

**Suit Supply Denmark ApS  
CVR no. 37269255  
Copenhagen, Denmark**

**Annual report  
for the period ended 31 December 2016**

**Adopted at the Company's Annual General Meeting  
on 23 May 2017**

  
**Chairman Magnus Bojer-Larsen**

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**Company details**

Company: Suit Supply Denmark ApS  
CVR no: 37269255  
Registered address: c/o TMF Denmark A/S, Bredgade 6, 1. sal  
1260 Copenhagen K  
Denmark  
Telephone: -  
Website: [www.suitsupply.com](http://www.suitsupply.com)  
Financial year: 1st financial year  
Director: Fokke Marten de Jong

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**Management's review**

**Principal Activities of the Company**

The Company operates a clothing retail store and a webstore in Denmark, specializing in business attire and accessories. The direct parent as at 31 December 2016 is Suit Supply Holding B.V. (the ultimate parent is Suit Supply TopCo B.V.), a holding company with several international retail organizations in men's fashion. The group has stores in eighteen countries including the Netherlands, Belgium, Germany, the UK, Italy, China and the USA. Customers can also order clothes via the on-line store.

**Development in the Company's activities and financial matters**

The Company is trading with operating loss since opening. At the year-end the Company had equity of DKK 406.241 and made a loss of DKK 456.241 for the reporting period. The director has considered the cash flow projections for 2017 and has a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. These financial statements have been prepared on a going concern basis. The support provided from the parent company entails not requesting settlement of any intercompany balances due from the entity for a period of 12 months if this would affect the entity's ability to operate as a going concern.

**Significant events after the balance sheet date**

No significant events have occurred after the balance sheet date which would influence the evaluation of the Company's financial position as at the balance sheet date.

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**Statement by the Management on the annual report**

The Directors have today discussed and approved the annual report of Suit Supply Denmark ApS (the Company) for the financial period 1 December 2015 – 31 December 2016.

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial period 1 December 2015 – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report should be approved at the annual general meeting.

As the company did not exceed two out of three limits as stated in the Danish Financial Statements Act section 135, and the Board did not expect the company to do so in the coming financial year, the Board proposed to opt out of being audited for the coming financial year.

Copenhagen, 23 May 2017

Director:



Fokke Marten de Jong

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**Accounting policies**

The annual report has been prepared in accordance with Danish financial statements legislation as well as generally accepted accounting principles.

The annual report has been prepared in accordance with the reporting requirements of the Danish Financial Statements Act of class B entities.

**Recognition and Measurement**

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Further to this, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Furthermore, all costs incurred to earn the profit or loss for year have been recognised in the income statement, including amortisation, depreciation, write-down and provisions as well as reversals as a consequence of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow into the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each financial statement item.

Certain financial assets and liabilities are measured at amortised cost, by which a constant redemption yield is recognised over the term. Amortised cost is calculated as original cost less instalments and addition/deduction of the accumulated amortisation of the difference between cost and the nominal amount. Thereby, capital and exchange losses or gains are allocated over the term.

On recognition and measurement, anticipated losses and risks that appear before presentation of the annual report and which confirm or invalidate affairs or conditions existing at the balance sheet date are considered.

The functional currency is Danish kroner, DKK. All other currencies are considered foreign currencies.

**Foreign Currency Translations**

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

**Income Statement**

**Gross profit/loss**

The Company has aggregated the items "revenue", "other operating income" as well as external expenses.

As income recognition criterion, the completed contract method is applied so that revenue comprises invoiced revenue for the year. Revenue is measured at fair value excl. VAT and less granted goods and customer discounts.

### Accounting policies

#### Other operating income

Other operating income includes financial statement items of a secondary nature in relation to the primary activity of the enterprise, including profit on sale of fixed assets.

#### External expenses

External expenses comprise selling costs, facility costs and administrative expenses.

#### Other operating expenses

Other operating expenses include financial statement items of a secondary nature in relation to the primary activity of the enterprise, including profit from sale of fixed assets.

#### Other financial income and other financial expenses

Financial income and expenses comprise interest, realised and unrealised exchange gains and losses as well as interest surcharge and interest reimbursements under the Danish Tax Prepayment Scheme.

#### Tax on profit or loss for the year income taxes

Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax.

The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

#### Balance Sheet

The balance sheet has been presented in account form.

#### Assets

##### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulate amortisation and depreciation. The basis of amortisation and depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

Depreciation is initiated when the assets are ready to be taken into operation. Assets are depreciated on a straight-line basis over their estimated useful lives.

The following useful lives are applied for depreciation purposes:

Shop Equipment	7 year - residual value 0%
Computer equipment	3 years - residual value 0%
Leasehold Improvements	10 years - residual value 0%

Profit/loss on sale or retirement has been included in the income statement under other operating income and other operating expenses.

##### Impairment of property, plant and equipment

The carrying amount of property plant and equipment is reviewed annually for indication of impairment for loss, apart from what is expressed by usual amortisation and depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount.

As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the anticipated cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for loss of property, plant and equipment and intangible assets.

##### Fixed asset investments

Other receivables recognised under fixed assets comprise loans and rental deposits measured at amortised cost, which usually corresponds to nominal amount. In events when the carrying amount exceeds the recoverable amount, impairment for loss is made to such lower value. Impairment for loss for the year is recognised in the income statement as impairment for loss of financial assets.

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**Accounting policies**

**Receivables**

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down for bad debt according to an individual assessment.

**Work in progress**

Work in progress is measured at cost price. Where the cost price exceeds the net realisable value, work in progress is written down to this lower value.

**Prepayments**

Prepayments comprise costs incurred relating to subsequent financial years.

**Equity and Liabilities**

**Equity**

Management's proposed dividends for the financial year is disclosed as a separate item in equity.

**Provision for deferred tax**

Deferred tax is measured according to the liability method. Provision has been made for deferred tax by 22% on all temporary differences between carrying amount and tax-based value of assets and liabilities.

The tax-based values of tax losses carried forward are included in the statement of deferred tax if it is probable that the losses can be utilised.

Deferred tax assets which are not expected utilised within a few years have been disclosed in notes under contingent assets.

**Other liabilities other than provisions**

Other liabilities other than provisions have been measured at amortised cost which corresponds to nominal value.

**Deferred income**

Deferred income comprises income received relating to subsequent years.



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Income statement

		<u>Period ended</u> 31-12-2016
	Notes	DKK
Operating income	1	6.700.217
External costs	2	(2.455.629)
<b>Gross profit</b>		<u>4.244.588</u>
Staff costs	3	(1.641.875)
Depreciation, amortisation and impairment losses	4	(647.393)
Other operating expenses	5	(1.878.799)
<b>Operating profit/loss</b>		<u>76.521</u>
Other financial expenses	6	(532.762)
<b>Profit/loss before tax</b>		<u>(456.241)</u>
Tax on profit/loss for the year		-
<b>Profit/loss for the year</b>		<u>(456.241)</u>
<b>Proposed profit/loss distribution</b>		
Retained earnings / Accumulated losses carried forward		(456.241)
Proposed dividends for the financial year		-

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**Balance sheet**

		<b>As at</b>
	Notes	<b>31-12-2016</b>
		<b>DKK</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4	9.871.836
Non-current Prepayments		209.142
<b>Total non-current assets</b>		<b>10.080.978</b>
<b>Current assets</b>		
Trade receivables	7	9.421
Other receivables	8	1.316.869
Prepayments		-
		<b>1.326.290</b>
<b>Cash</b>		<b>1.187.974</b>
<b>Total current assets</b>		<b>2.514.264</b>
<b>Total Assets</b>		<b>12.595.242</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	9	50.000
Retained earnings		(456.241)
Proposed dividends		-
<b>Total equity</b>		<b>(406.241)</b>
<b>Current liabilities</b>		
Trade payables		857.060
Payables to group enterprises		10.603.675
Other payables	10	1.514.747
Deferred income		213.935
Received prepayments		12.066
<b>Total current liabilities</b>		<b>13.001.483</b>
<b>Total liabilities</b>		<b>13.001.483</b>
<b>Total Equity and Liabilities</b>		<b>12.595.242</b>

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Notes to the financial statements

<b>1 Operating income</b>					<b>2016</b>
					<b>DKK</b>
Sales of goods					6.700.217
					<u>6.700.217</u>
<b>2 External costs</b>					<b>2016</b>
					<b>DKK</b>
Cost of goods sold					(2.455.629)
					<u>(2.455.629)</u>
<b>3 Staff costs</b>					<b>2016</b>
					<b>DKK</b>
Gross salaries					(1.458.252)
Holiday accrual					(166.021)
Holiday allowance					(5.958)
Company pension contributions					(11.644)
					<u>(1.641.875)</u>
<b>4 Property, plant and equipment</b>					
	<b>Computer equipment DKK</b>	<b>Shop equipment DKK</b>	<b>Leashold improvements DKK</b>		<b>Total DKK</b>
<b>Cost</b>					
At 1 December 2015	-	-	-		-
Additions	1.067.159	4.853.435	4.565.426		10.586.020
Disposals	-	-	-		-
At 31 December 2016	<u>1.067.159</u>	<u>4.853.435</u>	<u>4.565.426</u>		<u>10.586.020</u>
<b>Accumulated depreciation</b>					
At 1 December 2015	-	-	-		-
Charge for the period	(197.418)	(294.132)	(222.634)		(714.184)
At 31 December 2016	<u>(197.418)</u>	<u>(294.132)</u>	<u>(222.634)</u>		<u>(714.184)</u>
<b>Carrying amount</b>					
At 1 December 2015	-	-	-		-
At 31 December 2016	<u>869.741</u>	<u>4.659.303</u>	<u>4.342.792</u>		<u>9.871.836</u>

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Notes to the financial statements

<b>5 Other operating expenses</b>	<b>DKK</b>
Rent and housing	(895.785)
Transportation	(33.442)
Accounting and compliance services, domiciliation services	(39.373)
Travel expenses	(15.510)
Bank charges	(57.483)
Marketing and promotion expenses	(322.616)
HR expenses	(239.619)
Administrative expenses	(105.852)
Other operating expenses	(69.119)
	<hr/>
	<b>(1.878.799)</b>
<b>6 Other financial expenses</b>	<b>2016</b>
	<b>DKK</b>
Foreign exchange losses	(63.285)
Interest expense	(469.497)
	<hr/>
	<b>(532.782)</b>
<b>7 Other receivables</b>	<b>31-12-2016</b>
	<b>DKK</b>
Receivables from employees	9.421
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	<b>9.421</b>
<b>8 Prepayments</b>	<b>31-12-2016</b>
	<b>DKK</b>
Prepaid rent	47.250
Deferred expenses	1.269.619
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	<b>1.316.869</b>

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Notes to the financial statements

	31-12-2016 DKK
<b>9 Equity</b>	
Share capital at 31 December 2016	80.000
Retained earnings at 1 December 2015	-
Transfer from profit/loss for the year	(456.241)
Retained earnings at 31 December 2016	(456.241)
Equity at 31 December 2016	(406.241)
<b>10 Other payables</b>	
	31-12-2016 DKK
Payroll related taxes and contributions	(350.273)
Holiday accrual	(159.144)
Holiday allowance accrual	(13.292)
VAT payable	(819.867)
Accrued expenses	(172.381)
	(1.514.747)

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