

Siretex ApS

c/o Thyregod Advokater
Hammerensgade 6, 2. tv, København K

CVR No. 34 71 08 80

REVISION & RÅDGIVNING

Annual report for the year ended 31 December 2014

Approved at the annual general meeting of shareholders on

May 19th, 2015

As chairman:



ADVOKAT
CRISTIANO ROSSI
HAMMERENSGADE 6
1267 KØBENHAVN K

Contents

Management's review	1
Management's review	1
Statement by management on the annual report	2
Independent auditor's reports	3
Financial statements	
Income statement	5
Balance sheet	6
Statement of changes in equity	6
Notes	
Accounting policies	9
Uncertainty as to going concern	10
Staff costs	11
Financial income	11
Financial expenses	11
Property, plant and equipment	11
Share capital	12
Long-term liabilities	12
Contingent liabilities and other financial obligations	12

Management's review

The company's business review

The company's main activities consist of trading of clothes.

Financial review

The income statement for 2014 shows a loss of DKK -6,068,865 against DKK -7,533,276 last year, and the balance sheet at 31 December 2014 shows equity of DKK 2,185,859.

The Company relies on financial support from the parent company. The parent company has indicated that it will support the company financially with either the share capital or if necessary loans, which it has done previously.

See note 2 for further details about it.

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Outlook

The Company relies on financial support from the parent company. The parent company has indicated that it will support the company financially with either the share capital or if necessary loans, which it has done previously.

Statement by management on the annual report

The Executive Board has today discussed and approved the annual report of Siretex ApS for the financial year 1 January - 31 December 2014.

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 company's financial position at 31 December 2014 and of the results of the company's operations for the financial year 1 January - 31 December 2014.

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

I recommend the adoption of the annual report at the annual general meeting.

Budapest, 12 May 2015

Executive board:


Massimiliano Neri

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1267 KØBENHAVN

Independent auditor's reports

To the shareholders of Siretex ApS

Report on financial statements

We have audited the financial statements of Siretex ApS for the financial year 1 January - 31 December 2014, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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. Further, management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view.

The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Qualification

Basis for qualified opinion

We were appointed as auditors of the company after December 31, 2013. We were unable to obtain sufficient appropriate audit evidence about the presence or valuation of the opening balance. As a result, we were unable to determine the accuracy of opening balance sheet January 1, 2014, comparative information for 2013 and the matters impact on the income statement.

We observed the material physical inventory at end of December 2014. Subsequent we were unable to obtain sufficient appropriate audit evidence whether the existence of the inventory held at December 31, 2014 are in accordance with the registered inventory which in the annual report are stated at t.dk. 7,776. We were not able to quantify any possibly deviation between the value of the physical inventory and the registered inventory.

Qualified opinion

In our opinion, except for the possible effect from the matter referred to in the paragraph 'Basis for qualified opinion', the financial statements give a true and fair view of the company's financial position at 31 December 2014 and of the results of its operations for the financial year 1 January - 31 December 2014 in accordance with the Danish Financial Statements Act.

Emphasis-of-matter paragraph concerning matters in the financial statements

Without modifying our audit opinion, we wish to point to note 2 in the financial statements, which describes that the company is dependent on financial support from the parent company.

Statement on the management's review

In accordance with the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Brøndby, 12 May 2015

ALBJERG

Statsautoriseret Revisionspartnerselskab



Tommy Nørskov

State Authorised Public Accountant

Income statement for the year ended 31 December

Notes	<u>2014</u> DKK	<u>2013</u> DKK
Gross margin	-1.270.666	-3.007.443
3 Staff costs	-3.834.194	-3.680.049
Depreciation of property, plant and equipment	<u>-912.471</u>	<u>-852.346</u>
Operating profit/loss	-6.017.331	-7.539.838
4 Financial income	6.676	16.881
5 Financial expenses	<u>-58.210</u>	<u>-10.319</u>
Pre-tax profit/loss	-6.068.865	-7.533.276
Tax for the year	<u>0</u>	<u>0</u>
Profit/loss for the year	<u>-6.068.865</u>	<u>-7.533.276</u>
 Recommended appropriation of the profit/loss for the year		
Retained earnings/accumulated loss	<u>-6.068.865</u>	<u>-7.533.276</u>
	<u>-6.068.865</u>	<u>-7.533.276</u>

Balance sheet at 31 December

Notes	2014 DKK	2013 DKK
Assets		
Fixed assets		
Leasehold improvements	<u>4.675.508</u>	<u>5.245.523</u>
6 Property, plant and equipment	<u>4.675.508</u>	<u>5.245.523</u>
Total fixed assets	<u>4.675.508</u>	<u>5.245.523</u>
Current assets		
Manufactured goods and goods for resale	<u>7.775.976</u>	<u>5.613.287</u>
Inventories	<u>7.775.976</u>	<u>5.613.287</u>
Other receivables	<u>4.362.145</u>	<u>6.510.685</u>
Receivables	<u>4.362.145</u>	<u>6.510.685</u>
Cash	<u>3.003.688</u>	<u>3.644.565</u>
Total current assets	<u>15.141.809</u>	<u>15.768.537</u>
Total assets	<u>19.817.317</u>	<u>21.014.060</u>

Balance sheet at 31 December

Notes	2014 DKK	2013 DKK
Equity and liabilities		
Equity		
7	Share capital	15.788.000
	Retained earnings/Accumulated loss	15.788.000
	<u>-13.602.141</u>	<u>-7.533.276</u>
	Total equity	<u>8.254.724</u>
Liabilities		
	Payables to group entities	1.488.000
	<u>1.488.000</u>	<u>0</u>
8	Long-term liabilities	0
	Payables to group entities	11.166.309
	Other payables	7.364.263
	<u>4.977.149</u>	<u>5.395.073</u>
	Short-term liabilities	<u>12.759.336</u>
	Total liabilities	<u>17.631.458</u>
	Total equity and liabilities	<u>21.014.060</u>

Statement of changes in equity

(DKK)	Share capital	Retained earnings/accu- mulated loss	Total
Equity at 1/1 2014	15.788.000	-13.978.761	1.809.239
Correction of fundamental errors	0	6.445.485	6.445.485
Profit/loss for the year, cf. appropriation of profit/loss		-6.068.865	-6.068.865
Equity at 31/12 2014	15.788.000	-13.602.141	2.185.859

For a detailed description of fundamental errors see Note 1 on page 9.

1. Accounting policies

The annual report of Siretex ApS has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the company are consistent with those of last year.

Fundamental errors

The entity's cost of sales are in prior financial years due to product discount etc. recognised at too high amounts, and other receivables are recognised at too low amounts and the financial statements for 2013 did not give a true and fair view. Therefore, the error has been corrected as a fundamental error by restating comparatives and opening equity figures in these financial statements. In consequence of the correction, cost of sales for 2013 has been affected positively by t.DKK 6.445, and other receivables at 31 December 2013 have been affected positively by t.DKK 6.445. In total, the balance sheet total at 31 December 2013 has been affected positively by t.DKK 6.445, and equity has been affected positively by t.DKK 6.445. The opening equity at 1 January 2014 has been affected positively by DKK 6.445.

Reporting currency

The financial statements are presented in Danish kroner.

Currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rate at the date of the transaction.

Receivables, payables and other monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Income statement

Revenue

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross margin'.

Other external expenses

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

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Depreciation of property, plant and equipment

The item comprises depreciation of property, plant and equipment.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost.

The expected useful lives of the assets are as follows:

	<u>Useful life (year)</u>
Leasehold improvements	7

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 as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

1. Accounting policies - continued

Balance sheet

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.

Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO method, and net realisable value.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Prepayments

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

Cash and cash equivalents

Cash comprises cash balances and bank balances.

Other payables

Other payables are measured at net realisable value.

2. Uncertainty as to going concern

The Company relies on financial support from the parent company. The parent company has indicated that it will support the company financially with either the share capital or if necessary loans, which it has done previously.

Notes

	2014 DKK	2013 DKK
3. Staff costs		
Analysis of staff costs:		
Wages/salaries	3.302.062	3.556.756
Pensions	50.097	22.484
Other social security costs	454.912	0
Other staff costs	27.123	100.809
	<u>3.834.194</u>	<u>3.680.049</u>
4. Financial income		
Other financial income	6.676	16.881
	<u>6.676</u>	<u>16.881</u>
5. Financial expenses		
Other financial expenses	58.210	10.319
	<u>58.210</u>	<u>10.319</u>
6. Property, plant and equipment		
(DKK)		Leasehold improvements
Cost		
Balance at 1/1 2014		6.097.869
Additions in the year		342.456
Cost at 31/12 2014		<u>6.440.325</u>
Depreciation and impairment losses		
Balance at 1/1 2014		852.346
Depreciation in the year		912.471
Depreciation and impairment losses at 31/12 2014		<u>1.764.817</u>
Carrying amount at 31/12 2014		<u>4.675.508</u>

7. Share capital

	2014 DKK	2013 DKK
Analysis of changes in the share capital over the past 2 years:		
Opening balance	15.788.000	149.000
Capital increase	<u>0</u>	<u>15.639.000</u>
Closing balance	<u>15.788.000</u>	<u>15.788.000</u>

8. Long-term liabilities

Analysis of long-term liabilities:

	Falling due between 1 and 5 years DKK	Falling due after more than 5 years DKK	Total long- term liabilities at 31/12 2014 DKK	Current portion of long-term liabilities DKK
Payables to group entities	<u>1.488.000</u>	<u>0</u>	<u>1.488.000</u>	<u>0</u>
	<u>1.488.000</u>	<u>0</u>	<u>1.488.000</u>	<u>0</u>

9. Contingent liabilities and other financial obligations**Other contingent liabilities**

The company operates from leased premises. There are entered into a lease with a terminate similarity of 6 months with an obligation which constitutes t.kr 3.362