

# Suit Supply Denmark ApS

c/o TMF Denmark A/S  
Købmagergade 60, 1. tv., 1150 København K

CVR no. 37 26 92 55

Annual report 2018

Approved at the Company's annual general meeting on 31 May 2019

Chairman:

  
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Magnus Bojer-Larsen

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### **Statement by the Executive Board**

Today, the Executive Board has discussed and approved the annual report of Suit Supply Denmark ApS for the financial year 1 January - 31 December 2018.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

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

I recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 May 2019  
Executive Board:



Fokke Marten de Jong  
Director

## Independent auditor's report

To the shareholder of Suit Supply Denmark ApS

### Opinion

We have audited the financial statements of Suit Supply Denmark ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### Management's responsibilities 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.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive 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 for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of 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 and the reasonableness of accounting

## Independent auditor's report

- Obtain an understanding of 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 and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 financial statements 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 financial statements, including the note disclosures, and whether the financial statements represent 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 internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, 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 conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2019  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Peter Jensen  
State Authorised Public Accountant  
mne33246

## Management's review

### Company details

Name	Suit Supply Denmark ApS
Address, Postal code, City	c/o TMF Denmark A/S Købmagergade 60, 1. tv., 1150 København K
CVR no.	37 26 92 55
Established	1 December 2015
Registered office	København
Financial year	1 January - 31 December
Website	<a href="http://www.suitsupply.com">www.suitsupply.com</a>
Executive Board	Fokke Marten de Jong, Director
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Business review

The company operates a clothing retail store in Copenhagen and a Danish webstore. Specializing in business attire and accessories, The direct parent as at 31 December 2018 is Suit Supply Holding B.V and the ultimate parent is Fokke de Jong Holding BV.

Suit Supply, founded in Amsterdam in 1999, is a leading vertically integrated, men's tailoring brand. Suit Supply has an extensive retail network, in addition to expanding brick-and-mortar locations, created a fast-growing successful digital platform, allowing Suit Supply to bring its style and top-tier service to all corners of the planet. Suit Supply's product range includes suits, shirts, jackets, coats, trousers, accessories, ties, shoes and knitwear products. In 2017, Suitstudio has been launched with an extensive womens collection.

### Financial review

In 2018, the Company's revenue amounted to DKK 20,143,803 against DKK 18,291,812 last year. The income statement for 2018 shows a profit of DKK 59,508 against a loss of DKK 83,738 last year, and the balance sheet at 31 December 2018 shows a negative equity of DKK 430,471.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

### Outlook

The director 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, for further information please refer to note 2.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2018	2017
	Revenue	20,143,803	18,291,812
	Cost of sales	-9,719,179	-8,291,046
	Other external expenses	-3,369,680	-3,426,299
	<b>Gross margin</b>	<b>7,054,944</b>	<b>6,574,467</b>
3	Staff costs	-4,785,139	-4,058,556
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,979,657	-1,970,317
	<b>Profit before net financials</b>	<b>290,148</b>	<b>545,594</b>
	Financial income	128,563	95,310
4	Financial expenses	-443,361	-724,642
	<b>Profit/loss before tax</b>	<b>-24,650</b>	<b>-83,738</b>
5	Tax for the year	84,158	0
	<b>Profit/loss for the year</b>	<b>59,508</b>	<b>-83,738</b>
	<b>Recommended appropriation of profit/loss</b>		
	Retained earnings/accumulated loss	59,508	-83,738
		<b>59,508</b>	<b>-83,738</b>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2018</u>	<u>2017</u>
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
6	<b>Intangible assets</b>		
	Acquired intangible assets	1,462,963	1,685,185
		<u>1,462,963</u>	<u>1,685,185</u>
7	<b>Property, plant and equipment</b>		
	Fixtures and fittings, other plant and equipment	3,987,150	4,841,132
	Leasehold improvements	3,749,875	4,229,022
	Property, plant and equipment under construction	0	205,484
		<u>7,737,025</u>	<u>9,275,638</u>
	<b>Financial assets</b>		
	Deposits, investments	47,139	49,329
	Deferred tax assets	84,158	0
		<u>131,297</u>	<u>49,329</u>
	<b>Total non-current assets</b>	<u>9,331,285</u>	<u>11,010,152</u>
	<b>Current assets</b>		
	<b>Receivables</b>		
	Trade receivables	23,136	0
	Other receivables	71,017	879,006
	Prepayments	43,145	152,689
		<u>137,298</u>	<u>1,031,695</u>
	<b>Cash</b>	1,538,109	1,781,211
	<b>Total current assets</b>	<u>1,675,407</u>	<u>2,812,906</u>
	<b>TOTAL ASSETS</b>	<u>11,006,692</u>	<u>13,823,058</u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2018	2017
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	50,000	50,000
	Retained earnings	-480,471	-539,979
	<b>Total equity</b>	-430,471	-489,979
	<b>Non-current liabilities</b>		
	Deferred income	444,425	798,892
	<b>Total non-current liabilities</b>	444,425	798,892
	<b>Current liabilities</b>		
	Prepayments received from customers	9,225	3,646
	Trade payables	261,371	742,460
	Payables to group enterprises	7,909,725	9,945,759
	Other payables	2,269,080	2,376,375
	Deferred income	543,337	445,905
	<b>Total current liabilities</b>	10,992,738	13,514,145
	<b>Total liabilities</b>	11,437,163	14,313,037
	<b>TOTAL EQUITY AND LIABILITIES</b>	11,006,692	13,823,058

- 1 Accounting policies
- 2 Financial resources
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2017	50,000	-456,241	-406,241
Transfer through appropriation of loss	0	-83,738	-83,738
<b>Equity at 1 January 2018</b>	<b>50,000</b>	<b>-539,979</b>	<b>-489,979</b>
Transfer through appropriation of profit	0	59,508	59,508
<b>Equity at 31 December 2018</b>	<b>50,000</b>	<b>-480,471</b>	<b>-430,471</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Suit Supply Denmark ApS for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

#### Changes in accounting policies

The accounting policies used in the preparation of the financial statements are consistent with those of last year, except that previously direct costs was presented as other external costs, and other external costs was presented as Other operating costs. There was not impact on the result or equity in the comparative figures, regarding the above change in presentation.

#### Basis of 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 the 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 the initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each financial statement.

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 installments 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.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income statement

###### Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

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.

###### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

###### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

###### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	9 years
Fixtures and fittings, other plant and equipment	3-7 years
Leasehold improvements	10 years

###### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses, e.g. from group entities, exchange gains and losses, as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

###### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

##### Balance sheet

###### Intangible assets

Other intangible assets include other acquired intangible rights, including the right to rent premises.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Financial assets

Other receivables recognised under fixed assets comprise of 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.

##### Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and financial assets 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.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

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 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.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Financial resources

The director has considered the cash flow projections for 2019 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.

DKK	2018	2017
<b>3 Staff costs</b>		
Wages/salaries	4,415,498	3,654,398
Pensions	311,635	361,089
Other social security costs	58,006	43,069
	<u>4,785,139</u>	<u>4,058,556</u>
Average number of full-time employees	<u>11</u>	<u>9</u>
<b>4 Financial expenses</b>		
Interest expenses, group entities	418,586	723,076
Other interest expenses	21,991	1,566
Other financial expenses	2,784	0
	<u>443,361</u>	<u>724,642</u>
<b>5 Tax for the year</b>		
Estimated tax charge for the year	0	-22,150
Deferred tax adjustments in the year	-84,158	0
Tax adjustments, prior years	0	22,150
	<u>-84,158</u>	<u>0</u>
<b>6 Intangible assets</b>		
DKK		<u>Acquired intangible assets</u>
Cost at 1 January 2018		2,000,000
Cost at 31 December 2018		<u>2,000,000</u>
Impairment losses and amortisation at 1 January 2018		314,815
Amortisation for the year		<u>222,222</u>
Impairment losses and amortisation at 31 December 2018		537,037
Carrying amount at 31 December 2018		<u>1,462,963</u>



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 7 Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment	Leasehold improvements	Property, plant and equipment under construction	Total
Cost at 1 January 2018	6,490,157	4,949,683	205,484	11,645,324
Additions	37,900	0	190,710	228,610
Disposals	0	-9,788	0	-9,788
Transferred	403,299	-7,105	-396,194	0
Cost at 31 December 2018	<u>6,931,356</u>	<u>4,932,790</u>	<u>0</u>	<u>11,864,146</u>
Impairment losses and depreciation at 1 January 2018	1,649,025	720,661	0	2,369,686
Depreciation	1,295,181	462,254	0	1,757,435
Impairment losses and depreciation at 31 December 2018	<u>2,944,206</u>	<u>1,182,915</u>	<u>0</u>	<u>4,127,121</u>
Carrying amount at 31 December 2018	<u>3,987,150</u>	<u>3,749,875</u>	<u>0</u>	<u>7,737,025</u>

#### 8 Contractual obligations and contingencies, etc.

##### Other financial obligations

##### Other rent and lease liabilities:

DKK	2018	2017
Rent and lease liabilities	<u>4,842,952</u>	<u>4,670,875</u>

#### 9 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2018.

