



# TOD's Danmark ApS

c/o LETT Advokatpartnerselskab, Rådhuspladsen 4, 1550 København V

Company reg. no. 36 44 26 46

## Annual report

1 January - 31 December 2016

The annual report have been submitted and approved by the general meeting on the 13 April 2017.

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Sebastian Ingversen  
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

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## **Management's report**

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The executive board has today presented the annual report of TOD's Danmark 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.

We consider the accounting policies used appropriate, and in our 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.

The executive board considers the requirements of omission of audit of the annual accounts for 2016 as met.

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

Copenhagen, 10 March 2017

### **Executive board**

Stefano Sincini

Bortolo Venturelli

## **The independent auditor's report on review of the annual accounts**

### **To the shareholder of TOD's Danmark ApS**

We have reviewed the annual accounts of TOD's Danmark ApS for the financial year 1 January to 31 December 2016. Our review comprised accounting policies used, profit and loss account, balance sheet and notes.

### **The management's responsibility 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. Furthermore, the management is 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.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the annual accounts. We conducted our review in accordance with the international standard on engagements to review historical annual accounts and additional requirements under Danish audit regulation. This standard requires us to conclude whether anything has come to our attention that causes us to believe that the annual accounts, taken as a whole, are not in all material respects in accordance with the applicable financial reporting framework. The standard also requires us to comply with relevant ethical requirements.

A review of annual accounts performed in accordance with the international standard on engagements to review historical annual accounts is an limited assurance engagement. The review consists primarily of making inquiries of the management and, when appropriate, of others within the enterprise, applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with international standards on auditing. Accordingly, we do not express an audit opinion on the annual accounts.

## **The independent auditor's report on review of the annual accounts**

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### **Opinion**

Based on our review, nothing has come to our attention which causes us to believe that the annual accounts do not provide a true and fair view of the company's assets, liabilities and financial position as of 31 December 2016 and of the results from its activities and for the financial year 1 January to 31 December 2016 in accordance with the Danish Financial Statements Act.

Roskilde, 10 March 2017

### **RIR REVISION**

Statsautoriseret Revisionspartnerselskab  
Company reg. no. 33 78 05 24

**Birgit Sode**

State Authorised Public Accountant

## **Company data**

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### **The company**

TOD's Danmark ApS  
c/o LETT Advokatpartnerselskab  
Rådhuspladsen 4  
1550 København V

Web site                      [www.tods.com](http://www.tods.com)

Company reg. no.        36 44 26 46

Established:            21 November 2014

Domicile:                Copenhagen

Financial year:        1 January - 31 December  
2nd financial year

### **Executive board**

Stefano Sincini  
Bortolo Venturelli

### **Auditors**

RIR REVISION Statsautoriseret Revisionspartnerselskab

### **Parent company**

TOD's S.p.A.

## **Profit and loss account**

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Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

<u>Note</u>	<u>1/1 2016 - 31/12 2016</u>	<u>21/11 2014 - 31/12 2015</u>
<b>Gross loss</b>	<b>-162.706</b>	<b>383</b>
2 Staff costs	-2.300.435	-1.539
Depreciation and writedown relating to tangible fixed assets	<u>-3.734.804</u>	<u>-1.030</u>
<b>Operating profit</b>	<b>-6.197.945</b>	<b>-2.186</b>
Other financial income	6.794	9
Other financial costs	<u>-35.037</u>	<u>-41</u>
<b>Results before tax</b>	<b>-6.226.188</b>	<b>-2.218</b>
Tax on ordinary results	<u>0</u>	<u>0</u>
<b>Results for the year</b>	<b><u>-6.226.188</u></b>	<b><u>-2.218</u></b>
<b>Proposed distribution of the results:</b>		
Allocated from results brought forward	<u>-6.226.188</u>	<u>-2.218</u>
<b>Distribution in total</b>	<b><u>-6.226.188</u></b>	<b><u>-2.218</u></b>

## Balance sheet 31 December

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Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
<b>Fixed assets</b>		
3 Other plants, operating assets, and fixtures and furniture	2.599.274	3.360
4 Decoration rented premises	0	2.890
Tangible fixed assets in total	<u>2.599.274</u>	<u>6.250</u>
<b>Fixed assets in total</b>	<b><u>2.599.274</u></b>	<b><u>6.250</u></b>
<b>Current assets</b>		
Manufactured goods and trade goods	2.534.445	3.522
Inventories in total	<u>2.534.445</u>	<u>3.522</u>
Trade debtors	1.089.355	707
Amounts owed by group enterprises	269.837	213
Other debtors	8.856	454
Debtors in total	<u>1.368.048</u>	<u>1.374</u>
Available funds	<u>2.303.816</u>	<u>5.078</u>
<b>Current assets in total</b>	<b><u>6.206.309</u></b>	<b><u>9.974</u></b>
<b>Assets in total</b>	<b><u>8.805.583</u></b>	<b><u>16.224</u></b>



## Balance sheet 31 December

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Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>	
<b>Equity and liabilities</b>			
<b>Equity</b>			
5	Contributed capital	500.000	500
6	Share premium account	14.900.000	14.900
7	Results brought forward	-8.444.086	-2.218
	<b>Equity in total</b>	<b>6.955.914</b>	<b>13.182</b>
<b>Liabilities</b>			
	Trade creditors	373.144	1.222
	Debt to group enterprises	1.098.472	1.541
	Other debts	378.053	279
	Short-term liabilities in total	1.849.669	3.042
	<b>Liabilities in total</b>	<b>1.849.669</b>	<b>3.042</b>
	<b>Equity and liabilities in total</b>	<b>8.805.583</b>	<b>16.224</b>

### 1 The significant activities of the enterprise

## Notes

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Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

### 1. The significant activities of the enterprise

The primary business of the company is sale of shoes and leather goods produced in Italy.

	1/1 2016 - 31/12 2016	21/11 2014 - 31/12 2015
<b>2. Staff costs</b>		
Salaries and wages	2.205.329	1.486
Other costs for social security	53.703	20
Other staff costs	41.403	33
	<b>2.300.435</b>	<b>1.539</b>
Average number of employees	5	5
	31/12 2016	31/12 2015
<b>3. Other plants, operating assets, and fixtures and furniture</b>		
Cost opening balance	3.975.628	0
Additions during the year	83.704	3.976
<b>Cost closing balance</b>	<b>4.059.332</b>	<b>3.976</b>
Amortisation and writedown opening balance	-615.951	0
Depreciation for the year	-844.107	-616
<b>Amortisation and writedown closing balance</b>	<b>-1.460.058</b>	<b>-616</b>
<b>Book value closing balance</b>	<b>2.599.274</b>	<b>3.360</b>

## Notes

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Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

	<u>31/12 2016</u>	<u>31/12 2015</u>
<b>4. Decoration rented premises</b>		
Cost opening balance	3.304.312	0
Additions during the year	<u>0</u>	<u>3.304</u>
<b>Cost closing balance</b>	<b><u>3.304.312</u></b>	<b><u>3.304</u></b>
Depreciation and writedown opening balance	-413.615	0
Depreciation for the year	-693.436	-414
Writedown for the year	<u>-2.197.261</u>	<u>0</u>
<b>Depreciation and writedown closing balance</b>	<b><u>-3.304.312</u></b>	<b><u>-414</u></b>
<b>Book value closing balance</b>	<b><u>0</u></b>	<b><u>2.890</u></b>
<b>5. Contributed capital</b>		
Contributed capital opening balance	500.000	400
Cash capital increase 15 April 2015	<u>0</u>	<u>100</u>
	<b><u>500.000</u></b>	<b><u>500</u></b>
The share capital consists of 500 shares, each with a nominal value of DKK 1,000.		
<b>6. Share premium account</b>		
Share premium account opening balance	14.900.000	0
Share premium account for the year 15 April 2015	<u>0</u>	<u>14.900</u>
	<b><u>14.900.000</u></b>	<b><u>14.900</u></b>
<b>7. Results brought forward</b>		
Results brought forward opening balance	-2.217.898	0
Profit or loss for the year brought forward	<u>-6.226.188</u>	<u>-2.218</u>
	<b><u>-8.444.086</u></b>	<b><u>-2.218</u></b>

## **Accounting policies used**

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The annual report for TOD's Danmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B 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.

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.

## **The profit and loss account**

### **Gross loss**

The gross loss 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.

## **Accounting policies used**

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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 operating income and costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise.

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. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

## **The balance sheet**

### **Tangible fixed assets**

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

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.

## **Accounting policies used**

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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

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.

### **Decoration of rented premises**

Decoration of rented premises are measured at cost with deduction of accrued depreciation and writedown. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 3-5 years.

### **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 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.

### **Available funds**

Available funds comprise cash at bank and in hand.

### **Liabilities**

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