



Episode Denmark ApS

Larsbjørnstræde 8, 1454 Copenhagen

Company reg. no. 33 94 78 44

Annual report

1 April 2016 - 31 March 2017

The annual report have been submitted and approved by the general meeting on the 16 June 2017.

Bernadus Frederik Tingen
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management's review	
Company data	5
Management's review	6
Annual accounts 1 April 2016 - 31 March 2017	
Accounting policies used	7
Profit and loss account	11
Balance sheet	12
Notes	14

Management's report

The managing director has today presented the annual report of Episode Denmark ApS for the financial year 1 April 2016 to 31 March 2017.

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

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 March 2017 and of the company's results of its activities in the financial year 1 April 2016 to 31 March 2017.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen, 15 June 2017

Managing Director

Bernadus Frederik Tingen

Independent auditor's report

To the shareholder of Episode Denmark ApS

Opinion

We have audited the annual accounts of Episode Denmark ApS for the financial year 1 April 2016 to 31 March 2017, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 March 2017 and of the results of the company's operations for the financial year 1 April 2016 to 31 March 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 15 June 2017

BUUS JENSEN

State Authorised Public Accountants
Company reg. no. 16 11 90 40

Lotte Nørskov

State Authorised Public Accountant

Company data

The company

Episode Denmark ApS

Larsbjørnstræde 8

1454 Copenhagen

Company reg. no. 33 94 78 44

Established: 15 September 2011

Domicile: Copenhagen

Financial year: 1 April 2016 - 31 March 2017

6th financial year

Managing Director

Bernadus Frederik Tingen

Auditors

BUUS JENSEN, Statsautoriserede revisorer

Management's review

The principal activities of the company

Like previous years, the principal activities are primarily business with clothing and accessories and related areas.

Development in activities and financial matters

The results from ordinary activities after tax are DKK 3.559.056 against DKK 2.422.641 last year. The management consider the results satisfactory.

Accounting policies used

The annual report for Episode Denmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Accounting policies used

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

Accounting policies used

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets, fixtures and furniture	3-5 years
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Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

Accounting policies used

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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

Profit and loss account 1 April - 31 March

All amounts in DKK.

<u>Note</u>	<u>2016/17</u>	<u>2015/16</u>
Gross profit	6.138.579	4.634.669
1 Staff costs	-1.471.733	-1.329.906
Depreciation and writedown relating to tangible fixed assets	<u>-57.376</u>	<u>-98.356</u>
Operating profit	4.609.470	3.206.407
Other financial income	5.727	0
2 Other financial costs	<u>-19.717</u>	<u>-5.388</u>
Results before tax	4.595.480	3.201.019
3 Tax on ordinary results	<u>-1.036.424</u>	<u>-778.378</u>
Results for the year	<u>3.559.056</u>	<u>2.422.641</u>
Proposed distribution of the results:		
Extraordinary dividend adopted during the financial year	4.900.000	0
Dividend for the financial year	848.486	1.495.000
Allocated to results brought forward	0	927.641
Allocated from results brought forward	<u>-2.189.430</u>	<u>0</u>
Distribution in total	<u>3.559.056</u>	<u>2.422.641</u>

Balance sheet 31 March

All amounts in DKK.

Assets			
<u>Note</u>		<u>2017</u>	<u>2016</u>
Fixed assets			
4	Other plants, operating assets, and fixtures and furniture	<u>0</u>	<u>57.376</u>
	Tangible fixed assets in total	<u>0</u>	<u>57.376</u>
	Fixed assets in total	<u>0</u>	<u>57.376</u>
Current assets			
	Manufactured goods and trade goods	<u>447.568</u>	<u>365.050</u>
	Inventories in total	<u>447.568</u>	<u>365.050</u>
	Trade debtors	882.669	775.196
	Amounts owed by group enterprises	0	1.313.650
	Other debtors	247.712	241.811
	Accrued income and deferred expenses	<u>88.326</u>	<u>151.635</u>
	Debtors in total	<u>1.218.707</u>	<u>2.482.292</u>
	Available funds	<u>218.176</u>	<u>2.164.881</u>
	Current assets in total	<u>1.884.451</u>	<u>5.012.223</u>
	Assets in total	<u>1.884.451</u>	<u>5.069.599</u>

Balance sheet 31 March

All amounts in DKK.

Equity and liabilities

<u>Note</u>	<u>2017</u>	<u>2016</u>
Equity		
5 Contributed capital	80.000	80.000
6 Results brought forward	0	2.189.430
7 Proposed dividend for the financial year	848.486	1.495.000
Equity in total	<u>928.486</u>	<u>3.764.430</u>
Provisions		
Provisions for deferred tax	<u>0</u>	<u>12.622</u>
Provisions in total	<u>0</u>	<u>12.622</u>
Liabilities		
Trade creditors	47.198	106.671
Debt to group enterprises	216.942	0
Corporate tax	148.034	615.799
Other debts	<u>543.791</u>	<u>570.077</u>
Short-term liabilities in total	<u>955.965</u>	<u>1.292.547</u>
Liabilities in total	<u>955.965</u>	<u>1.292.547</u>
Equity and liabilities in total	<u>1.884.451</u>	<u>5.069.599</u>

Notes

All amounts in DKK.

	<u>2016/17</u>	<u>2015/16</u>
1. Staff costs		
Salaries and wages	1.430.834	1.283.214
Other costs for social security	39.273	39.677
Other staff costs	<u>1.626</u>	<u>7.015</u>
	<u>1.471.733</u>	<u>1.329.906</u>
 Average number of employees	 <u>5</u>	 <u>5</u>
 2. Other financial costs		
Other financial costs	<u>19.717</u>	<u>5.388</u>
	<u>19.717</u>	<u>5.388</u>
 3. Tax on ordinary results		
Tax of the results for the year, parent company	1.024.034	752.799
Adjustment for the year of deferred tax	-12.622	0
Adjustment of tax for previous years	<u>25.012</u>	<u>25.579</u>
	<u>1.036.424</u>	<u>778.378</u>
 4. Other plants, operating assets, and fixtures and furniture		
Cost 1 April 2016	491.785	491.785
Additions during the year	0	0
Disposals during the year	<u>0</u>	<u>0</u>
Cost 31 March 2017	<u>491.785</u>	<u>491.785</u>
 Depreciation and writedown 1 April 2016	-434.409	-336.053
Depreciation for the year	<u>-57.376</u>	<u>-98.356</u>
Depreciation and writedown 31 March 2017	<u>-491.785</u>	<u>-434.409</u>
 Book value 31 March 2017	 <u>0</u>	 <u>57.376</u>

Notes

All amounts in DKK.

	<u>31/3 2017</u>	<u>31/3 2016</u>
5. Contributed capital		
Contributed capital 1 April 2016	<u>80.000</u>	<u>80.000</u>
	<u>80.000</u>	<u>80.000</u>
6. Results brought forward		
Results brought forward 1 April 2016	2.189.430	1.261.789
Profit or loss for the year brought forward	-2.189.430	927.641
Extraordinary dividend adopted during the financial year	4.900.000	0
Distributed extraordinary dividend adopted during the financial year.	<u>-4.900.000</u>	<u>0</u>
	<u>0</u>	<u>2.189.430</u>
7. Proposed dividend for the financial year		
Dividend 1 April 2016	1.495.000	1.117.500
Distributed dividend	-1.495.000	-1.117.500
Dividend for the financial year	<u>848.486</u>	<u>1.495.000</u>
	<u>848.486</u>	<u>1.495.000</u>