

LS the stores in DK ApS

Grønnegade 16

1107 København K

CVR No. 37529680

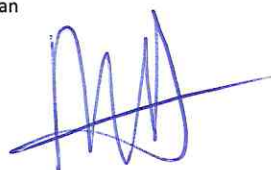
Annual Report 2016

1. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on

31 October 2017

Chairman

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end, positioned below the text 'Chairman'.

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Management's Statement

Today, Management has considered and adopted the Annual Report of LS the stores in DK ApS for the financial year 10 March 2016 - 31 December 2016.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 10 March 2016 - 31 December 2016.

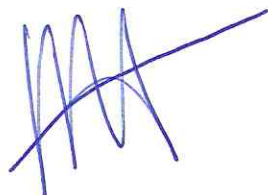
The conditions for not conducting an audit of the Financial Statement have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

, 31 October 2017

Executive Board

Marloes Jolien Hoedeman
Manager



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Company details

Company	LS the stores in DK ApS Grønnegade 16 1107 København K
CVR No.	37529680
Date of formation	10 March 2016
Financial year	10 March 2016 - 31 December 2016
Executive Board	Marloes Jolien Hoedeman, Manager

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Management's Review

The Company's principal activities

The Company's principal activities consist in retail business with the sale of underwear.

Development in activities and financial matters

The Company's Income Statement of the financial year 10 March 2016 - 31 December 2016 shows a result of DKK -420.352 and the Balance Sheet at 31 December 2016 a balance sheet total of DKK 1.804.420 and an equity of DKK -370.352.

Expectations for the future

The Company expects its operations to develop positively next year.

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Accounting Policies

Reporting Class

The Annual Report of LS the stores in DK ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

As the financial year 2016 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

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

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Accounting Policies

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Raw materials and consumables

Costs for raw materials and consumables comprise purchase of goods and services for resale.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life
Goodwill	7 years
Other fixtures and fittings, tools and equipment	3-5 years

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses and foreign currency transactions.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

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Accounting Policies

Balance Sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Goodwill is amortized over the expected economic life, which is determined on the basis of the management's experience with the individual business area. The amortization period is 7 years.

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Merchandise are measured at cost comprising purchase price plus delivery costs.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year.

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Income Statement

	Note	2016 kr.
Gross profit		-101.950
Employee benefits expense	1	-282.013
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	2	<u>-152.372</u>
Profit from ordinary operating activities		-536.335
Other finance income		721
Finance expences		<u>-829</u>
Profit from ordinary activities before tax		-536.443
Tax expense on ordinary activities	3	<u>116.091</u>
Profit		<u>-420.352</u>

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Balance Sheet as of 31 December

	Note	2016 kr.
Assets		
Goodwill	4	<u>224.421</u>
Intangible assets		<u>224.421</u>
Fixtures, fittings, tools and equipment	5	67.346
Leasehold improvements	6	<u>511.573</u>
Property, plant and equipment		<u>578.919</u>
Deposits, investments		<u>202.186</u>
Investments		<u>202.186</u>
Fixed assets		<u>1.005.526</u>
Manufactured goods and goods for resale		<u>228.989</u>
Inventories		<u>228.989</u>
Other short-term receivables		234.739
Deferred income		<u>34.725</u>
Receivables		<u>269.464</u>
Cash and cash equivalents		<u>300.441</u>
Current assets		<u>798.894</u>
Assets		<u>1.804.420</u>

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Balance Sheet as of 31 December

	Note	2016 kr.
Liabilities and equity		
Contributed capital	7	50.000
Retained earnings		-420.352
Equity		<u>-370.352</u>
Provisions for deferred tax		-116.091
Provisions		<u>-116.091</u>
Trade payables		560.355
Payables to group enterprises		1.702.985
Other payables		27.523
Short-term liabilities other than provisions		<u>2.290.863</u>
Liabilities other than provisions within the business		<u>2.290.863</u>
Liabilities and equity		<u>1.804.420</u>

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Notes

2016

1. Employee benefits expense

Wages and salaries	265.692
Social security contributions	3.124
Other employee expense	13.197
	<u>282.013</u>

Average number of employees	<u>1</u>
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2. Depreciation, amortisation expense and impairment losses of property and equipment and intangible assets

Goodwill	25.579
Fixtures, fittings, tools and equipment	12.414
Leasehold improvements	114.379
	<u>152.372</u>

3. Tax expense

Estimated tax on taxable income for the year	-122.356
Adjustment of deferred tax for the year	6.265
	<u>-116.091</u>

4. Goodwill

Addition during the year, incl. improvements	<u>250.000</u>
Cost at the end of the year	<u>250.000</u>

Amortisation for the year	<u>-25.579</u>
Impairment losses and amortisation at the end of the year	<u>-25.579</u>

Carrying amount at the end of the year	<u>224.421</u>
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5. Fixtures, fittings, tools and equipment

Addition during the year, incl. improvements	<u>79.760</u>
Cost at the end of the year	<u>79.760</u>

Amortisation for the year	<u>-12.414</u>
Impairment losses and amortisation at the end of the year	<u>-12.414</u>

Carrying amount at the end of the year	<u>67.346</u>
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Notes

2016

6. Leasehold improvements

Addition during the year, incl. improvements	625.952
Cost at the end of the year	625.952

Amortisation for the year	-114.379
Impairment losses and amortisation at the end of the year	-114.379

Carrying amount at the end of the year	511.573
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7. Contributed capital

Additions during the year	50.000
Balance at the end of the year	50.000

8. Statement of deferred tax

	Carrying amount	Taxable value	Basis of computation	Estimated deferred tax charge, 22%
Spec.				
Goodwill	224.421	214.286	10.135	2.230
Fixtures, fittings, tools and equipment	67.346	59.820	7.526	1.656
Leasehold Improvements	511.573	500.761	10.812	2.379
Tax loss carryforward	0	556.162	-556.162	-122.356
Basis of computation and deferred tax ultimo			-527.689	-116.091
Change of the year			-527.689	-116.091
Deferred tax recognized in the balance sheet:				
Deferred tax in the beginning of the year				0
Regulation of the year				-116.091
Defferd tax asset at the end of year				-116.091