IC Group A/S

Høsterkøbvej 65, DK-2970 Hørsholm

Annual Report for 1 July 2019 - 30 June 2020

CVR No 62 81 64 14

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 30/11 2020

Per Hillebrandt Jensen
Chairman of the General Meeting

Per Hillebrandt Jensen

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of IC Group A/S for the financial year 1 July 2019 - 30 June 2020.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 June 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2019/20.

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

Rudersdal, 30 November 2020

Executive Board

Per Hillebrandt Jensen

Board of Directors

Niels Erik Martinsen
Chairman

Christoffer Martinsen-Kønigsfeldt
Deputy Chairman

Per Hillebrandt Jensen

Independent Auditor's Report

To the Shareholders of IC Group A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2020 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 July 2019 - 30 June 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of IC Group A/S for the financial year 1 July 2019 - 30 June 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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 are independent of the Group 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Independent Auditor's Report

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or 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 about 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 these 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 and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- 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 Group's and 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 Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Hellerup, 30 November 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Kim Tromholt
statsautoriseret revisor
mne33251

Dan Bjerregaard
statsautoriseret revisor
mne33701

Company Information

The Company	IC Group A/S Høsterkøbvej 65 DK-2970 Hørsholm Telephone: + 45 45 94 66 10 E-mail: hasn@icgroup.net Website: www.icgroup.net CVR No: 62 81 64 14 Financial period: 1 July - 30 June Municipality of reg. office: Rudersdal
Board of Directors	Niels Erik Martinsen, Chairman Christoffer Martinsen-Kønigsfeldt Per Hillebrandt Jensen
Executive Board	Per Hillebrandt Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2019/20	2018/19*	2017/18**	2016/17**	2015/16**
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
Key figures					
Profit/loss					
Revenue	862	1,096	1,197	1,314	1,331
Operating profit/loss	-189	-106	123	66	167
Profit/loss before financial income and expenses	-167	-56	72	13	129
Net financials	-6	4	-7	-1	-8
Profit/loss from discontinuing activities	3	-74	1,556	83	93
Net profit/loss for the year	-154	-128	1,606	92	195
Balance sheet					
Balance sheet total	450	613	2,755	1,393	1,444
Equity	37	198	2,294	723	740
Cash flows					
Cash flows from:					
- operating activities	-29	-67	270	175	183
- investing activities	-16	-13	1,699	-88	55
including investment in property, plant and equipment	-4	-3	-53	-72	-81
- financing activities	3	-1,834	-79	-79	-319
Change in cash and cash equivalents for the year	-42	-1,914	1,890	8	-81
Number of employees	452	572	808	1,186	1,146
Ratios					
Gross margin	14.6%	28.5%	61.3%	59.4%	61.2%
Profit margin	-19.4%	-5.1%	6.0%	1.0%	9.7%
Return on assets	-37.1%	-9.1%	2.6%	0.9%	8.9%
Solvency ratio	8.2%	32.3%	83.3%	51.9%	51.2%
Return on equity	-131.1%	-10.3%	106.5%	12.6%	23.5%

Financial Highlights

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

* Numbers has been restated to include the effect of change in accounting policies from IFRS to ÅRL.

** Numbers has not been restated to include the effect of change in accounting policies from IFRS to ÅRL.

Management's Review

Consolidated and Parent Company Financial Statements of IC Group A/S for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

In 2019/20 the accounting policy has been changed from the International Financial Reporting Standards to the Danish Financial Statements Act. For description of the effect please refer to note 23.

Key activities

IC Group is a holding company with the full ownership of the two fashion companies Tiger of Sweden AB and By Malene Birger A/S.

Development in the year

The income statement of the Group for 2019/20 shows a loss of Mio. DKK 154, and at 30 June 2020 the balance sheet of the Group shows equity of Mio. DKK 37.

The transformation of the IC Group, which has been ongoing for some time, was finalized during the 2019/20. IC Group is now a pure holding company with very limited activities besides the full ownership of Tiger of Sweden and By Malene Birger. The two Brands now operates as fully independent companies with the full responsibility for their own business strategy, value chain, earnings development etc.

The COVID-19 pandemic with temporarily close downs of shops, restrictions on traveling, lower consumer confidence etc. has been a huge challenge for the whole fashion industry. For IC Group these measures lead to a decline in sales of 21% to Mio. DKK 862, for the accounting year 2019/20 compared to last year. Except for own and third party e-commerce sales declined in other distribution channels.

The decline in sales combined with pressure on gross margin and one-offs related to various write-downs lead to a negative profit/loss before financial items of Mio. DKK -167 compared to Mio. DKK -56 in 2018/19.

Loss of share capital

Due to COVID-19 the Company has incurred an unexpected loss of Mio. DKK 154, which has led to a loss of more than 50% of the share capital in 2019/20. It is Management's expectation that the equity capital will be restored by a capital decrease that will be performed during 2020/21.

Strategy

It is the strategy of IC Group to act as active owners of the two brands and in corporation with the management and employees of the brands develop those with aim of improve profitability and value.

Management's Review

Targets and expectations for the year ahead

The effects from the COVID-19 pandemic will also have a negative impact on sales and earnings in 2020/21. For the full year IC Group projects, a slightly lower revenue than in 2019/20. Both the Groups brands have in 2019/20 restructured and reduced the cost base to cope with the decline in sales. For the full year 2020/21 the company projects a small negative operating result. A resurgence of COVID-19 with new lock down and restrictions may change these projections.

Statement of corporate social responsibility

For the Groups statement on CSR in accordance with section 99a of the Danish financial statements act, we refer to the Communication of Progress report for 2019/20 which can be found at www.icgroup.net/responsibility/corporate-responsibility-report/.

Statement on gender composition

IC Group A/S has a goal that both sexes are represented on the Board of Directors by 2025 at the latest, i.e. that there will be at least one female elected to the Board.

The owner did not find it relevant and appropriate to change the composition of the Board of Directors at the Annual General Meeting in 2019.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 30 June 2020 of the Group and the results of the activities and cash flows of the Group for the financial year for 2019/20 have not been affected by any unusual events other than the COVID-19 pandemic.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 July - 30 June

	Note	Group 2019/20 Mio. DKK	Group 2018/19 Mio. DKK	Parent 2019/20 Mio. DKK	Parent 2018/19 Mio. DKK
Revenue	2	**862**	**1,096**	**0**	**0**
Change in inventories of finished goods, work in progress and goods for resale		-472	-512	0	0
Other operating income		22	50	18	98
Other external expenses		-286	-322	-21	-48
Gross profit/loss		**126**	**312**	**-3**	**50**
Staff expenses	3	-250	-330	-22	-98
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-43	-38	0	-11
Profit/loss before financial income and expenses		**-167**	**-56**	**-25**	**-59**
Income from investments in subsidiaries	11	0	0	-123	-77
Financial income	5	28	16	37	22
Financial expenses	6	-34	-12	-47	-11
Profit/loss before tax		**-173**	**-52**	**-158**	**-125**
Tax on profit/loss for the year	7	16	-2	4	-3
Profit/loss from continuing activities		**-157**	**-54**	**-154**	**-128**
Profit/loss from discontinuing activities	8	3	-74	0	0
Net profit/loss for the year		**-154**	**-128**	**-154**	**-128**

Balance Sheet 30 June

Assets

		Group		Parent	
	Note	2019/20 Mio. DKK	2018/19 Mio. DKK	2019/20 Mio. DKK	2018/19 Mio. DKK
Software & IT-Systems		2	0	0	0
Acquired rights		10	18	0	1
Goodwill		0	0	0	0
Intangible assets	9	**12**	**18**	**0**	**1**
Land and buildings		4	5	0	0
Other fixtures and fittings, tools and equipment		11	18	0	2
Leasehold improvements		8	17	0	0
Property, plant and equipment in progress		3	5	0	1
Property, plant and equipment	10	**26**	**45**	**0**	**3**
Investments in subsidiaries	11	0	0	103	104
Deposits	12	2	8	0	0
Other receivables	12	4	0	4	231
Fixed asset investments		**6**	**8**	**107**	**335**
Fixed assets		**44**	**71**	**107**	**339**
Inventories		**159**	**179**	**0**	**0**
Trade receivables		93	178	0	21
Receivables from group enterprises		0	0	85	168
Other receivables		4	25	1	18
Deferred tax asset	16	52	33	17	13
Corporation tax		23	23	2	0
Prepayments	13	37	50	2	10
Receivables		**209**	**309**	**107**	**230**
Cash at bank and in hand		**38**	**54**	**1**	**38**
Currents assets		**406**	**542**	**108**	**268**
Assets		**450**	**613**	**215**	**607**

Balance Sheet 30 June

Liabilities and equity

	Note	Group 2019/20 Mio. DKK	Group 2018/19 Mio. DKK	Parent 2019/20 Mio. DKK	Parent 2018/19 Mio. DKK
Share capital		152	152	152	152
Retained earnings		-115	46	-115	46
Equity	14	**37**	**198**	**37**	**198**
Provision for deferred tax	16	2	2	0	0
Provisions relating to investments in group enterprises		0	0	20	70
Other provisions	17	43	51	2	27
Provisions		**45**	**53**	**22**	**97**
Credit institutions		121	95	116	102
Trade payables		123	155	5	32
Payables to group enterprises		0	0	32	159
Corporation tax		12	9	0	0
Other payables		112	103	3	19
Short-term debt		**368**	**362**	**156**	**312**
Debt		**368**	**362**	**156**	**312**
Liabilities and equity		**450**	**613**	**215**	**607**

Uncertainty related to going concern	1
Distribution of profit	15
Contingent assets, liabilities and other financial obligations	20
Related parties	21
Fee to auditors appointed at the general meeting	22
Accounting Policies	23

Statement of Changes in Equity

Group

	Share capital	Retained earnings	Total
	Mio. DKK	Mio. DKK	Mio. DKK
Equity at 1 July	152	119	271
Net effect from change of accounting policy*	0	-73	-73
Adjusted equity at 1 July	152	46	198
Exchange adjustments	0	-7	-7
Net profit/loss for the year	0	-154	-154
Equity at 30 June	**152**	**-115**	**37**

Parent

	Share capital	Retained earnings	Total
Equity at 1 July	152	494	646
Net effect from change of accounting policy*	0	-448	-448
Adjusted equity at 1 July	152	46	198
Other equity movements	0	-7	-7
Net profit/loss for the year	0	-154	-154
Equity at 30 June	**152**	**-115**	**37**

*Refer to Note 23 under Changes in Account Policies

Cash Flow Statement 1 July - 30 June

	Note	Group 2019/20 Mio. DKK	Group 2018/19 Mio. DKK
Net profit/loss for the year		-154	-128
Adjustments	18	26	69
Change in working capital	19	105	-16
Cash flows from operating activities before financial income and expenses		**-23**	**-75**
Financial income		28	18
Financial expenses		-34	-16
Cash flows from ordinary activities		**-29**	**-73**
Corporation tax paid		0	6
Cash flows from operating activities		**-29**	**-67**
Purchase of intangible assets		-14	-18
Purchase of property, plant and equipment		-4	-3
Fixed asset investments made etc		2	8
Cash flows from investing activities		**-16**	**-13**
Purchase of treasury shares		0	-230
Other equity entries		3	-1
Dividend paid		0	-1,603
Cash flows from financing activities		**3**	**-1,834**
Change in cash and cash equivalents		**-42**	**-1,914**
Cash and cash equivalents at 1 July		-41	1,873
Cash and cash equivalents at 30 June		**-83**	**-41**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		38	54
Overdraft facility		-121	-95
Cash and cash equivalents at 30 June		**-83**	**-41**

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Notes to the Financial Statements

1 Uncertainty related to going concern

The company has experienced negative results in 2019/20 due to COVID-19 and consequently the liquidity situation has also been impacted negatively. It is Management's assessment that uncertainty exists related to the potential future impact that the COVID-19 pandemic could have on the group from regional lockdowns or other initiatives impacting the retail industry. It is Management's expectation that the liquidity reserves for 2020/21 will be sufficient to cover lockdowns or other initiatives disrupting the group.

2 Revenue

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
Geographical segments				
Revenue, Denmark	135	178	0	0
Revenue, exports	727	918	0	0
	862	**1,096**	**0**	**0**
Business segments				
By Malene Birger	255	307	0	0
Tiger of Sweden	607	789	0	0
	862	**1,096**	**0**	**0**

Notes to the Financial Statements

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
3 Staff expenses				
Wages and salaries	196	268	16	90
Pensions	14	16	1	4
Other social security expenses	30	33	0	0
Other staff expenses	10	13	5	4
	250	**330**	**22**	**98**
Including remuneration to the Executive Board and Board of Directors of:				
Executive Board	15	10	15	10
Supervisory Board	1	4	1	4
	16	**14**	**16**	**14**
Average number of employees	**452**	**586**	**15**	**81**

Notes to the Financial Statements

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
4 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	12	11	0	5
Depreciation of property, plant and equipment	12	22	0	6
Impairment of intangible assets	8	0	0	0
Impairment of property, plant and equipment	11	5	0	0
	43	**38**	**0**	**11**

5 Financial income

	Group 2019/20	Group 2018/19	Parent 2019/20	Parent 2018/19
Interest received from group enterprises	0	0	3	7
Other financial income	28	16	34	15
	28	**16**	**37**	**22**

6 Financial expenses

	Group 2019/20	Group 2018/19	Parent 2019/20	Parent 2018/19
Interest paid to group enterprises	0	0	0	2
Other financial expenses	34	12	47	9
	34	**12**	**47**	**11**

7 Tax on profit/loss for the year

	Group 2019/20	Group 2018/19	Parent 2019/20	Parent 2018/19
Current tax for the year	0	2	0	3
Deferred tax for the year	-16	0	-4	0
	-16	**2**	**-4**	**3**

Notes to the Financial Statements

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
8 Discontinuing activities				
Revenue	0	138	0	0
Expenses for raw materials and consumables	0	-67	0	0
Other external expenses	3	-52	0	0
Gross profit/loss	**3**	**19**	**0**	**0**
Staff expenses	0	-48	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	0	-17	0	0
Impairment of current assets	0	-22	0	0
Other operating expenses	0	4	0	0
Profit/loss before financial income and expenses	**3**	**-64**	**0**	**0**
Financial income	0	2	0	0
Financial expenses	0	-4	0	0
Profit/loss before tax	**3**	**-66**	**0**	**0**
Tax on profit/loss for the year	0	-8	0	0
	3	**-74**	**0**	**0**

Notes to the Financial Statements

9 Intangible assets

Group

	Software & IT-Systems	Acquired rights	Goodwill
	Mio. DKK	Mio. DKK	Mio. DKK
Cost at 1 July	84	35	73
Additions for the year	2	12	0
Disposals for the year	-1	-5	0
Cost at 30 June	85	42	73
Impairment losses and amortisation at 1 July	82	19	73
Amortisation for the year	2	18	0
Reversal of amortisation of disposals for the year	-1	-5	0
Impairment losses and amortisation at 30 June	83	32	73
Carrying amount at 30 June	**2**	**10**	**0**

Parent

	Software & IT-Systems
	Mio. DKK
Cost at 1 July	61
Cost at 30 June	61
Impairment losses and amortisation at 1 July	60
Amortisation for the year	1
Impairment losses and amortisation at 30 June	61
Carrying amount at 30 June	**0**

Notes to the Financial Statements

10 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
Cost at 1 July	14	85	79	5
Exchange adjustment	0	-1	1	0
Additions for the year	0	4	6	1
Disposals for the year	0	-17	-15	-3
Cost at 30 June	14	71	71	3
Impairment losses and depreciation at 1 July	9	67	62	0
Exchange adjustment	0	-1	0	0
Depreciation for the year	1	7	16	0
Reversal of impairment and depreciation of sold assets	0	-13	-15	0
Impairment losses and depreciation at 30 June	10	60	63	0
Carrying amount at 30 June	**4**	**11**	**8**	**3**

Parent

	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
	Mio. DKK	Mio. DKK	Mio. DKK
Cost at 1 July	11	1	12
Additions for the year	1	1	2
Disposals for the year	-12	-2	-14
Impairment losses and depreciation at 1 July	9	0	9
Reversal of impairment and depreciation of sold assets	-9	0	-9
Carrying amount at 30 June	**0**	**0**	**0**

Notes to the Financial Statements

11 Investments in subsidiaries

	Parent 2019/20 Mio. DKK	Parent 2018/19 Mio. DKK
Cost at 1 July	546	681
Additions for the year	163	0
Disposals for the year	0	-135
Cost at 30 June	709	546
Value adjustments at 1 July	-512	-629
Disposals for the year	0	114
Net profit/loss for the year	-123	-7
Other adjustments	9	10
Value adjustments at 30 June	-626	-512
Equity investments with negative net asset value transferred to provisions	20	70
Carrying amount at 30 June	**103**	**104**

Notes to the Financial Statements

11 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Currency	Votes and ownership	Equity* ('000)	Net profit/loss for the year* ('000)
Tiger og Sweden AB	Sweden	SEK	100%	129,910	17,385
Tiger of Sweden Danmark A/S	Denmark	DKK	100%	7,041	3,702
Tiger of Sweden Norway AS	Norway	NOK	100%	6,954	5,495
Vinåker Factory Outlet AB	Sweden	SEK	100%	7,455	-104
Tiger of Sweden Finland Oy	Finland	EUR	100%	338	219
Tiger of Sweden Netherlands BV	Netherlands	EUR	100%	2,312	43
Tiger of Sweden UK Ltd.**	United Kingdom	GBP	100%	718	19
Tiger of Sweden Germany G.m.b.H.***	Germany	EUR	100%	2,649	1,217
Tiger of Sweden Poland Sp. Z.o.o.	Poland	PLN	100%	7,278	82
Tiger of Sweden France	France	EUR	100%	9	-19
Tiger of Sweden Hong Kong Ltd.	Hong Kong	HKD	100%	895	-4,917
Tiger of Sweden Romania SRL	Romania	RON	100%	8,437	1,424
By Malene Birger A/S	Denmark	DKK	100%	-2,513	-5,248
By Malene Birger Norway SA	Norway	NOK	100%	2,929	2,403
By Malene Birger Sverige AB	Sweden	SEK	100%	6,416	-552
By Malene Birger UK Ltd.	United Kingdom	GBP	100%	4,288	-62
By Malene Birger Hong Kong Ltd.	Hong Kong	HKD	100%	761	711
IC Group Spain S.A.****	Spain	EUR	100%	-1,904	-95

*Financial figures are in local currency and from the published annual report 2018/19.

**The company are exempt from the audit in the UK, cf. the exemption in section 479A of the UK Companies Act 2006.

***The parent company has agreed to carry all the subsidiary company's liabilities (Tiger of Sweden Germany), which were entered before the reporting date, in the following fiscal year.

****IC Group Spain S.A. is in liquidation and is expected to be liquidated in 2020/21.

Notes to the Financial Statements

12 Other fixed asset investments

	Group		Parent
	Deposits	Other receivables	Other receivables
	Mio. DKK	Mio. DKK	Mio. DKK
Cost at 1 July	3	232	231
Disposals for the year	-1	-228	-227
Cost at 30 June	2	4	4
Carrying amount at 30 June	**2**	**4**	**4**

13 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

14 Equity

The share capital consists of 15,193,307 shares of a nominal value of DKK 10. No shares carry any special rights.

15 Distribution of profit

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
Extraordinary dividend paid	0	1,520	0	1,520
Retained earnings	-154	-1,648	-154	-1,648
	-154	**-128**	**-154**	**-128**

Notes to the Financial Statements

16 Deferred tax asset

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
Deferred tax asset at 1 July	31	35	13	12
Amounts recognised in the income statement for the year	16	0	4	0
Amounts recognised in equity for the year	3	-4	0	1
Deferred tax asset at 30 June	**50**	**31**	**17**	**13**

Deferred tax assets, including the tax base of tax loss carryforwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings within the next 3-4 years.

17 Other provisions

Other provisions does primarily relate to expected discounts, claims, and returns of goods. Furthermore provisions relates to restructurings in By Malene Birger and Tiger of Sweden and to re-establishment for the lease premises of the Group.

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
Other provisions	43	51	2	27
	43	**51**	**2**	**27**

18 Cash flow statement - adjustments

	Group 2019/20 Mio. DKK	Group 2018/19 Mio. DKK
Financial income	-28	-18
Financial expenses	34	16
Depreciation, amortisation and impairment losses, including losses and gains on sales	43	55
Tax on profit/loss for the year	-16	10
Other adjustments	-7	6
	26	**69**

19 Cash flow statement - change in working capital

	Group 2019/20 Mio. DKK	Group 2018/19 Mio. DKK
Change in inventories	20	32
Change in receivables	119	44
Change in other provisions	-8	31
Change in trade payables, etc	-23	-106
Fair value adjustments of hedging instruments	-3	-17
	105	**-16**

Notes to the Financial Statements

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK

20 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

	Group 2019/20	Group 2018/19	Parent 2019/20	Parent 2018/19
Bank guarantees	76	80	50	58

Rental and lease obligations

	Group 2019/20	Group 2018/19	Parent 2019/20	Parent 2018/19
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	61	56	0	3
Between 1 and 5 years	101	60	0	3
After 5 years	0	1	0	0
	162	**117**	**0**	**6**

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Friheden Invest A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability

The Group has entered into agreements with suppliers concerning delivery of collections until 31 of December 2020, whereof the majority hereof is related to sales agreements with wholesale-customers. As of 30 June 2020, the Group is not part of any litigations or claims, which may have a material impact to the financial position of the Group.

Notes to the Financial Statements

21 Related parties

	Basis
Controlling Interest	
Friheden Invest A/S	Ultimate Parent

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

22 Fee to auditors appointed at the general meeting

	Group		Parent	
	2019/20	2018/19	2019/20	2018/19
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
PricewaterhouseCoopers				
Audit fee	2	2	1	2
Tax advisory services	0	1	0	1
Other services	0	1	0	1
	2	**4**	**1**	**4**

Notes to the Financial Statements

23 Accounting Policies

The Annual Report of IC Group A/S for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Consolidated and Parent Company Financial Statements for 2019/20 are presented in Mio. DKK.

Changes in Accounting Policies

In 2019/20, the Accounting Policies have been changed from the International Financial Reporting Standard as approved by the EU, to the presentation of the Annual Report in accordance with the Danish Financial Statements Act. The effect of the change is incorporated in equity as of 1 July 2018 and the comparative figures for the income statement, balance sheet and notes have been changed. The effect of the change in Accounting Policies has had an impact of Mio. DKK 110 as of 1 July 2018 and Mio. DKK 73 as of 1 July 2019. In 2018/19 balance sheet has been impacted by Mio. DKK -73 on goodwill. The result and the Companys cash flow has not been impacted. Key figures and ratios have been updated as of 2018/19.

In 2019/20, the Accounting Policy for the Parent Company has been changed for Investment in subsidiaries from applying the cost price principle to the equity value principle. The effect of the change is incorporated in the parent equity as of 1 July 2018 and the comparative figures for the income statement, balance sheet and notes have been changed. The effect of the change in Accounting Policies has impacted the parent equity by Mio. DKK -448 the parent result by Mio. DKK 37 and investment in subsidiaries Mio DKK -459 in 2018/19. The Companys Cash Flow has not been impacted. Key figures and ratios have been updated as of 2018/19.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of

Notes to the Financial Statements

23 Accounting Policies (continued)

a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, IC Group A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

23 Accounting Policies (continued)

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Revenue

Information on business segments and geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Notes to the Financial Statements

23 Accounting Policies (continued)

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5 years.

Notes to the Financial Statements

23 Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other buildings	25-50	years
Other fixtures and fittings, tools and equipment	3-5	years
Leasehold improvements	up to 12	years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 14,100 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item"Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend

Notes to the Financial Statements

23 Accounting Policies (continued)

distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits and other receivables.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Notes to the Financial Statements

23 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Notes to the Financial Statements

23 Accounting Policies (continued)

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Overdraft facilities".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$