production or other activities.
- f) Inventory acquired by other means – at fair value if the inventories are acquired for no consideration, by exchange or are newly identified during a stocktake.
- g) Receivables:
- When originated – at face value.
 - Where acquired (assigned) for consideration or through a contribution to the registered capital – at cost.

For non-interest bearing non-current receivables and long-term loans, the provision is included in the correction column where the values of the receivable and loan/borrowing are adjusted to their present value, for example by using the effective interest rate method.

- h) Financial assets:
- Securities, derivatives and shares in the registered capital as securities held for trading, securities in the fund's assets, derivatives, shares in the registered capital of companies not in the form of securities which are in the fund's assets – at fair value.
 - Other shares in the registered capital of companies, derivatives and securities – at cost. The cost is the amount of the consideration given to acquire the assets and the related incidental costs (fees and commissions to brokers, advisors, and stock exchanges).
 - Cash, stamps and vouchers – at face value.
- i) Deferred expenses and accrued income – at the anticipated face value.
- j) Payables:
- When incurred – at face value.
 - Where assumed – at cost.
 - Where acquired through the purchase of a business or part thereof, and acquired through a contribution of a business or part thereof, and acquired through an exchange – at fair value.
- k) Provisions for liabilities – at the anticipated amount payable or applying actuarial methods.
- l) Bonds, interest-bearing borrowings, and loans:
- When incurred – at face value.
 - Where assumed – at cost.

Interest on bonds, interest-bearing borrowings and loans is recorded on an accrual basis.

- m) Accrued expenses and deferred income – at the anticipated face value.

Bershka Slovakia, s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 January 2021

(Value data in tables are disclosed in whole euro unless stipulated otherwise)

- n) Current income taxes – pursuant to the Slovak Income Tax Act, current income taxes are determined based on the accounting profits before taxation at the rate of 21% after adjustments for certain items for tax purposes.
- o) Deferred income taxes are recognised when temporary differences arise between the carrying amount of assets and liabilities as disclosed on the balance sheet and their tax base, with the possibility of carrying forward tax losses and of transferring the unused tax loss deductions into future periods. To determine the amount of deferred income taxes, the tax rate applicable in the subsequent reporting period was applied, ie 21%.

10. Recognition of Individual Items of Assets and Liabilities – Subsequent Measurement

- a) Estimated risks, losses, and impairment related to assets and liabilities are reflected in provisions for liabilities, provisions for assets, and depreciation charges.
- Provisions for liabilities – liabilities of uncertain timing or amount; liabilities of uncertain timing or amount are created to cover the known risks or losses from business activities and are recognised at the anticipated amount payable. The amount of the provisions and the grounds for their recognition are assessed as at the reporting date.
 - Provisions for assets are recorded in the amount of a justifiable assumption of the impairment of assets when compared to their valuation in the accounting books as follows:
 - Provisions for inventory if future economic benefits of inventories are lower than their carrying amount are measured at net realisable value. The net realisable value is the expected selling price of the inventories, net of the expected expenses for their completion and costs of sale.
 - Provisions for inventory of raw materials, work-in-progress, and finished goods, the market value of which is below their cost, or below own cost measurement, are recorded based on the calculation of the proportion of cost, or own costs, to the potential market price; and
 - For receivables overdue by more than 360 days and 180 days, and for other overdue receivables, provisions are recorded at 100%, 70%, and 5%, respectively.
 - Depreciation/amortisation plan

Non-current tangible and intangible assets are depreciated/amortised according to a depreciation/amortisation plan that takes into account an estimate of their actual useful lives. Assets are depreciated/amortised over their estimated useful lives corresponding to the consumption of future economic benefits arising from such assets. The straight-line accounting depreciation method is applied. Assets are depreciated/amortised starting in the month in which they are placed into service.

The average useful lives in the depreciation plan are as follows:

Type of Assets	Useful Life	Annual Depreciation Rate
Buildings and structures	10.5	9.5%
IT equipment	5	20%
Fixtures & fittings	10.5	9.5%
Software	4	25%

Tax depreciation is applied using the rates as per the Income Tax Act effective for straight-line depreciation.

Bershka Slovakia, s. r. o.**Notes to the Separate Financial Statements****Prepared as at 31 January 2021****(Value data in tables are disclosed in whole euro unless stipulated otherwise)**

11. Translation of Amounts Denominated in Foreign Currency to Slovak Currency

Assets and liabilities denominated in a foreign currency are translated to euro using the reference exchange rate determined and announced by the National Bank of Slovakia (NBS) on the date preceding the transaction date and also on the reporting date and on the decisive date on which the assets and liabilities are assumed from a foreign legal entity being wound-up. Advances received and made in a foreign currency are translated as at the reporting date. For foreign currency purchases and sales in euro, and upon the transfer of funds from an account established in a foreign currency to an account established in euro and from an account established in euro to an account established in a foreign currency, the exchange rates at which these amounts were purchased or sold were applied. If the sale or purchase of a foreign currency is performed at an exchange rate other than the one offered by a commercial bank in its foreign exchange list, the exchange rate offered by such commercial bank in its foreign exchange list on the transaction settlement date is used. If the sale or purchase is not performed with a commercial bank, the reference exchange rate determined and announced by the ECB or the NBS on the date preceding the transaction settlement date is used.

12. Changes in Accounting Principles and Accounting Methods

For the reporting period from 1 February 2020 to 31 January 2021, there were no changes in accounting principles or accounting methods.

Bershka Slovakia, s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 January 2021

(Value data in tables are disclosed in whole euro unless stipulated otherwise)

III. DATA DISCLOSED ON THE ASSETS SIDE OF THE BALANCE SHEET**1. Non-Current Intangible and Tangible Assets****1.1. Movements in the Accounts of Non-Current Intangible Assets, Accumulated Depreciation, Provisions, and Net Book Value**

31 January 2021

	<i>Capitalised Development Cost</i>	<i>Software</i>	<i>Valuable Rights</i>	<i>Goodwill</i>	<i>Other Non-Current Intangible Assets</i>	<i>Non-Current Intangible Assets in Acquisition</i>	<i>Advance Payments Made</i>	<i>Total</i>
Initial Measurement								
At 1 Feb 2020	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
At 31 Jan 2021	-	-	-	-	-	-	-	-
Accumulated Depreciation								
At 1 Feb 2020	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
At 31 Jan 2021	-	-	-	-	-	-	-	-
Provision								
At 1 Feb 2020	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
At 31 Jan 2021	-	-	-	-	-	-	-	-
Net Book Value								
At 1 Feb 2020	-	-	-	-	-	-	-	-
At 31 Jan 2021	-	-	-	-	-	-	-	-

Bershka Slovakia, s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 January 2021

(Value data in tables are disclosed in whole euro unless stipulated otherwise)

31 January 2020

	<i>Capitalised Development Cost</i>	<i>Software</i>	<i>Valuable Rights</i>	<i>Goodwill</i>	<i>Other Non-Current Intangible Assets</i>	<i>Non-Current Intangible Assets in Acquisition</i>	<i>Advance Payments Made</i>	<i>Total</i>
Initial Measurement								
At 1 Feb 2019	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
At 31 Jan 2020	-	-	-	-	-	-	-	-
Accumulated Depreciation								
At 1 Feb 2019	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
At 31 Jan 2020	-	-	-	-	-	-	-	-
Provision								
At 1 Feb 2019	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
At 31 Jan 2020	-	-	-	-	-	-	-	-
Net Book Value								
At 1 Feb 2019	-	-	-	-	-	-	-	-
At 31 Jan 2020	-	-	-	-	-	-	-	-

Bershka Slovakia, s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 January 2021

(Value data in tables are disclosed in whole euro unless stipulated otherwise)

1.2. Movements in the Accounts of Non-Current Tangible Assets, Accumulated Depreciation, Provisions, and Net Book Value

31 January 2021

	<i>Land</i>	<i>Structures</i>	<i>Separate Movable Assets and Sets of Movables</i>	<i>Perennial Crops</i>	<i>Livestock and Draught Animals</i>	<i>Other Non-Current Tangible Assets</i>	<i>Non-Current Tangible Assets in Acquisition</i>	<i>Advance Payments Made</i>	<i>Total</i>
Initial Measurement									
At 1 Feb 2020	-	3 573 805	1 013 340	-	-	-	16 305	-	4 603 450
Additions	-	-	-	-	-	-	146 290	-	146 290
Disposals	-	-	(2 051)	-	-	-	-	-	(2 051)
Transfers	-	3 559	26 265	-	-	-	(29 824)	-	-
Effect of the merger (remeasurement)	-	-	136 413	-	-	-	-	-	136 413
At 31 Jan 2021	-	3 577 364	1 173 967	-	-	-	132 771	-	4 884 102
Accumulated Depreciation									
At 1 Feb 2020	-	2 084 993	470 431	-	-	-	-	-	2 555 424
Additions	-	255 853	106 119	-	-	-	-	-	361 972
Disposals	-	-	(2 049)	-	-	-	-	-	(2 049)
Transfers	-	-	-	-	-	-	-	-	-
At 31 Jan 2021	-	2 340 846	574 501	-	-	-	-	-	2 915 347
Provision									
At 1 Feb 2020	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
At 31 Jan 2021	-	-	-	-	-	-	-	-	-
Net Book Value									
At 1 Feb 2020	-	1 488 812	542 909	-	-	-	16 305	-	2 048 026
At 31 Jan 2021	-	1 236 518	599 466	-	-	-	132 771	-	1 968 755

Bershka Slovakia, s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 January 2021

(Value data in tables are disclosed in whole euro unless stipulated otherwise)

31 January 2020

	<i>Land</i>	<i>Structures</i>	<i>Separate Movable Assets and Sets of Movables</i>	<i>Perennial Crops</i>	<i>Livestock and Draught Animals</i>	<i>Other Non-Current Tangible Assets</i>	<i>Non-Current Tangible Assets in Acquisition</i>	<i>Advance Payments Made</i>	<i>Total</i>
Initial Measurement									
At 1 Feb 2019	-	3 573 805	993 435	-	-	-	6 262	-	4 573 502
Additions	-	-	-	-	-	-	43 011	-	43 011
Disposals	-	-	(13 063)	-	-	-	-	-	(13 063)
Transfers	-	-	32 968	-	-	-	(32 968)	-	-
At 31 Jan 2020	-	3 573 805	1 013 340	-	-	-	16 305	-	4 603 450
Accumulated Depreciation									
At 1 Feb 2019	-	1 830 207	376 857	-	-	-	-	-	2 207 064
Additions	-	254 786	105 077	-	-	-	-	-	359 863
Disposals	-	-	(11 503)	-	-	-	-	-	(11 503)
Transfers	-	-	-	-	-	-	-	-	-
At 31 Jan 2020	-	2 084 993	470 431	-	-	-	-	-	2 555 424
Provision									
At 1 Feb 2019	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
At 31 Jan 2020	-	-	-	-	-	-	-	-	-
Net Book Value									
At 1 Feb 2019	-	1 743 598	616 578	-	-	-	6 262	-	2 366 438
At 31 Jan 2020	-	1 488 812	542 909	-	-	-	16 305	-	2 048 026

1.3. Assets Under Lien and Restricted Handling of Non-Current Intangible and Tangible Assets

As at 31 January 2021 (31 January 2020), the Company owns no assets under lien or with restricted handling.

2. Non-Current Financial Assets

As at 31 January 2021 (31 January 2020), the Company has no non-current financial assets.

3. Inventories

3.1. Overview of Provisions per Individual Balance Sheet Items

<i>Item</i>	<i>1 Feb 2020</i>	<i>Creation</i>	<i>Reversal Owing to the Cessation of Justifiability</i>	<i>Reversal Owing to the Derecognition of Assets</i>	<i>31 Jan 2021</i>
Raw materials	-	-	-	-	-
Work-in-progress and semi-finished goods	-	-	-	-	-
Finished goods	-	-	-	-	-
Livestock	-	-	-	-	-
Merchandise	94 699	40 699	-	-	135 398
Real estate for sale	-	-	-	-	-
Advance payments made	-	-	-	-	-
Total	94 699	40 699	-	-	135 398

4. Receivables

4.1. Ageing Structure of Receivables

31 January 2021

<i>Item</i>	<i>Maturity</i>		<i>Total</i>
	<i>Within Maturity</i>	<i>Overdue</i>	
Current Receivables			
Trade receivables from group companies	69 965	-	69 965
Other receivables from group companies	-	-	-
Other receivables within a participating interest except for receivables from group companies	-	-	-
Receivables from partners, members and participants in an association	-	-	-
Social security insurance	-	-	-
Tax assets and subsidies	75 132	-	75 132
Other receivables	177	-	177
Total Current Receivables	145 274	-	145 274

31 January 2020

<i>Item</i>	<i>Maturity</i>		<i>Total</i>
	<i>Within Maturity</i>	<i>Overdue</i>	
Current Receivables			
Trade receivables from group companies	40 662	-	40 662
Other receivables from group companies	-	-	-
Other receivables within a participating interest except for receivables from group companies	-	-	-
Receivables from partners, members and participants in an association	-	-	-
Social security insurance	-	-	-
Tax assets and subsidies	3 516	-	3 516
Other receivables	449	-	449
Total Current Receivables	44 627	-	44 627

For receivables, the common maturity period is 30 days.

Notes Úč PODV 3-01	IČO: 36780243	DIČ: 2022398323
Bershka Slovakia, s. r. o. Notes to the Separate Financial Statements Prepared as at 31 January 2021 (Value data in tables are disclosed in whole euro unless stipulated otherwise)		

4.2. Provisions for Receivables

Balance Sheet Items for which Provisions Were Recorded:

<i>Item</i>	<i>31 Jan 2020</i>	<i>Creation</i>	<i>Reversal Owing to the Cessation of Justifiability</i>	<i>Reversal Owing to the Derecognition of Assets</i>	<i>31 Jan 2021</i>
Trade receivables from group companies	4 953	-	(359)	-	4 594
Other receivables from group companies	-	-	-	-	-
Other receivables within a participating interest except for receivables from group companies	-	-	-	-	-
Receivables from partners, members and participants in an association	-	-	-	-	-
Other receivables	-	-	-	-	-
Total	4 953	-	(359)	-	4 594

4.3. Collateralisation of Receivables

As at 31 January 2021 (31 January 2020), the Company records no collateralised receivables.

4.4. Assets Under Lien and Restricted Handling of Receivables

As at 31 January 2021 (31 January 2020), the Company records no receivables with restricted handling or receivables under lien.

4.5. Deferred Tax Liability/Deferred Tax Asset

<i>Item</i>	<i>31 Jan 2021</i>	<i>31 Jan 2020</i>
Temporary differences between the carrying amount of assets and the tax base:	1 094 631	470 309
<i>Tax-deductible</i>	1 094 631	470 309
<i>Taxable</i>	-	-
Temporary differences between the carrying amount of liabilities and the tax base:	33 615	169 793
<i>Tax-deductible</i>	33 615	169 793
<i>Taxable</i>	-	-
Possibility of carrying forward tax loss	931 049	-
Possibility of transferring unclaimed tax deductions	-	-
Income tax rate (in %)	21%	21%
Deferred tax asset	432 452	134 421
Claimed tax asset:	432 452	134 421
<i>Recognised as a decrease in costs</i>	(298 031)	14 854
<i>Recognised in equity</i>	-	-
Deferred tax liability	-	-
Change in the deferred tax liability:	-	-
<i>Recognised as an expense</i>	-	-
<i>Recognised in equity</i>	-	-

5. **Financial Accounts**

5.1. Breakdown of the Company's Financial Assets

<i>Item</i>	<i>31 Jan 2021</i>	<i>31 Jan 2020</i>
Cash		
Cash on hand, stamps and vouchers	11 600	11 400
Current accounts in a bank or a branch of a foreign bank	823 089	1 510 880
Bank accounts – term deposits	-	-
Cash in transit	-	33 175
Total	834 689	1 555 455

Bershka Slovakia, s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 January 2021

(Value data in tables are disclosed in whole euro unless stipulated otherwise)

6. Accruals and Deferrals

Item	31 Jan 2021	31 Jan 2020
Non-current deferred expenses	-	-
Current deferred expenses, of which:	15 325	16 112
<i>Rent</i>	-	-
<i>Other</i>	15 325	16 112
Non-current accrued income	-	-
Current accrued income	-	-
Total	15 325	16 112

Deferred expenses and accrued income are disclosed in an amount necessary to comply with the accrual principle of accounting.

IV. DATA DISCLOSED ON THE LIABILITIES SIDE OF THE BALANCE SHEET

1. Equity

1.1. Description of Equity

The registered capital comprises a 100% ownership interest of the partner, INDITEX, S.A.

1.2. Distribution of Accounting Profit for 2019

Item	2019
Accounting Profit	372 323
<i>Distribution of Accounting Profit</i>	<i>2020</i>
Allotment to the legal reserve fund	-
Allotment to statutory and other funds	-
Allotment to the social fund	-
Allotment to increase the registered capital	-
Settlement of a loss from previous years	-
Transfer to retained earnings from previous years	372 323
Distribution of share in profit to partners, members	-
Other	-
Total	372 323

1.3. Distribution of Accounting Profit for 2020

The General Meeting will approve a distribution of the accounting profit for 2020. Company management will propose to the partners to allocate 5% of the earned profit (EUR 7 315) to the statutory reserve fund, and to transfer the remaining portion of the profit after taxation (EUR 138 992) to Retained earnings of previous years.

Notes Úč PODV 3-01	IČO: 36780243	DIČ: 2022398323
Bershka Slovakia, s. r. o. Notes to the Separate Financial Statements Prepared as at 31 January 2021 (Value data in tables are disclosed in whole euro unless stipulated otherwise)		

2. Provisions for Liabilities

2.1. Legal and Other Provisions for Liabilities

31 January 2021

Item	31 Jan 2020	Creation	Use	Cancellation	31 Jan 2021
Long-Term Provisions for Liabilities					
Legal long-term provisions for liabilities	-	-	-	-	-
Other long-term provisions for liabilities	-	-	-	-	-
Short-Term Provisions for Liabilities					
Legal short-term provisions for liabilities, of which:	143 986	215 396	143 986	-	215 396
Provision for unused vacation days, including social security	5 084	11 020	5 084	-	11 020
Other short-term provisions for liabilities, of which:	5 084	11 020	5 084	-	11 020
Provision for auditing the financial statements and preparing a tax return	138 902	204 376	138 902	-	204 376
Other	19 365	29 185	19 365	-	29 185
Related party provisions	101 538	62 420	101 538	-	62 420
	17 999	112 771	17 999	-	112 771

31 January 2020

Item	31. 1. 2019	Creation	Use	Cancellation	31 Jan 2020
Long-Term Provisions for Liabilities					
Legal long-term provisions for liabilities	-	-	-	-	-
Other long-term provisions for liabilities	-	-	-	-	-
Short-Term Provisions for Liabilities					
Legal short-term provisions for liabilities, of which:	81 597	143 986	81 597	-	143 986
Provision for unused vacation days, including social security	7 156	5 084	7 156	-	5 084
Other short-term provisions for liabilities, of which:	7 156	5 084	7 156	-	5 084
Provision for auditing the financial statements and preparing a tax return	74 441	138 902	74 441	-	138 902
Other	17 770	19 365	17 770	-	19 365
Related party provisions	48 714	101 538	48 714	-	101 538
	7 957	17 999	7 957	-	17 999

"Other" mainly represents provisions for unbilled services – costs of employee benefits, electricity costs, commissions from using payment cards, and costs of the outsourcing company for payroll services. The provision for auditing the financial statements was classified as Other trade payables as at 31 January 2021.

3. Liabilities

3.1. Payables Within and After Maturity Including the Group and Breakdown of Payables by Residual Maturity

Item	31 Jan 2021	31 Jan 2020
Non-Current Liabilities:		
Liabilities with residual maturity of over 5 years	17 031	15 477
Liabilities with residual maturity of between 1 and 5 years	-	-
Total Non-Current Liabilities	17 031	15 477
Current Liabilities:		
Liabilities within maturity	308 749	1 133 493
Overdue liabilities	-	-
Total Current Liabilities	308 749	1 133 493

3.2. Payables Secured by Lien or Another Form of Security

As at 31 January 2021 (31 January 2020), the Company records no payables secured by lien or another form of security.

Notes Úč PODV 3-01	IČO: 36780243	DIČ: 2022398323
Bershka Slovakia, s. r. o. Notes to the Separate Financial Statements Prepared as at 31 January 2021 (Value data in tables are disclosed in whole euro unless stipulated otherwise)		

3.3. Social Fund Payables

	31 Jan 2021	31 Jan 2020
Initial balance	15 477	13 175
Creation of the social fund debited to costs	2 267	3 475
Creation of the social fund from profit	-	-
Other creations in the social fund	-	-
Total creation of the social fund	2 267	3 475
Drawing from the social fund	(713)	(1 173)
Closing Balance	17 031	15 477

A portion of the social fund is debited to costs as required by the Social Fund Act and a portion thereof may be created from profit. Under the Social Fund Act, the social fund is used for the social, health, recreational and other needs of the employees.

4. Accruals and Deferrals

Item	31 Jan 2021	31 Jan 2020
Non-current accrued expenses	-	-
Current accrued expenses	-	-
Non-current deferred income, of which:	1 122 055	1 264 146
<i>Contribution from the shopping centre</i>	1 122 055	1 264 146
Current deferred income, of which:	142 084	142 084
<i>Contribution from the shopping centre</i>	142 084	142 084
Total	1 264 139	1 406 230

Accrued expenses and deferred income are disclosed in an amount necessary to comply with the accrual principle of accounting.

V. REVENUES

1. Operating Revenues

1.1. Revenues from the Sale of Merchandise, Own Products and Services/Net Turnover

Revenues from the Sale of Own Outputs and Merchandise by Major Business Segment and by Major Geographical Segment:

Type of product, service/ Geographical segment	Slovakia		Abroad (EU)		Abroad (non-EU)		Total	
	31 Jan 2021	31 Jan 2020	31 Jan 2021	31 Jan 2020	31 Jan 2021	31 Jan 2020	31 Jan 2021	31 Jan 2020
Clothing	6 644 518	8 352 184	-	-	-	-	6 644 518	8 352 184
Footwear	232 905	278 272	-	-	-	-	232 905	278 272
Perfumes	7	20	-	-	-	-	7	20
Services	44 911	69 440	-	69 397	-	-	44 911	138 137
Other	247 669	147 515	-	690	-	-	247 669	148 205
Total Net Turnover	7 170 010	8 847 431	4 616	69 387	-	-	7 170 010	8 916 818

As continuation of the natural development of the integrated stores and online business model of the Inditex Group, the Company started online sales activities on 1 December 2017.

1.2. Revenues from the Capitalisation of Costs and Operating Revenues, Revenues from Financing Activities and Revenues of Extraordinary Scope or Occurrence

Item	2020	2019
Material items from the capitalisation of costs	-	-
Other material items of operating revenues, of which:	182 022	148 205
<i>Revenues from services provided within the Group</i>	7 002	690
<i>Other operating revenues</i>	175 020	147 515
Revenues from financing activities, of which:	350	512
<i>Foreign exchange gains, of which:</i>	350	-
<i>Foreign exchange gains as at the reporting date</i>	350	-
<i>Other material items of revenues from financing activities, of which:</i>	-	512
<i>Interest income</i>	-	512
Revenues of extraordinary scope or occurrence	247 319	-

Bershka Slovakia, s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 January 2021

(Value data in tables are disclosed in whole euro unless stipulated otherwise)

VI. EXPENSES

1. Operating Expenses

1.1. Costs of Services, Other Operating Expenses, Finance Costs and Expenses of Extraordinary Scope or Occurrence

Item	2020	2019
Costs of services provided, of which:	1 616 962	1 957 795
Cost of the auditor, audit firm, of which:	18 573	13 573
Costs of auditing separate financial statements	18 573	13 573
Other assurance audit services	-	-
Related audit services	-	-
Tax advisory	-	-
Other non-audit services	-	-
Other material items of costs of provided services, of which:	1 598 389	1 944 222
Operating expenses	1 197 038	1 519 713
Legal and economic advisory services and personnel services	46 962	59 878
Other	354 389	364 631
Other material items of operating expenses, of which:	23 739	67 900
Shortages and damages	1 273	27 482
Insurance	4 203	3 832
Re-invoicing of expenses within the Group	-	690
Other	18 263	35 896
Personnel expense, of which:	869 974	952 798
Wages and salaries	627 652	669 953
Other expenses for dependent activities	28 540	40 254
Social insurance	173 376	194 408
Health insurance	40 406	45 183
Social security	-	-
Finance costs, of which:	8 583	15 494
Foreign exchange losses, of which:	827	2 090
Foreign exchange losses as at the reporting date	827	2 090
Other material items of finance costs, of which:	7 756	13 404
Other costs of financing activities	7 756	13 404
Interest expense	-	-
Expenses of extraordinary scope or occurrence	-	-

As at 31 January 2021 (31 January 2020), operating expenses represent municipal fees, expenses for a guard service, repairs and maintenance, and the rent.

VII. INCOME TAX

The income tax rate for 2020 amounts to 21%. The Company applied no tax relief.

The corporate income tax rate amounting to 21%, effective from 1 January 2017, was used for the deferred tax calculation.

Item	2020	2019
Amount of deferred tax assets recognised as expenses or revenues resulting from a change in the income tax rate	-	-
Amount of deferred tax liabilities recognised as expenses or revenues resulting from a change in the income tax rate	-	-
Amount of deferred tax assets related to tax losses carried forward, unclaimed tax deductions and other claims, as well as temporary differences from prior reporting periods, in respect of which no deferred tax assets were recognised in the prior periods	-	-
Amount of deferred tax liabilities originating due to non-recognition in the current period of a portion of the deferred tax assets recognised in previous reporting periods	-	-
Amount of unclaimed tax losses carried forward, unclaimed tax deductions and other claims, as well as deductible temporary differences, in respect of which no deferred tax assets were recorded	-	-
Deferred income tax related to items recognised directly in equity without being recognised in expenses and revenues	-	-

Bershka Slovakia, s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 January 2021

(Value data in tables are disclosed in whole euro unless stipulated otherwise)

	2020			2019		
	<i>Tax Base</i>	<i>Tax</i>	<i>Tax in %</i>	<i>Tax Base</i>	<i>Tax</i>	<i>Tax in %</i>
Profit/loss prior to taxation, of which:	(151 205)			476 138		
<i>Theoretical tax</i>		(31 753)	21%		99 989	21%
Tax non-deductible expenses	353 045	74 141	21%	280 816	58 971	21%
Revenues exempt from taxation	(1 618 573)	(339 900)	21%	(266 601)	(55 986)	21%
Effect of an unrecognised deferred tax asset	-	-	-	-	-	-
Tax loss carried forward	-	-	-	-	-	-
Change in the tax rate	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	(1 416 733)	(297 512)	21%	490 352	102 974	21%
Other tax liabilities/settlement					1 400	
Current income tax		518			86 720	
Deferred income tax		(298 031)			14 854	
Total Income Tax		(297 513)			102 974	

VIII. OTHER ASSETS AND OTHER LIABILITIES

1. Contingent Liabilities

Tax returns remain open and may be subject to review for five years. The fact that a certain period or tax return related to this period has been subject to review does not eliminate the possibility of this period being subject to a potential further review over the five-year period. Accordingly, as at 31 January 2021, the Company's tax returns for 2016 to 2020 remain open and may be subject to review.

Under the current Slovak legislation, the Company is obliged to pay an average one-month salary to retiring employees. The Company has estimated that the amount of this obligation is insignificant. The financial statements do not include any adjustments in this regard.

The Company records no contingent liabilities or future rights and obligations not disclosed on the balance sheet which might have an impact on the Company's operations in the future.

2. Off-Balance Sheet Accounts

The Company leases operating premises from a third party. The lease term usually ranges between 10 and 15 years with an option to extend the term thereafter. As at 31 January 2021, the Company records in its off-balance sheet accounts a liability from assets held under lease of EUR 542 959 (as at 31 January 2020: EUR 855 623).

The Company has no other financial liabilities that are not recorded in the current accounting books or disclosed on the balance sheet.

3. Government Grants

The Company was provided with government grants for personnel expenses and rent as part of the COVID-19 state support programme totalling EUR 107 405.09.

IX. INCOME AND BENEFITS OF MEMBERS OF THE STATUTORY, SUPERVISORY AND OTHER BODIES OF THE COMPANY

The Company provided no remuneration to its partners and members of the statutory bodies for their activities for the Company nor provided them with other benefits.

Bershka Slovakia, s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 January 2021

(Value data in tables are disclosed in whole euro unless stipulated otherwise)

X. RELATED PARTIES

Related parties include shareholders, members of the Board of Directors, fellow subsidiaries, and companies in which the equity share exceeds 20% (subsidiaries and associates and joint ventures).

Transactions between the aforementioned parties and the Company are made on an arm's length basis and at market prices. The Board of Directors makes decisions on related party transactions. These transactions are commented on in the relevant notes to the financial statements.

31 January 2021

Related party	Transaction Type	Receivables	Payables	Expenses	Revenues
Parent Company	Purchase of Goods	-	22 238	-	-
Parent Company	Purchase of Raw Materials	-	716	-	-
Related Party	Purchase of Goods	-	1 330	4 056 259	-
Related Party	Purchase of Services	-	31 763	252 659	-
Related Party	Purchase of Licenses	-	17 359	344 058	-
Related Party	Sale of Services	-	-	-	5 624

31 January 2020

Related party	Transaction Type	Receivables	Payables	Expenses	Revenues
Parent Company	Purchase of Goods	-	157 848	4 690 023	-
Parent Company	Purchase of Raw Materials	-	-	39 327	-
Parent Company	Decrease in the Registered Capital	-	509 487	-	-
Related Party	Purchase of Goods	-	13 387	179 524	-
Related Party	Purchase of Services	27 303	15 821	132 448	-
Related Party	Purchase of Licenses	-	31 884	431 687	-
Related Party	Sale of Services	8 102	-	-	70 685

XI. OTHER EVENTS

The COVID-19 pandemic and the measures to combat it adopted by the authorities have had a significant effect on the Company's activity and results of 2020 in the market. Store closures and/or reduced opening hours, limitations on capacity and restrictions of movements have led to a decrease in the Company's revenues and profitability, which was partially offset by the significant increase in e-commerce operations together with responsible cost management decisions.

Against this backdrop, the technological infrastructure and the digitalisation initiatives, as a base of the Group's integrated strategy, have made it possible to continue operations with some degree of normality and efficiency, guaranteeing online sales, the efficient management of the integrated inventory and addressing key requirements safely and securely.

Although as a result of the measures of confinement and restrictions of movements the COVID-19 pandemic has had a material impact on most of the markets where the Group operates, the flexibility of the business model has been a key aspect in operational and financial performance of the period.

The main judgements and estimates used to measure certain items of the financial statements were updated to take into account the impact of the pandemic. Moreover, the specific impacts associated with the pandemic were recognised in the income statement of the year, as part of operating profit and loss:

- Rent concessions agreed with lessors were booked as a lower leases expense.
- Costs linked to the increase in Company store and workplace health and safety measures form a part of operating expenses in accordance with their nature.
- The amount received from social security systems or other government departments in order to partially compensate labour costs during lockdowns, in order to help maintain employment and safeguard economic activity, were booked as other operating revenues.

Although the profit for the year has been significantly affected by the pandemic, the Group's long-term business plan remains in effect as the pandemic is considered to be a temporary situation that does not alter its long-term expectations. Accordingly, during the year, the Group has continued to implement the integrated model of store and online sales based on three key strategic lines: digitalisation, integration of store and online, and sustainability.

Bershka Slovakia, s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 January 2021

(Value data in tables are disclosed in whole euro unless stipulated otherwise)

XII. EVENTS THAT OCCURRED BETWEEN THE REPORTING DATE AND THE DATE ON WHICH THE FINANCIAL STATEMENTS WERE AUTHORISED FOR ISSUE

Zara Slovakia, s.r.o. (successor company) merged with its fellow subsidiaries Bershka Slovakia, s.r.o., Massimo Dutti Slovakia, s.r.o., Pull & Bear Slovakia, s.r.o., Stradivarius Slovakia, s.r.o. and Oysho Slovakia, s.r.o. (dissolving companies) with effect from 1 February 2021. Zara Slovakia, s.r.o. assumes all rights and obligations of the dissolving companies. In addition, the business name changed from Zara Slovakia, s.r.o. to Inditex Slovakia, s. r. o. with effect from 1 February 2021. The primary incentive to the merger is to decrease the administrative burden related to the operations of the brands on the Slovak market.

After 31 January 2021, there were no other events that would have a significant impact on the fair presentation of the matters subject to book-keeping.

XIII. CHANGES IN EQUITY31 January 2021

<i>Item</i>	<i>Balance at 31 Jan 2020</i>	<i>Additions</i>	<i>Disposals</i>	<i>Transfers</i>	<i>Effect of the merger (remeas- urement)</i>	<i>Balance at 31 Jan 2021</i>
Registered capital	1 709 487	-	(509 487)	-	-	1 200 000
Treasury shares and treasury stock	-	-	-	-	-	-
Change in the registered capital	(509 487)	509 487	-	-	-	-
Amounts receivable for subscribed capital	-	-	-	-	-	-
Share premium	-	-	-	-	-	-
Other capital funds	-	-	-	-	-	-
Legal reserve fund (non-distributable fund) from capital contributions	-	-	-	-	-	-
Revaluation reserve from the revaluation of assets and liabilities	-	-	-	-	-	-
Revaluation reserve from capital contributions	-	-	-	-	-	-
Revaluation reserve from fusions, mergers and separations	-	-	-	-	136 413	136 413
Legal reserve fund	83 410	-	-	18 616	-	102 026
Non-distributable fund	-	-	-	-	-	-
Statutory funds and other funds	-	-	-	-	-	-
Retained earnings of previous years	-	-	-	353 707	-	353 707
Accumulated loss from previous years	-	-	-	-	-	-
Profit/loss for the current period	372 323	146 307	-	(372 323)	-	146 307
Paid dividends	-	-	-	-	-	-
Other equity items	-	-	-	-	-	-
Account 491 – Sole proprietor's equity	-	-	-	-	-	-

Bershka Slovakia, s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 January 2021

(Value data in tables are disclosed in whole euro unless stipulated otherwise)

31 January 2020

<i>Item</i>	<i>Balance at 31. 1. 2019</i>	<i>Additions</i>	<i>Disposals</i>	<i>Transfers</i>	<i>Balance at 31 Jan 2020</i>
Registered capital	1 709 487	-	-	-	1 709 487
Treasury shares and treasury stock	-	-	-	-	-
Change in the registered capital	-	-	(509 487)	-	(509 487)
Amounts receivable for subscribed capital	-	-	-	-	-
Share premium	-	-	-	-	-
Other capital funds	-	-	-	-	-
Legal reserve fund (non-distributable fund) from capital contributions	-	-	-	-	-
Revaluation reserve from the revaluation of assets and liabilities	-	-	-	-	-
Revaluation reserve from capital contributions	-	-	-	-	-
Revaluation reserve from fusions, mergers and separations	-	-	-	-	-
Legal reserve fund	70 994	-	-	12 416	83 410
Non-distributable fund	-	-	-	-	-
Statutory funds and other funds	-	-	-	-	-
Retained earnings of previous years	-	-	-	-	-
Accumulated loss from previous years	-	-	-	-	-
Profit/loss for the current period	248 310	372 323	-	(248 310)	372 323
Paid dividends	-	-	(235 894)	235 894	-
Other equity items	-	-	-	-	-
Account 491 – Sole proprietor's equity	-	-	-	-	-

XIV. CASH FLOW

The cash flow statement is included in Table 1 in the Appendix.

Cash comprises cash on hand, cash equivalents, and cash in banks, ie current accounts, overdraft facility, and a portion of cash in transit.

Cash equivalents comprise current financial assets that are readily convertible at an amount of cash known in advance and that are subject to an insignificant risk of changes in their value within the next three months, as at the reporting date.

Breakdown of cash and cash equivalents:

<i>Item</i>	<i>Account</i>	<i>31 Jan 2021</i>	<i>31 Jan 2020</i>
Cash	211	11 600	11 400
Stamps and vouchers	213	-	-
Bank accounts	221	823 089	1 510 880
Cash in transit	261	-	33 175
Overdraft facility	221	-	-
Cash and cash equivalents		824 689	1 555 455
Total financial accounts		824 689	1 555 455
Difference		-	-

The Company used the indirect method of presenting cash flows from operations.

Appendices:

Table 1 – Cash Flow Statement