

SUMMARY SEMI-ANNUAL REPORT

Retail Holdings N.V.

**For the Semi-Annual Period Ended
June 30, 2021**

ABOUT RETAIL HOLDINGS

Retail Holdings N.V. (“Retail Holdings”, together with its subsidiaries and affiliates, the “Company”) is a holding company with one principal asset, a 54.1% equity interest in Singer Asia Limited, which, in turn, has a 34.0% indirect equity interest in Singer India Limited (“Singer India”), an India public company that is a distributor of Singer® brand sewing machines and other consumer durable products throughout India. Singer India is the Company’s only remaining operating entity.

Retail Holdings is a Curacao public company, which is the successor company to the Singer Company N.V. and its predecessor companies. Price quotations for the Retail Holdings’ Shares are available on the “Pink Sheets” quotation service under the symbol “RHDGF”. The Shares’ CUSIP number is N74108106.

Additional financial and other information about the Company, including: the Company’s audited consolidated financial statements for the twelve months ended December 31, 2020, and all financial statements since September 2000, together with the Auditor’s Reports thereon; the 2020 Annual Report dated March 2021, and all Disclosure Statements and Reports since September 2000; and copies of all semi-annual and quarterly reports and press releases since September 2000; may be found at the Corporate/Investor section of the Company’s website at www.retailholdings.com. Investor relations requests may be addressed to Ms. Amy Pappas, Company Secretary, at PO Box 120, Mount Kisco, New York, 10549; email apappas@retailholdings.com.

The Company prepares its consolidated financial statements in U.S. dollars, in accordance with International Financial Reporting Standards (“IFRS”). IFRS principles and standards are somewhat different than those of US Generally Accepted Accounting Principles (“GAAP”).

All information in this Summary Semi-Annual Report is presented as at June 30, 2021, unless otherwise indicated.

Retail Holdings registered office is located at Kaya W.F.G. (Jombi) Mensing 36, Willemstad, Curaçao, and its telephone number is +5999-461-1299. Certain administrative matters are handled in the United States by the Company Secretary, Ms. Amy Pappas (see above). Retail Holdings’ share transfer agent is Computershare, regular mail, P.O. Box 505000, Louisville, Kentucky, 40233-5000, telephone number 800-851-9677 (or from outside the United States, +1-201-680-6578); overnight delivery, 462 South 4th Street, Suite 1600, Louisville, Kentucky, 40202. The Company’s website is www.retailholdings.com.

CAUTIONARY STATEMENT WITH RESPECT TO FORWARD-LOOKING STATEMENTS

Statements made herein with respect to the Company's current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of the Company. Forward-looking statements include, but are not limited to, those using words such as believe, expect, anticipate, plans, strategy, prospects, forecast, estimate, project, may or might, and words of similar meaning, in connection with a discussion of future operations, financial performance, financial position, capital resources, and strategy, and plans and objectives of management. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. All forward-looking statements are based on management's assumptions and beliefs, which are expressed in light of the information available to management at the time; the ultimate outcome in many cases is outside of management's control and may be substantially different than anticipated. The Company cautions that no assurance can be given that expectations reflected in forward-looking statements will prove to be correct, that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and, therefore, that you should not place undue reliance on such forward-looking statements. You should not assume that the information contained in this Summary Semi Annual Report is accurate as of any date other than the date for which the information is presented. You should not rely on any obligation to update or revise any information, including any forward-looking statements, whether as a result of new information, future events or otherwise. The Company disclaims any such obligation. Risks and uncertainties that might affect the Company include, but are not limited to: the extent and future course of the COVID-19 pandemic, government and individual responses, and the resulting impact on the economy, particularly in India; general economic, political and security conditions, particularly in India, including levels of consumer spending; exchange rates, particularly between the U.S. dollar and the Indian Rupee; Singer India's continued ability to collect on outstanding receivables due from wholesale customers; continuing relationships with financial institutions, suppliers and other creditors; and the outcome of contingencies.

Important information regarding risks and uncertainties is set forth in the Company's 2020 Summary Annual Report, particularly pages 10 and 11.

The information included in this Summary Semi-Annual Report does not purport to be inclusive of all of the information that might be included in a Form 10-Q quarterly report. It only contains summary information that, in the opinion of management, is most relevant for understanding the Company's financial results during the first six months of 2021.

As described in greater detail in the Company's 2020 Summary Annual Report, it is the Company's intention not to provide regular quarterly reports including the information that might be included in a Form 10-Q quarterly report. The Company expects to issue only a Summary Annual Report, including audited, annual, consolidated financial statements and notes, with limited commentary, and a Summary Semi-Annual Report, including unaudited, six-month financial statements, with limited notes and commentary, all prepared in accordance with IFRS.

RETAIL HOLDINGS N.V.

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PART I

**RETAIL HOLDINGS N.V. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021 (Unaudited) AND DECEMBER 31, 2020**

In thousands of US Dollars

	<u>Notes</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>
ASSETS			
Total non-current assets		-	-
Current receivables		576	821
Other current assets		26	70
Cash and cash equivalents		2,429	11,536
Assets held for sale		4,790	4,610
Total current assets		7,821	17,037
Total assets		7,821	17,037
EQUITY			
Share capital	8	53	53
Treasury Shares		(7)	(7)
Reserves		(1,667)	(1,667)
Retained earnings		5,920	10,999
Equity attributable to owners of Retail Holdings		4,299	9,378
Non-controlling interests		3,267	7,181
Total equity		7,567	16,559
LIABILITIES			
Total non-current liabilities		-	-
Current tax liabilities		-	46
Other payables		255	432
Total current liabilities		255	478
Total liabilities		255	478
Total equity and liabilities		7,821	17,037

RETAIL HOLDINGS N.V. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020 (Unaudited)
In thousands of US Dollars except per Share data

	Notes	June 30, 2021	June 30, 2020 (restated)
Continuing Operations			
Revenue		170	151
Cost of sales		-	-
Gross profit		170	151
Other income		5	7
Selling and administrative expenses		(423)	(1,148)
Other expenses		(2)	(1)
Results from operating activities		(250)	(991)
Finance income		-	38
Finance costs		-	(20)
Net finance costs		-	18
Loss before income taxes		(250)	(973)
Income tax expense	7	-	1
Loss from continuing operations		(250)	(972)
Profit/(Loss) from discontinued operations, net of tax	3	180	(94)
(Loss) for the period		(70)	(1,066)
Attributable to:			
Owners of Retail Holdings		(196)	(846)
Non-controlling interests		126	(220)
(Loss) for the period		(70)	(1,066)
(Loss) per Share (US Dollars)		(0.04)	(0.18)
(Loss) per Share –continuing operations (US Dollars)		(0.04)	(0.18)

RETAIL HOLDINGS N.V. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020 (Unaudited)
In thousands of US Dollars

	<u>June 30, 2021</u>	<u>June 30, 2020</u> <u>(restated)</u>
Profit/Loss for the period.	(70)	(1,066)
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	-	(1,120)
Other comprehensive income/(loss) for the period, net of income tax	<u>-</u>	<u>(1,120)</u>
Total comprehensive income for the period	<u>(70)</u>	<u>(2,186)</u>
Total comprehensive income attributable to:		
Owners of Retail Holdings	(196)	(1,204)
Non-controlling interests	126	(982)
	<u>(70)</u>	<u>(2,186)</u>

RETAIL HOLDINGS N.V. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED June 30, 2021 (Unaudited)

In thousands of US Dollars

	Attributable to equity holders of the Company					Non-controlling interest	Total equity
	Share capital	Treasury Shares	Translation reserve	Retained earnings	Total		
Balance at January 1, 2021	53	(7)	(1,667)	10,999	9,378	7,181	16,559
Total comprehensive income for the period							
Profit	-	-	-	(196)	(196)	126	(70)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(196)	(196)	126	(70)
Transfer from revaluation reserve							
Transactions with owners of the Company							
Contributions and distributions							
Distribution to owners of Retail Holdings	-	-	-	(4,883)	(4,883)	-	(4,883)
Distribution to non-controlling interests	-	-	-	-	-	(4,039)	(4,039)
Total contributions and distributions	-	-	-	(4,883)	(4,883)	(4,039)	(8,922)
Total transactions with owners of the Company	-	-	-	(4,883)	(4,883)	(4,039)	(8,922)
Balance at June 30, 2021	53	(7)	(1,667)	5,920	4,299	3,268	7,567

RETAIL HOLDINGS N.V. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020 (Unaudited)

In thousands of US Dollars

	<u>June 30, 2021</u>	<u>June 30, 2020 (restated)</u>
Cash flows from operating activities		
Profit for the period	(70)	(1,066)
Adjustments for:		
Depreciation	-	368
(Profit) / Loss from associates	(180)	-
(Profit) / Loss from sale of property, plant and equipment	-	-
Net finance costs	-	134
(Profit) from disposal of subsidiary	-	-
Income tax expense	-	(35)
	<u>(250)</u>	<u>(599)</u>
Changes in:		
- Inventories	-	4,237
- Trade and other receivables	244	4,234
- Other current assets	44	(59)
- Trade and other payables	(177)	(2,157)
- Provision and employee benefits	-	(1)
- Deferred income	-	48
	<u>(139)</u>	<u>5,703</u>
Cash used in operating activities		
Interest paid	-	(203)
Income tax paid	(46)	(201)
	<u>(185)</u>	<u>5,299</u>
Net cash used in operating activities		
Cash flows from investing activities		
Interest received	-	69
Proceeds from sale of property, plant and equipment	-	-
Proceeds from sale of investment, net of cash	-	12
Acquisition of property, plant and equipment	-	-
	<u>-</u>	<u>81</u>
Net cash generated from / (Used in) investing activities		
Cash flows from financing activities		
Proceeds from borrowings	-	662
Repayment of borrowings	-	(1,142)
Distribution to non-controlling interests	(4,039)	(2,295)
Distribution to owners of Retail Holdings	(4,883)	(2,325)
	<u>(8,922)</u>	<u>(5,100)</u>
Net cash used in financing activities		
Net increase / (decrease) in cash and cash equivalents net of overdrafts	<u>(9,107)</u>	<u>280</u>
Cash and cash equivalents at January 1	11,536	12,030
Effect of exchange rate fluctuations on cash held	-	-
	<u>2,429</u>	<u>12,310</u>
Cash and cash equivalents at June 30		

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Reporting entity

Retail Holdings N.V. (“Retail Holdings”, together with its subsidiaries and affiliates, the “Company”) is a company domiciled in Curaçao (formerly part of the Netherlands Antilles). The Company was incorporated in December 1999. The address of the Company’s registered office is Kaya W.F.G. (Jombi) Mensing 36, Willemstad, Curaçao.

2. Statement of compliance

These Condensed Consolidated, Interim Financial Statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (the “IASB”). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited, consolidated financial statements of the Company as at and for the year ended December 31, 2020 (the “2020 Statements”). The 2020 Statements may be found at the Corporate/Investor section of the Company’s website at www.retailholdings.com.

These Condensed, Consolidated, Interim Financial Statements were approved by the Retail Holdings Board of Directors on July 30, 2021.

Results for the six-month period ended June 30, 2021 are not indicative of the results that may be expected for the full year ending December 31, 2021.

3. Discontinued operations

In December 2020, Retail Holdings Asia B.V. (an indirect subsidiary company of Retail Holdings N.V.) disposed of a 42.4% equity interest in Retail Holdings (India) B.V., which among its assets holds the company’s 59.0% equity interest in Singer India Limited. As a consequence, both Retail Holdings (India) B.V. and Singer India Limited are now considered as associated companies, rather than as subsidiaries, and their results of operations, for both the six months ended June 30, 2021 and the six months ended June 30, 2020, are reflected as discontinued operations.

4. Significant accounting policies

The accounting policies applied by the Company in these Condensed Consolidated, Interim Financial Statements are consistent with those applied by the Company in the 2020 Statements and as described therein.

5. Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these Condensed Consolidated, Interim Financial Statements, the significant judgments made by management in applying the Company’s accounting policies, and the key sources of estimation uncertainty, are the same as those in the 2020 Statements and as described therein.

6. Financial risk management

The Company’s financial risk management objectives and policies are consistent with those disclosed in the 2020 Statements and as described therein.

7. Income tax expense

Income tax expense is recognized based on management's best estimate of the weighted average income tax rate expected for the full financial year, applied to the pre-tax income of the interim period. At the consolidated level, the Company's Continuing Operations had an operating loss, including expenses at Corporate which were not tax effected. As no meaningful effective tax rate can be computed for the six-month period ended June 2021 and 2020, none is presented.

8. Share capital

There was no issuance or repurchase of Retail Holdings' shares during the period. As at June 30, 2021 (and as at June 30, 2020), 4,650,244 Retail Holdings shares were issued and outstanding.

PART II

Management Summary Discussion and Analysis

The following discussion and analysis should be read in conjunction with the Condensed Consolidated Interim Financial Statements of the Company for the six-month periods ended June 30, 2021 and June 30, 2020 and related Notes, pages 5-11 of this Report. Certain comparative figures for the period ended June 20, 2020 are restated.

First Half Results of Operations

As a consequence of the partial disposal in December 2020 of Retail Holdings (India) B.V., the Company no longer has controlling equity stakes either in Retail Holdings (India) B.V. or in Singer India Limited. Both companies are now treated as associates rather than as subsidiaries (see Note 3 to the Financial Statements). The results of operations for these entities are reflected as discontinued operations in the Consolidated Interim Statement of Income.

For the six months ended June 30, 2021, the Company's U.S. Dollar consolidated revenue from continuing operations was \$170 thousand, compared to consolidated revenue from continuing operations of \$151 thousand for the same period in 2020. Revenue from continuing operations primarily is from royalties earned from certain third parties, primarily Singer Thailand PLC, for use of the Singer brand. As there are essentially no costs directly related to the generation of royalty income, gross profit is equal to revenue.

Selling and administrative ("S&A") expenses for the six months ended June 30, 2021 were \$423 thousand, compared to expenses of \$1,148 thousand for the same period prior year. The very high S&A expenses relative to revenue reflect both continuing, albeit declining, legacy expenses in the face of revenue decline as the Company proceeds to liquidation, and certain fixed costs of being a public company and of maintaining a management structure.

Results from operating activities from continuing operations for the six months ended June 30, 2021 were a loss of \$250 thousand, compared to a loss of \$951 thousand in the same period in 2020. The smaller loss primarily reflects lower S&A expenses in 2021.

The Company's loss from continuing operations, before tax, and after tax, were both \$70 thousand for the six months ended June 30, 2021, compared to a loss from continuing operations, before tax, of \$973 thousand, and after tax, of \$972 thousand, for the six months ended June 30, 2020. The improvement of \$722 thousand in income from continuing operations reflects the flow through of the reduced S&A expenses.

Profit from discontinued operations was \$180 thousand for the six months ended June 30, 2021, compared to a loss of \$94 thousand from discontinued operations for the six months ended June 30, 2020.

The Company's overall loss for the six months ended June 30, 2021 was \$70 thousand, compared to a loss of \$1,006 thousand for the same period prior year. The loss attributable to Retail Holdings shareholders is \$196 thousand for the six months ended June 30, 2021 compared to a loss of \$846 thousand for the same period prior year. A profit of \$126 thousand is attributable to non-controlling interests for the six months ended June 30, 2021, as compared to a loss of \$220 thousand for the six months ended June 30, 2020. The loss by Retail Holdings shareholders for the six months ended June 30, 2021 as compared to a profit attributable to non-controlling interests reflects that a greater part of the S&A expenses is attributable to Retail Holdings shareholders than to the non-controlling interests.

The loss attributable to Retail Holdings shareholders is equivalent to a loss per Share of \$0.04 for the six months ended June 30, 2021, compared to a loss per Share attributable to Retail Holdings shareholders of \$0.18 for the six months ended June 30, 2020.

Total comprehensive loss for the first half of 2021 was \$70 thousand, compared to a comprehensive loss for the six months ended June 30, 2020 of \$2,186 thousand. The decline in comprehensive loss is due primarily to the decline in the Company's loss in 2021 as compared to prior year and the absence in 2021 of any loss from currency translation differences, which loss amounted to \$1,120 thousand in the 2020 period.

Liquidity and Capital Resources

The individual balance sheet elements for Retail Holdings (India) B.V. and Singer India Limited are no longer included in the Consolidated Statement of Financial Position, but rather are reflected as a single carrying amount of the net investment. As it is the Company's intention to sell this remaining investment within the next year, the carrying amount of the investment is characterized as "Assets held for sale". As a result of the differences in treatment of the net assets of the two discontinued operations between 2021 and 2020, interpretation of changes in the individual balance sheet elements are no longer meaningful.

For the six months ended June 30, 2021, the Company had a net cash outflow from operations of \$185 thousand. Distributions to Retail Holdings shareholders and to non-controlling interests during the six months ended June 30, 2021, utilized \$4,883 thousand and \$4,039 thousand cash, respectively. The net effect of the cash flow movements and exchange rate fluctuations was to reduce the Company's net cash and cash equivalents position at June 30, 2021 by \$9,107 thousand.

Cash and cash equivalents were \$2,429 thousand at June 30, 2021. Current assets less current liabilities at June 30, 2021 were \$7,566 thousand. The Company had no debt outstanding at June 30, 2021.

For a discussion of liquidity and capital resources during 2020, see the Company's 2020 Annual Report, dated March 2021.