

Bramhagen ApS

c/o Pakhus 11, Dampfærgevej 2 A, st., 2100 Copenhagen

Company reg. no. 35 47 84 34

Annual report

1 January - 31 December 2016

The annual report have been submitted and approved by the general meeting on the 11 May 2017.

Renzo Braglia
Chairman of the meeting

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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 %.

Management's report

The managing director has today presented the annual report of Bramhagen ApS for the financial year 1 January to 31 December 2016.

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 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

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, 4 May 2017

Managing Director

Renzo Braglia

Independent auditor's report

To the shareholder of Bramhagen ApS

Opinion

We have audited the annual accounts of Bramhagen ApS for the financial year 1 January to 31 December 2016, 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 December 2016 and of the results of the company's operations for the financial year 1 January to 31 December 2016 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.

Independent auditor's report

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.

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, 4 May 2017

BUUS JENSEN

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

Ulrik Nørskov

State Authorised Public Accountant

Company data

The company

Bramhagen ApS
c/o Pakhus 11
Dampfærgevej 2 A, st.
2100 Copenhagen

Company reg. no. 35 47 84 34
Established: 19 September 2013
Domicile: Copenhagen
Financial year: 1 January - 31 December
3rd financial year

Managing Director

Renzo Braglia, Modena, Italy

Auditors

BUUS JENSEN, Statsautoriserede revisorer

Parent company

SPW srl
Brama srl

Management's review

The principal activities of the company

The company's significant activities is within wholesale of clothing.

Unusual matters

The company has not been affected by unusual circumstances during the financial year

Uncertainties as to recognition or measurement

It is estimated that no specific uncertainties are related to recognition and measurement of the financial items in the annual accounts.

Development in activities and financial matters

The results from ordinary activities after tax are DKK 140.256 against DKK 41.159 last year. The management consider the results satisfactory.

The management expects a positive result for the coming financial year.

Accounting policies used

The annual report for Bramhagen 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

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 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 years

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.

Leasing contracts

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

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.

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.

Accounting policies used

Available funds

Available funds comprise cash at bank and in hand.

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

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

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

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Gross profit	1.883.700	2.205.702
1 Staff costs	-1.388.350	-1.832.194
Depreciation and writedown relating to tangible fixed assets	-197.301	-197.462
Other operating costs	-4.173	0
Operating profit	293.876	176.046
2 Other financial costs	-104.133	-112.393
Results before tax	189.743	63.653
Tax on ordinary results	-49.487	-22.494
Results for the year	140.256	41.159
Proposed distribution of the results:		
Allocated to results brought forward	140.256	41.159
Distribution in total	140.256	41.159

Balance sheet 31 December

All amounts in DKK.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Assets		
Fixed assets		
3 Other plants, operating assets, and fixtures and furniture	47.771	231.368
Tangible fixed assets in total	<u>47.771</u>	<u>231.368</u>
Deposits	225.200	220.023
Financial fixed assets in total	<u>225.200</u>	<u>220.023</u>
Fixed assets in total	<u>272.971</u>	<u>451.391</u>
Current assets		
Manufactured goods and trade goods	189.354	206.521
Inventories in total	<u>189.354</u>	<u>206.521</u>
Amounts owed by group enterprises	1.333.360	1.909.351
Deferred tax assets	47.500	22.407
Other debtors	78.353	45.560
Accrued income and deferred expenses	149.729	140.259
Debtors in total	<u>1.608.942</u>	<u>2.117.577</u>
Available funds	190.365	1.268.026
Current assets in total	<u>1.988.661</u>	<u>3.592.124</u>
Assets in total	<u>2.261.632</u>	<u>4.043.515</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2016</u>	<u>2015</u>
Equity			
4	Contributed capital	80.000	80.000
5	Results brought forward	334.560	194.304
	Equity in total	<u>414.560</u>	<u>274.304</u>
Liabilities			
	Debt to group enterprises	<u>1.159.850</u>	<u>2.618.850</u>
	Long-term liabilities in total	<u>1.159.850</u>	<u>2.618.850</u>
	Trade creditors	36.375	19.000
	Debt to group enterprises	384.376	315.570
	Corporate tax	46.580	41.501
	Other debts	<u>219.891</u>	<u>774.290</u>
	Short-term liabilities in total	<u>687.222</u>	<u>1.150.361</u>
	Liabilities in total	<u>1.847.072</u>	<u>3.769.211</u>
	Equity and liabilities in total	<u>2.261.632</u>	<u>4.043.515</u>

6 Contingencies

Notes

All amounts in DKK.

	<u>2016</u>	<u>2015</u>
1. Staff costs		
Salaries and wages	1.370.587	1.816.829
Other costs for social security	7.101	6.660
Other staff costs	<u>10.662</u>	<u>8.705</u>
	<u>1.388.350</u>	<u>1.832.194</u>
Average number of employees	<u>3</u>	<u>3</u>
2. Other financial costs		
Financial costs, group enterprises	96.001	104.754
Other financial costs	<u>8.132</u>	<u>7.639</u>
	<u>104.133</u>	<u>112.393</u>
3. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2016	592.389	592.389
Additions during the year	17.877	0
Disposals during the year	<u>-18.733</u>	<u>0</u>
Cost 31 December 2016	<u>591.533</u>	<u>592.389</u>
Depreciation and writedown 1 January 2016	-361.021	-163.559
Depreciation for the year	-197.301	-197.462
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>14.560</u>	<u>0</u>
Depreciation and writedown 31 December 2016	<u>-543.762</u>	<u>-361.021</u>
Book value 31 December 2016	<u>47.771</u>	<u>231.368</u>
4. Contributed capital		
Contributed capital 1 January 2016	<u>80.000</u>	<u>80.000</u>
	<u>80.000</u>	<u>80.000</u>

Notes

All amounts in DKK.

	<u>31/12 2016</u>	<u>31/12 2015</u>
5. Results brought forward		
Results brought forward 1 January 2016	194.304	153.145
Profit or loss for the year brought forward	<u>140.256</u>	<u>41.159</u>
	<u>334.560</u>	<u>194.304</u>

6. Contingencies

Contingent liabilities

The company has entered into lease agreements with a rent commitment of DKK 660.066 on the balancesheet date. The company can not vacate the lease earlier than June 30 2018.