

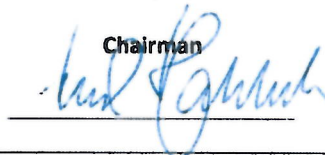
**KRM (Danmark) A/S  
Østergade 55  
1100 Kopenhagen**

**Annual Report for the period 1/1 2015 – 31/12 2015**

**CVR no. 25 44 18 77**

**Annual Report has been presented and  
approved at the company's general meeting  
on  
30 May 2016**

**Chairman**



A handwritten signature in blue ink, appearing to be 'Lars Egebo', is written over a horizontal line. The signature is enclosed within a rectangular box.

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## **Statement by Management**

The supervisory board and managing board have today discussed and approved the annual report of (KRM Danmark) A/S for the financial year 1 January – 31 December 2015.

The annual report has been presented in accordance with Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the company's financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January – 31 December 2015.

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 is to be approved at the annual general meeting.

Copenhagen, 30 May 2016

**Managing Board:**



**Michael Dahl Christensen**  
Director

**Supervisory Board:**



**Gerd Rahbek-Clemmensen**



**Per Rommethof Reimer**



**Michael Dahl Christensen**

## **Independent auditor's report**

To the shareholders of KRM (Danmark) A/S

### **Independent auditors' report on the financial statements**

We have audited the financial statements of KRM (Danmark) A/S for the financial year 1 January – 31 December 2015, which comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

### **Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

### **Statement on the Management's review**

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

**Aarhus, 30 May 2016**

**Ernst & Young**

**Godkendt Revisionspartnerselskab**

**CVR no. 30700228**

  
Jens Weiersøe Jakobsen

**State Authorised Public Accountant**

## **Company Information**

KRM (Danmark) A/S  
Østergade 55  
1100 Copenhagen

|                    |                              |
|--------------------|------------------------------|
| CVR-no.:           | 25 44 18 77                  |
| Established:       | 20 May 2000                  |
| Headquarter:       | Copenhagen                   |
| Accounting Period: | 1 January – 31 December 2015 |

### **Supervisory Board:**

Michael Dahl Christensen  
Per Rommelhof Reimer  
Gerd Rahbek-Clemmensen

### **Management Board:**

Michael Dahl Christensen

### **Auditor:**

Ernst & Young,  
Godkendt Revisionspartnerselskab

## **Management Report**

### **Main Activity:**

The company's main business is retail of shoes and accessories.

### **Events after the balance sheet date**

No events occurred after the balance sheet date that materially affect the financial statements at 31 December 2015.

### **Shareholders**

The company's list pursuant to Section 55 of the Danish Companies Act of shareholders with more than 5% of the votes or more than 5% of the nominal value of the share capital includes:

KRM AG, Hunenberg, Zug 6331, Switzerland.

# **Annual report 1 January 2015 – 31 December 2015**

## **Accounting policies**

The financial statements for 2015 have been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act. The accounting policies are unchanged in 2015.

## **Income Statement**

### **Net revenue:**

Sales are recognised, when the risk has been passed to the customer. Net revenue consists of amounts invoiced excluding VAT and less returned products, discounts, and rebates.

### **Taxation**

Estimated tax on the profit for the year is recognised in the income statement along with the year's change in deferred tax. KRM (Danmark) A/S is part of the Danish mandatory joint taxation with group companies.

## **Balance Sheet**

### **Intangible and Tangible fixed assets**

Intangible assets are recognised at cost less accumulated amortisation.

Depreciation is charged on a straight-line basis over the expected useful lives of the assets.

The expected useful lives are as follows:

Property, plant and Equipment: 3-5 year

Key money: 10 year

Assets lower than 12000 DKK is posted directly to costs in the same period.

### **Trade Receivables**

Receivables are measured at amortised cost less provisions for anticipated losses determined based on an individual evaluation.

### **Inventory**

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.

### **Current and deferred tax**

Current tax is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

### **Liabilities**

Other liabilities are measured at net realisable value.



## Annual Accounts 1 January - 31 December 2015

### Income Statement

| Note |   | <u>2015</u>         | <u>2014</u>         |
|------|---|---------------------|---------------------|
|      |   | <u>tDKK</u>         | <u>tDKK</u>         |
|      | <b><u>Gross Profit</u></b>              | <b>46,591</b>       | <b>37,903</b>       |
| 1    | Sales and Distribution                  | (36,674)            | (29,084)            |
|      | Administration                          | <u>(6,424)</u>      | <u>(5,400)</u>      |
|      | <b>Profit before interest and taxes</b> | <b>3,494</b>        | <b>3,419</b>        |
| 2    | Financial income                        | 195                 | 3                   |
| 2    | Financial expenses                      | <u>(983)</u>        | <u>(609)</u>        |
|      | <b><u>Profit before tax</u></b>         | <b>2,706</b>        | <b>2,814</b>        |
| 3    | Tax                                     | (818)               | (489)               |
|      | <b><u>Net result for the year</u></b>   | <b><u>1,887</u></b> | <b><u>2,325</u></b> |

## Balance Sheet

|   | <u>ASSETS</u>                  | <u>2015</u>          | <u>2014</u>          |
|---|--------------------------------|----------------------|----------------------|
|   | Note                           | tDKK                 | tDKK                 |
| 4 | <b>Intangible fixed assets</b> |                      |                      |
|   | Key Money                      | 2,025                | 95                   |
| 4 | <b>Tangible fixed assets</b>   |                      |                      |
|   | Property, plant and equipment  | <u>5,003</u>         | <u>5,504</u>         |
|   | <b>Fixed assets total</b>      | <u><b>7,028</b></u>  | <u><b>5,599</b></u>  |
|   | <b>Current assets</b>          |                      |                      |
|   | Inventories                    | 15,337               | 12,753               |
|   | Other receivables              | 7,088                | 6,675                |
|   | Receivables Group              | 5,842                | 2,624                |
|   | Cash / Liquid funds            | 3,845                | 2,876                |
|   | <b>Current assets total</b>    | <u><b>32,111</b></u> | <u><b>24,928</b></u> |
|   | <b>Assets total</b>            | <u><b>99,139</b></u> | <u><b>30,527</b></u> |

## **Balance Sheet**

|   | <b><u>Liability</u></b>         | <b><u>2015</u></b>   | <b><u>2014</u></b>   |
|---|---------------------------------|----------------------|----------------------|
|   | Note                            |                      |                      |
| 5 | <b>Equity</b>                   |                      |                      |
|   | Share capital                   | 1,000                | 1,000                |
|   | Retained earnings               | <u>10,359</u>        | <u>8,466</u>         |
|   | <b>Equity total</b>             | <b><u>11,359</u></b> | <b><u>9,466</u></b>  |
|   | <b>Short term debt</b>          |                      |                      |
|   | Accounts payables third party   | 2,205                | 1,832                |
|   | Accounts payables Group         | 18,344               | 12,178               |
|   | Other debt                      | 7,232                | 7,052                |
|   | <b>Short term debt total</b>    | <b><u>27,780</u></b> | <b><u>21,061</u></b> |
|   | <b>Liabilities total</b>        | <b><u>39,139</u></b> | <b><u>30,527</u></b> |
| 6 | <b>Contingent Liability etc</b> |                      |                      |
| 7 | <b>Share holders</b>            |                      |                      |

## Notes

### **Nr.1 Employee Costs**

|                       | <b><u>2015</u></b>   | <b><u>2014</u></b>   |
|-----------------------|----------------------|----------------------|
| Salary/Wages          | 22,150               | 17,477               |
| Pensions              | 1,531                | 1,102                |
| Other social expenses | <u>833</u>           | <u>1,057</u>         |
|                       | <b><u>24,514</u></b> | <b><u>19,636</u></b> |

|                             |            |            |
|-----------------------------|------------|------------|
| Average number of employees | <u>143</u> | <u>105</u> |
|-----------------------------|------------|------------|

### **Nr.2 Financial Items**

|                             |              |              |
|-----------------------------|--------------|--------------|
| Financial income, external  | <u>195</u>   | <u>3</u>     |
| Financial expenses,external | <u>(983)</u> | <u>(609)</u> |
| Financial expenses,total    | <u>(983)</u> | <u>(609)</u> |

### **Nr.3 Tax**

|                          |                     |                     |
|--------------------------|---------------------|---------------------|
| Tax on the annual result | <u>(818)</u>        | <u>(489)</u>        |
|                          | <b><u>(818)</u></b> | <b><u>(489)</u></b> |

## Notes

| <u>Nr.4 Fixed Assets</u>                          | <u>2015</u>     | <u>2014</u>     |
|---|-----------------|-----------------|
| <b>Intangible fixed assets</b>                    |                 |                 |
| Gross booked value beginning of the year          | 19,060          | 18,960          |
| Purchase in the year                              | 2,250           | 100             |
| Sold assets to gross booked value during the year | <u>(18,960)</u> | <u>-</u>        |
| Gross booked value end of the year                | <u>2,350</u>    | <u>19,060</u>   |
| Depreciations beginning of the year               | (18,965)        | (18,960)        |
| Depreciations for the year                        | (320)           | (5)             |
| Depreciation on disposals                         | <u>18,960</u>   | <u>-</u>        |
| Gross depreciations                               | <u>(325)</u>    | <u>(18,965)</u> |
| Booked value end of the year                      | 2,025           | 95              |
| <b>Tangible Fixed asset</b>                       |                 |                 |
| Gross booked value beginning of the year          | 9,066           | 14,760          |
| Exchange Rate Adjustment                          | 14              | -9              |
| Purchase in the year                              | 1,898           | 4,944           |
| Sold assets to gross booked value during the year | <u>(1,158)</u>  | <u>(10,629)</u> |
| Gross booked value end of the year                | <u>9,820</u>    | <u>9,066</u>    |
| Depreciations beginning of the year               | (3,562)         | (12,347)        |
| Depreciations for the year                        | (1,958)         | (1,794)         |
| Depreciation on disposals                         | <u>703</u>      | <u>10,579</u>   |
| Gross depreciations                               | <u>(4,817)</u>  | <u>(3,562)</u>  |
| Booked value end of the year                      | 5,003           | 5,504           |

| <b><u>Nr.5 Equity</u></b>                   | <b><u>2015</u></b>   | <b><u>2014</u></b>  |
|---|----------------------|---------------------|
| Equity beginning of the year                | 9,466                | 7,156               |
| Exchange Rate Adjustment                    | 5                    | -15                 |
| This year result                            | <u>1,887</u>         | <u>2,325</u>        |
| Equity end of the year                      | <u><u>11,358</u></u> | <u><u>9,466</u></u> |
| <b><u>Nr.6 Contingent Liability etc</u></b> |                      |                     |
| Contingent liabilities (rent)               | 35,626               | 32,540              |

The Company is taxed jointly with other Danish group companies. As a wholly owned group company, the company is jointly and unlimited liable together with the other Danish group companies as regard joint taxation at source of dividends, interests and royalties within the joint taxation group.

#### **Nr.7 Shareholders**

The company's list pursuant to Section 55 of the Danish Companies Act of shareholders with more than 5% of the votes or more than 5% of the nominal value of the share capital includes: KRM AG , 6301,Zug Schweiz.

KRM (Danmark) A/S is included in the consolidated financial statement of Anpartsselskabet af 1. oktober 2011, Denmark