

LS the stores in DK ApS

Grønnegade 16

1107 København K

CVR No. 37529680

Annual Report 2017

2. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 7 August 2018

Marloes Jolien Hoedeman
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 1 January 2017 - 31 December 2017.

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 2017 and of the results of the Company's operations for the financial year 1 January 2017 - 31 December 2017.

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.

Amsterdam, 7 August 2018

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	1 January 2017 - 31 December 2017
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 1 January 2017 - 31 December 2017 shows a result of DKK -312.252 and the Balance Sheet at 31 December 2017 a balance sheet total of DKK 1.934.494 and an equity of DKK -32.604.

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 2017 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 2017 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	6 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	2017 DKK	2016 DKK
Gross profit		571.948	-101.950
Employee benefits expense	1	-646.509	-282.013
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	2	-312.950	-152.372
Profit from ordinary operating activities		-387.511	-536.335
Other finance income		0	721
Finance expences		-20.527	-829
Profit from ordinary activities before tax		-408.038	-536.443
Tax expense on ordinary activities	3	95.786	116.091
Profit		-312.252	-420.352
Proposed distribution of results			
Retained earnings		-312.252	-420.352
Distribution of profit		-312.252	-420.352

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Balance Sheet as of 31 December

	Note	2017 DKK	2016 DKK
Assets			
Goodwill	4	182.755	224.421
Intangible assets		182.755	224.421
Fixtures, fittings, tools and equipment	5	114.993	67.346
Leasehold improvements	6	258.115	511.573
Property, plant and equipment		373.108	578.919
Deposits, investments		207.452	202.186
Investments		207.452	202.186
Fixed assets		763.315	1.005.526
Manufactured goods and goods for resale		584.555	228.989
Inventories		584.555	228.989
Short-term trade receivables		68.472	0
Current deferred tax		211.876	116.091
Other short-term receivables		137.364	234.739
Deferred income		0	34.725
Receivables		417.712	385.555
Cash and cash equivalents		168.912	300.441
Current assets		1.171.179	914.985
Assets		1.934.494	1.920.511

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Balance Sheet as of 31 December

	Note	2017 DKK	2016 DKK
Liabilities and equity			
Contributed capital	7	50.001	50.000
Share premium	8	649.999	0
Retained earnings		-732.604	-420.352
Equity		-32.604	-370.352
Payables to group enterprises		1.875	0
Long-term liabilities other than provisions		1.875	0
Trade payables		1.379.615	560.355
Payables to group enterprises		521.819	1.702.985
Other payables		54.875	27.523
Deferred income, liabilities		8.914	0
Short-term liabilities other than provisions		1.965.223	2.290.863
Liabilities other than provisions within the business		1.967.098	2.290.863
Liabilities and equity		1.934.494	1.920.511

Notes

	2017	2016
1. Employee benefits expense		
Wages and salaries	600.174	265.692
Social security contributions	7.931	3.124
Other employee expense	38.404	13.197
	646.509	282.013
Average number of employees	2	1
2. Depreciation, amortisation expense and impairment losses of property and equipment and intangible assets		
Goodwill	41.666	25.579
Fixtures, fittings, tools and equipment	14.108	12.414
Leasehold improvements	257.176	114.379
	312.950	152.372
3. Tax expense		
Adjustment of deferred tax for the year	-95.786	-116.091
	-95.786	-116.091
4. Goodwill		
Cost at the beginning of the year	250.000	0
Addition during the year, incl. improvements	0	250.000
Cost at the end of the year	250.000	250.000
Depreciation and amortisation at the beginning of the year	-25.579	0
Amortisation for the year	-41.666	-25.579
Impairment losses and amortisation at the end of the year	-67.245	-25.579
Carrying amount at the end of the year	182.755	224.421
5. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	79.760	0
Addition during the year, incl. improvements	61.755	79.760
Cost at the end of the year	141.515	79.760
Depreciation and amortisation at the beginning of the year	-12.414	0
Amortisation for the year	-14.108	-12.414
Impairment losses and amortisation at the end of the year	-26.522	-12.414
Carrying amount at the end of the year	114.993	67.346

Notes

	2017	2016		
6. Leasehold improvements				
Cost at the beginning of the year	625.952	0		
Addition during the year, incl. improvements	3.718	625.952		
Cost at the end of the year	629.670	625.952		
Depreciation and amortisation at the beginning of the year	-114.379	0		
Amortisation for the year	-257.176	-114.379		
Impairment losses and amortisation at the end of the year	-371.555	-114.379		
Carrying amount at the end of the year	258.115	511.573		
7. Contributed capital				
Balance at the beginning of the year	50.000	0		
Additions during the year	1	50.000		
Balance at the end of the year	50.001	50.000		
8. Share premium				
Additions during the year	649.999	0		
Balance at the end of the year	649.999	0		
9. Statement of deferred tax				
	Carrying amount	Taxable value	Basis of computation	Estimated deferred tax charge, 22%
Spec.				
Goodwill	182.755	178.572	4.183	920
Fixtures, fittings, tools and equipment	114.993	68.797	46.196	10.163
Leasehold Improvements	258.115	427.949	-169.834	-37.363
Tax loss carryforward		843.616	-843.616	-185.596
Basis of computation and deferred tax ultimo			-963.071	-211.876
Calculation basis and deferred tax at the beginning of the year			-527.689	-116.091
Change of the year			-435.382	-95.785
Deferred tax recognized in the balance sheet:				
Deferred tax in the beginning of the year				-116.091
Regulation of the year				-95.785
Defferd tax asset at the end of year				-211.876