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**Colorful Licenses
Scandinavia ApS**
Ryttergårdsvej 20, 11. 2.
3520 Farum
Central Business Registration No
32945287

Annual report 2016

The Annual General Meeting adopted the annual report on 23.05.2017

Chairman of the General Meeting

Name: Gerit Jacob Meelker

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Entity details

Entity

Colorful Licenses Scandinavia ApS
Ryttergårdsvej 20, 11. 2.
3520 Farum

Central Business Registration No: 32945287
Registered in: Farum
Financial year: 01.01.2016 - 31.12.2016

Executive Board

Gerrit Jacob Meelker

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Colorful Licenses Scandinavia ApS for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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.

Copenhagen, 22.05.2017

Executive Board

Gerrit Jacob Meelker

Independent auditor's reports

To the shareholders of Colorful Licenses Scandinavia ApS

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Colorful Licenses Scandinavia ApS for the financial year 01.01.2016 - 31.12.2016. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, 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. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

Independent auditor's reports

In connection with our extended review of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Aarhus, 22.05.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Morten Gade Steinmetz

statsautoriseret revisor

Management commentary

Primary activities

The Company's activity primarily consists of sale of apparel, bags and other accessories.

Development in activities and finances

The loss for the year amounted to DKK 402k, which Management does not consider satisfactory.

The Company's equity is negativ by DKK 5.642k at 31.12.2016. The Company's Management expects to reestablish equity through future operating profits. In the year ahead, the Company's continuous operations will be supported by the Parent to the necessary extent so that the Company can meet its commitments.

It is Management's assessment that the financial statements can be presented on a going concern bases.

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.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Gross loss		(257.528)	(263.266)
Staff costs	1	5.000	(241.755)
Depreciation, amortisation and impairment losses		<u>0</u>	<u>(64.242)</u>
Operating profit/loss		(252.528)	(569.263)
Other financial expenses		<u>(149.843)</u>	<u>(142.395)</u>
Profit/loss for the year		<u>(402.371)</u>	<u>(711.658)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(402.371)</u>	<u>(711.658)</u>
		<u>(402.371)</u>	<u>(711.658)</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Acquired licences		0	0
Intangible assets	2	<u>0</u>	<u>0</u>
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	3	<u>0</u>	<u>0</u>
Fixed assets		<u>0</u>	<u>0</u>
Trade receivables		114.623	136.310
Prepayments		23.226	0
Receivables		<u>137.849</u>	<u>136.310</u>
Cash		<u>230.344</u>	<u>168.607</u>
Current assets		<u>368.193</u>	<u>304.917</u>
Assets		<u>368.193</u>	<u>304.917</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		80.000	80.000
Retained earnings		(5.722.290)	(5.319.919)
Equity		(5.642.290)	(5.239.919)
Subordinate loan capital		4.036.730	3.919.155
Non-current liabilities other than provisions		4.036.730	3.919.155
Trade payables		27.243	60.231
Payables to group enterprises		1.871.655	1.421.840
Other payables		74.855	143.610
Current liabilities other than provisions		1.973.753	1.625.681
Liabilities other than provisions		6.010.483	5.544.836
Equity and liabilities		368.193	304.917
Contingent liabilities	4		
Mortgages and securities	5		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	80.000	(5.319.919)	(5.239.919)
Profit/loss for the year	0	(402.371)	(402.371)
Equity end of year	80.000	(5.722.290)	(5.642.290)

The Company's equity is negativ by DKK 5.642k at 31.12.2016. The Company's Management expects to reestablish equity through future operating profits. In the year ahead, the Company's continuous operations will be supported by the Parent to the necessary extent so that the Company can meet its commitments.

Notes

	2016	2015
	DKK	DKK
1. Staff costs		
Wages and salaries	(5.000)	240.099
Pension costs	0	1.656
	(5.000)	241.755
		Acquired licences DKK
2. Intangible assets		
Cost beginning of year		139.577
Cost end of year		139.577
Amortisation and impairment losses beginning of year		(139.577)
Amortisation and impairment losses end of year		(139.577)
Carrying amount end of year		0
		Other fixtures and fittings, tools and equipment DKK
3. Property, plant and equipment		
Cost beginning of year		133.805
Cost end of year		133.805
Depreciation and impairment losses beginning of the year		(133.805)
Depreciation and impairment losses end of the year		(133.805)
Carrying amount end of year		0
4. Contingent liabilities		
None.		
5. Mortgages and securities		
None.		

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.

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

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, 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 goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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 writedowns of receivables recognised in current assets.

Staff costs

Accounting policies

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

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, 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 and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial expenses

Other financial expenses comprise interest expenses and net capital losses on securities, payables and transactions in foreign currencies etc.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights and licenses.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Deprecation is made over 5 years.

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.

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	5 years
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Estimated useful lives and residual values are reassessed annually.

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

Receivables

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

Accounting policies

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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