

HUGO BOSS Nordic ApS

CVR-nr. 26 59 64 67

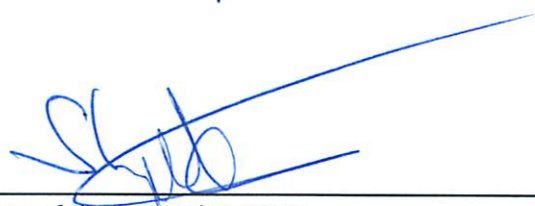
Støberigade 12
2450 København SV

Annual Report

1 January 2017 - 31 December 2017

The annual Report has been presented and approved on the company's general meeting
the 3. of May 2018

Copenhagen



Chairman of the general meeting
Stephan Ulrich Born

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Company information

Reporting Company	HUGO BOSS Nordic ApS Støberigade 12 DK-2450 København SV
Telephone	+45 33 18 80 00
Registration no.	26 59 64 67
Reporting period:	01/01/2017 - 31/12/2017
Auditor	ERNST & YOUNG Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4 2000 Frederiksberg DK Denmark Registration no: 30700228 P-number: 1013415044
Bank	Skandinaviska Enskilda Banken, Danmark/ Nordic Branch of Skandinaviska Enskilda Banken AB, Sverige Landemærket 10 DK-1119 København DK Denmark

Statement by Management

Today, management has considered and approved the annual report of HUGO BOSS Nordic ApS for the financial year 1 January 2017 – 31 December 2017

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

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2017 and of the results of its operations for the financial year 1 January 2017 – 31 December 2017.

In our opinion, the management's review gives a fair review of the development and performance of the Company, the results for the year and financial position together with a description of the principal risks and uncertainties the company face.

The annual report is submitted for adoption by the annual general meeting

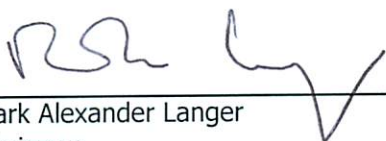
Copenhagen, 3 of May 2018

Executive Board



Stephan Ulrich Born

Board of Directors



Mark Alexander Langer
Chairman



Stephan Ulrich Born



Bernd Hartmut Hake

Independent auditor's reports

To the shareholders of HUGO BOSS Nordic ApS

Opinion

We have audited the financial statements of HUGO BOSS Nordic ApS for the financial year 1 January – 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.


Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 3. of May 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Jan C. Olsen
State Authorised
Public Accountant
MNE nr.: mne33717

Management's Review

Key figures and ratios

m.DKK

Key figures	2017	2016	2015	2014	2013
Net turnover	341,4	346,3	312,3	315,5	323,2
Gross profit	71,2	81,5	78,5	73,2	72,3
Operating Income	6,9	25,4	23,3	15,7	18,4
Net financial expenses	-0,5	-1,3	-0,9	-0,9	-1,3
Profit for the year	2,4	18,7	17,1	11,2	12,5

Balance sheet	130,8	120,4	108,3	97,8	100,4
Investments in tangible assets	19,4	10,7	7,2	9,4	7,4
Equity	37,8	50,4	46,6	40,5	41,3

Key ratios

Profit ratio	2,0%	7,3%	7,5%	5,0%	5,7%
Contribution margin	20,9%	23,5%	25,1%	23,2%	22,4%
Equity ration (solidity)	28,9%	41,8%	43,0%	41,4%	43,3%
Return on equity	5,5%	38,6%	39,3%	27,4%	31,3%

Average full-time employees	111	106	106	104	94
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Main activity

The company's main activities has like previous years consisted of marketing and sale of the Group's product through the channels wholesale and retail.

The wholesales consider beside Denmark, Iceland, Faroe Island and Greenland. Whereas retail sales only are at the Danish market.

Development in activities and finances

The profit of the year is positive and has decreased with 73% compared with last years result. The decreased profit is due to lower sales, Retail expansion which results in higher cost base and impairment of a few stores on the Danish market. The development is not inline with the expectations for the year where we had expected an increase net sales and a retained postivie result.

There has during the year not occurred any inessentials circumstances.

Expectations to the future

HUGO BOSS Nordic expect to increase net sales and retain a positive result in 2018.

The expectations to the positive result in 2018 is expected to primarily come from organic growth in both WHS and Retail. Retail expects a few expansion in 2018. Like for like growth in Retail expect to be between 3%-5% depending on the store. WHS net sales expect to be at the same level as for 2017 and furthermore take over of the Baltic market will be included for mid 2018. On top we do expect an increase in Intercompany sales due to take over of the Baltics. Overall we expect that the total net sales will increase by app. 14% and profit before tax with more than 200% for 2018. Reason for the high increase of profit is because of we don't expect any extraordinary depreciation on assets and take over the Baltics which also will have substantial impact on the business.

Management's Review, continued

Risk report

Currency risk

Currency risks are extremely low, because all sales (wholesale and retail) are in DKK. Further the parent company bears the currency risk, and invoices merchandise to HUGO BOSS Nordic ApS in DKK.

Credit risk

The interest-bearing net debt does not pose a significant amount. Changes in interest rates have therefor no significant direct effect on the result.

Other circumstances

External environment

HUGO BOSS is not affected by any external environments and measures to prevent, reduce or remedy.

Research and development

There has been no research and development during the year.

Income statement 1 jan 2017 - 31 dec 2017

	Note	2017 (DKK)	2016 (DKK)
Revenue	2	341.366.673	346.302.697
Cost of sales		-202.753.041	-204.830.743
Other operating income		266.492	271.826
Other external expenses		-67.692.458	-60.244.109
Gross profit		71.187.666	81.499.671
Employee expenses	3	-51.043.316	-46.838.455
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets		-13.197.489	-9.258.980
Profit from ordinary operating activities		6.946.861	25.402.236
Other finance income	4	504.191	229.464
Other finance expense	5	-1.008.431	-1.567.575
Profit from ordinary activities before tax		6.442.621	24.064.125
Tax expense	6	-4.037.724	-5.332.757
Profit		2.404.897	18.731.368

Balance sheet 31 December 2017

	Note	31.12.2017 (DKK)	31.12.2016 (DKK)
ASSETS			
Acquired other similar rights	7	0	0
Intangible assets		0	0
Fixtures, fittings , tools and equipment	8	6.969.650	7.930.447
Leasehold improvements	8	22.577.696	15.543.164
Tangible assets		29.547.346	23.473.611
Deferred tax asset	11	818.735	2.204.330
Deposits	9	8.835.787	8.627.468
Other non-current assets		9.654.522	10.831.798
Total non-current assets		39.201.868	34.305.409
Inventories		35.642.777	35.317.889
Trade receivables		36.972.968	36.848.563
Receivables from Group enterprises		0	1.479.680
Deferred income asset	10	4.204.360	1.656.513
Other receivables		1.482.838	1.154.913
Receivables		78.302.943	76.457.558
Cash and cash equivalents		12.446.885	9.619.672
Total current assets		90.749.828	86.077.230
Total assets		129.951.696	120.382.639

Balance sheet 31 December 2017

	Note	31.12.2017 (DKK)	31.12.2016 (DKK)
EQUITY and LIABILITIES			
Share capital		250.000	250.000
Retained earnings		37.509.166	35.104.269
Proposed dividend		0	15.000.000
Total equity		37.759.166	50.354.269
Other provisions	12	2.644.706	2.873.214
Non current liabilities		2.644.706	2.873.214
Trade payables		13.301.410	12.881.156
Payables to group enterprises		55.302.979	31.484.711
Tax payables		1.085.013	2.042.906
Other payables		17.837.123	17.774.834
Deferred income	13	2.021.299	2.971.549
Current liabilities		89.547.824	67.155.156
Total liabilities		92.192.530	70.028.370
Total equity and liabilities		129.951.696	120.382.639

Accounting policies

1

Statement of changes in equity 1 jan 2017 - 31 dec 2017

	Share- capital	Retained earnings	Proposed dividend	Total
Equity as of 1 January 2017	250.000	35.104.269	15.000.000	50.354.269
Dividend paid	0	0	-15.000.000	-15.000.000
Profit	<u>0</u>	<u>2.404.897</u>	<u>0</u>	<u>2.404.897</u>
Equity as of 31 December 2017	<u>250.000</u>	<u>37.509.166</u>	<u>0</u>	<u>37.759.166</u>

The share capital consists of 500 shares of DKK 500 each.

The share capital of TDKK 250 has been unchanged the last 5 years.

Notes

1 Accounting policies

Accounting policy

The annual report has been prepared in accordance with the Danish Financial Statements Act applying to Reporting class C, medium-size enterprise.

The financial statements have been prepared in accordance with the same accounting policies as last year.

Recognition and measurement in general

Revenues are recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recognised in the income statement as financial income or financial expenses.

Assets are recognised in the balance sheet when it is probable future income benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and the value of the liability can be measured reliably.

On initial recognition assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Upon recognition and measurement, predictable losses and risks which occur before the presentation of the annual report and which confirm or disprove matters existing on the balance sheet date are taken into consideration.

Transactions in foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the payment date are recognised in the income statement as financial income or expenses.

Fixed assets purchased in foreign currency are translated at the exchange rate at the transaction date.

Receivable, payable and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the balance sheet date are recognised in the income statement as financial income or expenses.

Income statement

Revenue

Income from the sale of finished goods and commission is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Notes

1 Accounting policies (continued)

Cost of sales

Cost of sales includes merchandise which is consumed to achieved the net sales for the year.

Other income and expenses

Other income and expenses includes income and expenses besides the main activity of the company like profit or loss from sale of fixed asset.

Other external expenses

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

Employee expenses

Employee expenses include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. Made to the entity's employees. The item is net of refunds made by public authorities.

Financial income and expenses

Financial income and expenses and similar items include interest income and expenses, realised and unrealised exchange gains and losses on payables and transactions in foreign currency, as well as surcharges and allowances under the tax on account scheme etc.

Tax expense

Tax for the year, which consists of current taxes for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and by the portion attributable directly to equity with the portion attributable directly to equity.

Balance sheet

Intangible assets

Intangible assets, such as Key Money are measured at cost less accumulated depreciation and impairment.

Cost comprises the acquisition price

The assets are depreciated by the straight-line method over the expected economic life based on the following assessment of the assets expected useful lifetime:

Key Money: 10 years

Depreciation period is based on the length of the lease agreement.

Notes

1 Accounting policies (continued)

Tangible assets

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment. Basis for depreciation is cost less expected value after the end useful lifetime.

Cost comprises the acquisition price, cost directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The cost of a total asset is divided into separate elements which are depreciated individually when the useful lives of the individual elements differ.

The assets are depreciated by the straight-line method over the expected economic life and the length of the lease contract, based on the following assessment of the assets expected useful lifetime:

Fixtures and fittings, EDB-equipment, tools and equipment:	1-5 years
Leasehold improvements:	1-10 years

The basis of depreciation is calculated in consideration of the residual value of the asset and is reduced by impairment, if any. The residual value is fixed at the date of acquisition and is subject to annual review. When the residual value exceeds the carrying amount of the asset, depreciation will no longer take place.

In connection with changes in the depreciation period or the residual value, the effect of depreciation is recognised in future as a change in the accounting estimate.

Leases

Leases in respect of which the entity does not bear all significant risks and enjoy all significant benefits associated with the title to the assets are considered operating leases. Payments under operating leases are recognized in the income statement over the term of the lease.

Impairment of non-current assets

Intangible assets and fixtures, fittings and equipment are reviewed for impairment on an annual basis. Where there is indication of impairment, each individual asset or group of assets generating independent cash flows is tested for impairment. The carrying amount of impaired assets is reduced to the higher of the value in use and the net selling price (recoverable amount). Where an impairment loss is recognised on a group of assets, a loss is first allocated to goodwill and then to the other assets on a pro rata basis.

Deposits

Deposits are measured as the lower of cost or net realisable value.

Inventories

Inventories are measured at the lower of cost calculated according to the FIFO principle and net realisable value. The net realisable value is calculated as the selling price less costs of completion and costs necessary to make the sale.

The cost of goods for resale comprises the acquisition price plus delivery costs.

Receivables

Receivables are recognised at the lower amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Notes

1 Accounting policies (continued)

Deferred income asset

Deferred income asset comprise incurred costs relating to subsequent financial years. Prepayments are measured at amortised cost, which usually corresponds to the nominal value.

Equity

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Corporate tax

Current tax liabilities and receivables are recognised in the balance sheet, as estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and prepaid tax.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortizable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystalize as current tax. Deferred tax assets are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Changes in deferred tax caused by changes in regulations or rates are to recognised in the income statement.

Cash equivalents

Cash equivalents comprises cash balances and bank balances.

Other provisions

Provisions comprise anticipated costs related to return of goods and claims etc. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Liabilities other than provisions

Liabilities are measured at net realisable value and is related to provision for holiday allowance, employee earnings, VAT eg.

Notes

1 Accounting policies (continued)

Cash flow statement

The Company has decided not to include a cash flow statement, as it is included in a cash flow statement for HUGO BOSS AG Group in accordance with the Danish Financial Statement Act. §86, 4.

1 Accounting policies (continued)

Key figures

The key ratios have been calculated in accordance with the Danish Society of Financial Analysts 'Recommendations and Financial Ratios 2015'

The key ratios are calculated as below:

$$\text{Profit ratio:} \quad \frac{\text{Operating income} \times 100}{\text{Net turnover}}$$

$$\text{Contribution margin:} \quad \frac{\text{Gross profit} \times 100}{\text{Net turnover}}$$

$$\text{Equity ratio (solidity):} \quad \frac{\text{Equity, end} \times 100}{\text{Total liabilities}}$$

$$\text{Return on equity:} \quad \frac{\text{Profit for the year} \times 100}{\text{Average equity}}$$

Notes

	2017 <u>(DKK)</u>	2016 <u>(DKK)</u>
2 Revenue		
Net sales	330.573.674	334.228.205
Commission income	10.792.999	12.074.492
Total	<u>341.366.673</u>	<u>346.302.697</u>
3 Employee expenses		
Salary and wages	44.783.066	40.918.603
Pensions	1.871.220	1.772.281
Other social security costs	678.053	678.420
Other employee expenses	3.710.977	3.469.151
Total	<u>51.043.316</u>	<u>46.838.455</u>
Average number of full-time employees	<u>111</u>	<u>106</u>
<p>By reference to section 98b(3)(ii) of the Danish Financial Statements Act, remuneration to Management is not disclosed The members of the board has not received any wages.</p>		
4 Financial income		
Interest income, other	102.891	81.280
Foreign exchange gains, group companies	372.965	89.442
Foreign exchange gains, other	28.335	58.742
Total	<u>504.191</u>	<u>229.464</u>
5 Financial expenses		
Interest expenses, group companies	435.579	1.160.566
Interest expenses, other	56.354	47.615
Foreign exchange loss, group companies	31.304	69.918
Foreign exchange loss, other	485.194	289.476
Total	<u>1.008.431</u>	<u>1.567.575</u>
6 Tax on profit for the year		
Corporate income tax	1.015.278	5.436.906
Adjustment previous years	1.636.851	297.416
Changes in deferred tax	1.385.595	-401.565
Adjustment, change in tax rates	0	0
Total	<u>4.037.724</u>	<u>5.332.757</u>

Adjustment previous years includes potential correction of a tax audit of transfer pricing for the years 2012-2016 on 2.189.755 DKK.

Notes

7 Intangible assets

	Intangible assets
	<i>Key Money</i>
Acquisition price, beginning of year	6.709.320
Additions during the year	0
Acquisition price, at year-end	6.709.320
Depreciation and impairment losses, beginning of year	-6.709.320
Depreciation for the year	0
Impairment losses for the year	0
Depreciation and impairment losses, at year-end	-6.709.320
Net book value as of December 31, 2017	0
Depreciation years	<i>10 years</i>

8 Tangible assets

	Fixtures, fittings, tools and Equipment	IT-equipment
Acquisition price, beginning of year	35.455.333	3.926.418
Additions during the year	2.195.928	481.962
Disposals during the year	-4.775.200	-834.410
Acquisition price, at year-end	32.876.061	3.573.970
Depreciation and impairment losses, beginning of year	-28.717.281	-2.734.023
Depreciation for the year	-2.896.311	-742.376
Impairment losses for the year	0	0
Disposals during the year	4.775.200	834.410
Depreciation and impairment losses, at year-end	-26.838.392	-2.641.989
Net book value as of December 31, 2017	6.037.669	931.981
Depreciation period	<i>1-5 years</i>	<i>3 years</i>
		Leasehold improvements
Acquisition price, beginning of year		52.320.435
Additions during the year		16.710.019
Disposals during the year		-5.004.616
Acquisition price, at year-end		64.025.838
Depreciation and impairment losses, beginning of year		-36.777.271
Depreciation for the year		-9.558.802
Impairment losses for the year		0
Disposals during the year		4.887.931
Depreciation and impairment losses, at year-end		-41.448.142
Net book value as of December 31, 2017		22.577.696
Depreciation period		<i>1-10 years</i>

Notes

9 Financial assets

Original cost as of January 1, 2017		Deposits	8.627.468
Additions			208.319
Disposals			0
Net book value as of December 31, 2017			8.835.787

10 Deferred income assets

	2017 (DKK)	2016 (DKK)
Prepaid insurance	112.483	69.748
Other prepaid expenses	4.091.877	1.586.765
Total	4.204.360	1.656.513

11 Deferred tax

Deferred tax comprises inventories, intangible and tangible assets.

Deferred income tax is determined using the tax rate at the balance sheet date that apply when the deferred tax is expected to be released as current tax.

The company expect to offset the deferred income tax in the positive tax result wihtin the next 2-3 years.

	2017 (DKK)	2016 (DKK)
Deferred tax, beginning of year	2.204.330	1.802.765
Deferred tax, adjustment previous years	-552.938	278.436
Deferred tax for the year	-832.657	123.129
Deferred tax at year-end	818.735	2.204.330

12 Other provisions

Returns:

Other provision of 2.645 TDKK (2016: 2.873 TDKK) for anticipated returns based on previous experience on the level of returns.

The return is expected to be payable within one year from the balance sheet date.

13 Deferred income

Contribution to be recognised in income statement, in the following years

	2017 (DKK)	2016 (DKK)
	2.021.299	2.971.549
Total	2.021.299	2.971.549

Notes

14 Contractual commitments

The Company has entered into tenancy agreements of renting premises. The total rent commitment amounts to TDKK 23.113 at December 31, 2017 (2016: TDKK 37.303), of which TDKK 17.018 mature in 2018 (2017: TDKK 23.852). The tenancy agreements have different termination possibilities and can be terminated in the period January 1, 2017 to October 31, 2025.

The Company has entered into leases of office equipment and cars. The total lease commitments amount to TDKK 926 at December 31, 2017 (2016: TDKK 1.224), of which TDKK 558 (2017: TDKK 520) mature in 2018. The remaining lease commitments mature within 2 years.

15 Contingent liabilities and securities

	<u>2017</u>	<u>2016</u>
	(DKK)	(DKK)
Bank guarantee	1.050.000	1.050.000
Total	<u>1.050.000</u>	<u>1.050.000</u>

16 Related parties

HUGO BOSS Nordic ApS' related parties comprises of the following:

Controlling interest

Related parties with controlling interests is the Company's parent company:

HUGO BOSS International B.V.
Boeingavenue 255-257, NL-119 PD Schiphol Rijk
Holland

The company is a wholly owned subsidiary of HUGO BOSS International B.V., a company incorporated in the Netherlands. HUGO BOSS International B.V. is the holding and finance company of the HUGO BOSS Group owned by HUGO BOSS AG.

The directors regard HUGO BOSS AG, a company incorporated in Germany, as the ultimate parent undertaking an controlling party. Copies of the ultimate parent undertaking's group financial statements can be obtained from Dieselstrasse 12, 72555 Metzingen, Germany.

HUGO BOSS Nordic ApS is included in the financial statements for:

HUGO BOSS AG
Dieselstrasse 12, 72555 Metzingen
Germany

Notes

Transactions with related parties

	2017	2016
	(t. DKK)	(t. DKK)
Net sales to group companies	18.101	20.674
Net sales to parent company	0	470
Cost of goods from group companies	43.474	44.848
Cost of goods from parent company	89.646	93.864
Income from other services from group companies	-4.081	-6.174
Cost of services from parent company	20.813	15.184
Interest expenses from parent company	436	1.161
Receivables from group companies	0	1.480
Payable to group companies	1.119	0
Payables to parent company	54.184	31.485

17 Proposed distribution of results

	2017	2016
	(DKK)	(DKK)
Proposed dividend recognised in equity	0	15.000.000
Retained earnings	2.404.897	3.731.368
	2.404.897	18.731.368