

Supergroup Nordic and Baltics A/S
Central Business Registration No
27354939
Balticagade 24
8000 Århus C

Annual report 2015/16

The Annual General Meeting adopted the annual report on 30.09.2016

Chairman of the General Meeting

Name: Euan Angus Sutherland

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Entity details

Entity

Supergroup Nordic and Baltics A/S
Balticagade 24
8000 Århus C

Central Business Registration No: 27354939

Registered in: Århus

Financial year: 01.05.2015 - 30.04.2016

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Board of Directors

Euan Angus Sutherland, chairman

Stine Elmkvist

Lars Thygesen

Nicholas Barry Edward Wharton

Executive Board

Stine Elmkvist

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Frodesgade 125

Postboks 200

6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Supergroup Nordic and Baltics A/S for the financial year 01.05.2015 - 30.04.2016.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.04.2016 and of the results of its operations for the financial year 01.05.2015 - 30.04.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Århus, 30.09.2016

Executive Board

Stine Elmkvist

Board of Directors

Euan Angus Sutherland
chairman

Stine Elmkvist

Lars Thygesen

Nicholas Barry Edward Whar-
ton

Independent auditor's reports

To the owners of Supergroup Nordic and Baltics A/S

Report on the financial statements

We have audited the financial statements of Supergroup Nordic and Baltics A/S for the financial year 01.05.2015 - 30.04.2016, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 about 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 auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity'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 Entity'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 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 audit 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 30.04.2016 and of the results of its operations for the financial year 01.05.2015 - 30.04.2016 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Esbjerg, 30.09.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Jørn Jepsen
State Authorised Public Accountant

Bo Klitten Kjærgaard
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The Entity's activity is to engage in wholesaling of fashion clothes in Scandinavia.

Development in activities and finances

The Entity has realised a profit of DKK 8,918k, which Management finds very satisfactory. The Entity has got off to a good start in the new financial year, and Management expects positive results for the coming years.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

In 2015/16, the Entity has applied the changed thresholds under the Danish Financial Statements Act for financial reporting classes, for which reason the annual report is still presented using the provisions governing reporting class B entities.

The accounting policies applied for these financial statements are consistent with those applied last year.

Non-comparability

Because the Company last year has changed its financial year, financial statements last year has been prepared for the period of change from 1 January 2014 to 30 April 2015.

It is not possible to compare this year's figures with last year's figures because of this change since the figures for this financial year cover 12 months whereas the comparative figures cover a 16-month period, but the figures in the balance sheet are comparable as the balance date is the same.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been

Accounting policies

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 payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, cost of sales and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Depreciation relating to intangible assets and plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets as well as gains and losses from the sale of intangible assets as well as plant and equipment.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Accounting policies

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

Tax for the year, which consists of current tax 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 recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-6 years
Leasehold improvements	5 years

Accounting policies

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Finance lease commitments

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Accounting policies

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Income statement for 2015/16

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
Gross profit		23,080,036	25,480,520
Staff costs	1	(11,342,720)	(13,084,769)
Depreciation, amortisation and impairment losses		<u>(639,369)</u>	<u>(952,313)</u>
Operating profit/loss		11,097,947	11,443,438
Other financial income from group enterprises		1,184,565	734,843
Other financial income		30,708	31,722
Other financial expenses		<u>(809,227)</u>	<u>(450,718)</u>
Profit/loss from ordinary activities before tax		11,503,993	11,759,285
Tax on profit/loss from ordinary activities	2	<u>(2,586,087)</u>	<u>(2,858,037)</u>
Profit/loss for the year		<u>8,917,906</u>	<u>8,901,248</u>
Proposed distribution of profit/loss			
Retained earnings		<u>8,917,906</u>	<u>8,901,248</u>
		<u>8,917,906</u>	<u>8,901,248</u>

Balance sheet at 30.04.2016

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
Acquired intangible assets		767,364	832,917
Intangible assets	3	767,364	832,917
Other fixtures and fittings, tools and equipment		1,481,435	1,212,022
Leasehold improvements		38,138	110,148
Property, plant and equipment	4	1,519,573	1,322,170
Deposits		540,126	518,029
Fixed asset investments	5	540,126	518,029
Fixed assets		2,827,063	2,673,116
Manufactured goods and goods for resale		7,024,469	5,762,501
Inventories		7,024,469	5,762,501
Trade receivables		16,546,795	13,921,229
Receivables from group enterprises		57,573,840	15,530,671
Other short-term receivables		637,178	161,995
Prepayments		662,298	448,651
Receivables		75,420,111	30,062,546
Cash		8,763,104	18,149,551
Current assets		91,207,684	53,974,598
Assets		94,034,747	56,647,714

Balance sheet at 30.04.2016

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
Contributed capital	6	500,000	500,000
Retained earnings		<u>24,091,362</u>	<u>15,173,456</u>
Equity		<u>24,591,362</u>	<u>15,673,456</u>
Provisions for deferred tax		<u>357,751</u>	<u>317,761</u>
Provisions		<u>357,751</u>	<u>317,761</u>
Finance lease liabilities		<u>156,922</u>	<u>0</u>
Non-current liabilities other than provisions		<u>156,922</u>	<u>0</u>
Current portion of long-term liabilities other than provisions		43,234	240,035
Bank loans		61,794	67,741
Trade payables		338,550	321,792
Debt to group enterprises		59,832,532	33,460,471
Income tax payable		2,624,195	1,599,893
Other payables		<u>6,028,407</u>	<u>4,966,565</u>
Current liabilities other than provisions		<u>68,928,712</u>	<u>40,656,497</u>
Liabilities other than provisions		<u>69,085,634</u>	<u>40,656,497</u>
Equity and liabilities		<u><u>94,034,747</u></u>	<u><u>56,647,714</u></u>
Contingent liabilities	7		
Assets charged and collateral	8		
Consolidation	9		

Statement of changes in equity for 2015/16

	Contributed capital DKK	Retained ear- nings DKK	Total DKK
Equity beginning of year	500,000	15,173,456	15,673,456
Profit/loss for the year	0	8,917,906	8,917,906
Equity end of year	500,000	24,091,362	24,591,362

Notes

	2015/16	2014/15
	DKK	DKK
1. Staff costs		
Wages and salaries	10,835,310	12,544,942
Pension costs	60,369	9,939
Other social security costs	255,485	299,983
Other staff costs	191,556	229,905
	11,342,720	13,084,769
	2015/16	2014/15
	DKK	DKK
2. Tax on ordinary profit/loss for the year		
Current tax	2,546,097	2,840,530
Change in deferred tax for the year	39,990	38,610
Effect of changed tax rates	0	(21,103)
	2,586,087	2,858,037
		Acquired
		intangible
		assets
		DKK
3. Intangible assets		
Cost beginning of year		1,079,141
Additions		43,824
Cost end of year		1,122,965
Amortisation and impairment losses beginning of year		(246,224)
Amortisation for the year		(109,377)
Amortisation and impairment losses end of year		(355,601)
Carrying amount end of year		767,364

Notes

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	
4. Property, plant and equipment			
Cost beginning of year	3,249,991	1,249,203	
Additions	792,395	0	
Disposals	(185,000)	0	
Cost end of year	3,857,386	1,249,203	
Depreciation and impairment losses beginning of the year	(2,037,969)	(1,139,055)	
Depreciation for the year	(522,982)	(72,010)	
Reversal regarding disposals	185,000	0	
Depreciation and impairment losses end of the year	(2,375,951)	(1,211,065)	
Carrying amount end of year	1,481,435	38,138	
Recognised assets not owned by entity	240,089	0	
		Deposits DKK	
5. Fixed asset investments			
Cost beginning of year		518,029	
Additions		22,097	
Cost end of year		540,126	
Carrying amount end of year		540,126	
	Number	Par value DKK	Nominal value DKK
6. Contributed capital			
Ordinary shares	500	1,000.00	500,000
	500		500,000

Notes

7. Contingent liabilities

Until 18 June 2014 the Company participates in a Danish joint taxation arrangement in which Tabasco Clothing ApS served as the administration company. From the 19 June 2014 the Company serves as administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

The Entity has issued a letter of support to both Superdry Retail Denmark A/S, SD 1 ApS and SD 2 ApS.

8. Assets charged and collateral

Bank loans are secured by way of a deposited letter of indemnity for DKK 6,000k nominal, see S 47 c Danish Land Registration Act, in trade receivables, inventories, operating equipment and tools, goodwill, etc. The carrying amount of the assets charged is DKK 25,419k at 30.04.2016.

The Entity has guaranteed a group enterprise's bank loans. The group enterprise's bank loans total DKK 0 at 30.04.2016.

9. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

SuperGroup PLC, Gloucestershire, United Kingdom

The group report for the foreign parent company can be ordered from the following address:

<http://www.supergroup.co.uk/investors/reports-and-publications>