

# INTERIM REPORT FOR THE PERIOD 1 JULY 2018 TO 31 MARCH 2019

The management team in Tiger of Sweden is focusing on executing the brand's new strategy including increased digitalisation as well as a strengthening of the brand and distribution control in key markets in the Nordic region which, e.g., has led to a termination of the agency agreements in Norway and Finland.

By Malene Birger has, simultaneously with an enhanced cost control, also implemented a significant optimisation of the production area and the organisation in general, which will lead to substantial cost savings as of the financial year 2019/20. At the same time, By Malene Birger is focusing on increasing the digitalisation of its business, in particular in e-commerce, as quickly as possible.

The transformation of IC Group is being executed faster and more efficiently than planned which, among others, will lead to a reduction of the originally expected non-recurring costs for both the financial years 2018/19 and 2019/20 as well as the current running costs for IC Group in 2019/20. As communicated in Company Announcement no. 6/2019, IC Group has divested its logistics function to Scan Global Logistics Group with an expected final closing date as at 30 June 2019.

The expectations for the financial year 2018/19 for the Group's continuing operations before non-recurring costs, which were announced on 8 May 2019 (Company Announcement no. 6/2019), are unchanged.

## Financial performance for Q1-Q3

Revenue of the Group's continuing operations for Q1-Q3 2018/19 amounted to DKK 827 million (DKK 931 million) corresponding to a reduction of 11.2% (9.0% measured in local currency) driven by both the wholesale channel as well as the retail channel. The operating profit before central functions, etc and non-recurring costs for Q1-Q3 2018/19 amounted to DKK 22 million (DKK 79 million) corresponding to an EBIT margin of 2.7% (8.5%). The Group generated an operating loss for Q1-Q3 2018/19 of DKK 13 million corresponding to a negative EBIT margin of 1.6% (positive EBIT margin of 10.8%).

	Revenue DKK million		Revenue growth		Operating profit/loss DKK million		EBIT margin	
	Q1-Q3 2018/19	Q1-Q3 2017/18	Growth in local currency	Reported growth	Q1-Q3 2018/19	Q1-Q3 2017/18	Q1-Q3 2018/19	Q1-Q3 2017/18
Tiger of Sweden	594	672	(9.2)%	(11.6)%	26	62	4.4%	9.2%
By Malene Birger	233	258	(8.6)%	(9.7)%	(4)	17	(1.7)%	6.6%
<b>Reportable segments</b>	<b>827</b>	<b>930</b>	<b>(8.8)%</b>	<b>(11.1)%</b>	<b>22</b>	<b>79</b>	<b>2.7%</b>	<b>8.5%</b>
Central functions etc.	-	1	n.m	n.m	(11)	22	n.m	n.m
<b>Continuing operations before non-recurring costs</b>	<b>827</b>	<b>931</b>	<b>(9.0)%</b>	<b>(11.2)%</b>	<b>11</b>	<b>101</b>	<b>1.3%</b>	<b>10.8%</b>
Non-recurring costs	-	-	-	-	(24)	-	n.m	n.m
<b>Total continuing operations</b>	<b>827</b>	<b>931</b>	<b>(9.0)%</b>	<b>(11.2)%</b>	<b>(13)</b>	<b>101</b>	<b>(1.6)%</b>	<b>10.8%</b>

## Outlook for the financial year 2018/19

The expectations for the financial year 2018/19, which were announced on 8 May 2019 (Company Announcement no. 6/2019), are unchanged and are represented in their full length below.

### Outlook for the Group's continuing operations before non-recurring costs for the financial year 2018/19

For the Group's continuing operations, which comprise Tiger of Sweden, By Malene Birger and the reporting segment "Central functions", a minor revenue reduction measured in local currency is expected for the financial year 2018/19 compared to the year before. The EBIT margin is expected to be realized at a level of 1-2% prior to non-recurring costs in respect of the transformation of IC Group.

In Tiger of Sweden, a minor revenue reduction (measured in local currency) and a moderate decline in nominal earnings are expected. In By Malene Birger, a moderate revenue reduction (measured in local currency) and a substantial decline in nominal earnings are expected.

The line item “Central functions” will be negative as it will be affected negatively by changed allocation principles in respect of costs in the corporate functions as well as idle costs in respect of the head office after the divestment of Peak Performance. Combined, these amount to approx. DKK 30 million.

Investments for the Group’s continuing operations for the financial year 2018/19 are expected to amount to approx. 2% of the annual revenue.

DKK million	Realized 2017/18	Current outlook 2018/19	Status
<b>Revenue growth (local currency)</b>	<b>(7.3)%</b>	<b>Minor reduction</b>	<b>Unchanged</b>
Tiger of Sweden	(9.0)%	Minor reduction	Unchanged
By Malene Birger	(4.0)%	Moderate reduction	Unchanged
<b>EBIT margin before non-recurring costs</b>	<b>6.0%</b>	<b>1-2%</b>	<b>Unchanged</b>
Tiger of Sweden	47	Moderate decline	Unchanged
By Malene Birger	18	Substantial decline	Unchanged
<b>Investments</b>	<b>2.3%</b>	<b>Approx. 2%</b>	<b>Unchanged</b>

### Expectations for non-recurring costs for the financial years 2018/19 and 2019/20

Non-recurring costs relating to the transformation of IC Group are expected to amount to approx. DKK 45 million in total of which approx. DKK 30 million is expected to be recognised in the financial year 2018/19 and approx. DKK 15 million is expected to be recognised in the financial year 2019/20. When including the accounting loss attributable to the divestment of the Group’s logistics function (approx. DKK 20 million), the non-recurring costs are expected to amount to approx. DKK 65 million in total of which DKK 50 million relates to the financial year 2018/19.

The exact amounts as well as the distribution between the individual financial years will still depend on the implementation of the transformation. As of the financial year 2020/21, the annual savings are still expected to be in the region of DKK 25 million.

Copenhagen, 14 May 2019

**IC Group A/S**

### Forward-looking statements

This interim report contains forward-looking statements, including statements regarding the Group’s future operating profit, financial position, inventory, cash flows, Group and brand strategies as well as plans for the future. Forward-looking statements include, without limitation, any statement that may predict, indicate or imply future results, performance or achievements, and may contain the words “believes”, “expects”, “estimates”, “projects”, “plans”, “anticipates”, “continues” and “intends” or any variations of such words or other words with similar meaning. The statements are based on Management’s reasonable expectations and forecasts at the time of disclosure of the interim report. Any such statements are subject to risks and uncertainties, and a number of different factors of which many are beyond IC Group A/S’ control can mean that the actual development and actual result will differ significantly from the expectations contained in the interim report. Without being exhaustive, such factors include general economics and commercial factors, including market and competitive matters, supplier issues and financial issues. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

*This announcement is a translation from the Danish language. In the event of any discrepancy between the Danish and English versions, the Danish version shall prevail.*

# FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK million	Q3 2018/19 3 months	Q3 2017/18 3 months	Q1-Q3 2018/19 9 months	Q1-Q3 2017/18 9 months	Year 2017/18 12 months
<b>INCOME STATEMENT <sup>1)</sup></b>					
Revenue	249	301	827	931	1,197
Gross profit	132	189	445	589	734
Operating profit/loss before depreciation and amortization (EBITDA)	(8)	40	15	136	123
Operating profit/loss before depreciation and amortization (EBITDA) before non-recurring costs <sup>2)</sup>	(2)	40	39	136	123
Operating profit/loss (EBIT)	(18)	28	(13)	101	72
Operating profit/loss (EBIT) before non-recurring costs <sup>2)</sup>	(12)	28	11	101	72
Net financials	8	(4)	9	(8)	(7)
Profit/loss for the period before tax	(10)	24	(4)	93	65
Profit/loss for the period of continuing operations	(14)	17	(15)	70	55
Profit/loss for the period of discontinued operations	(36)	17	(111)	120	1,551
Profit/loss for the period	(50)	34	(126)	190	1,606
<b>STATEMENT OF FINANCIAL POSITION</b>					
Total assets			683	1,455	2,755
Average invested capital including goodwill			686	890	614
Net working capital			192	450	135
Total equity			315	797	2,294
Non-controlling interest			-	14	12
Net interest-bearing debt, end of period			70	49	(1,873)
<b>STATEMENT OF CASH FLOW</b>					
Cash flow from operating activities	(73)	52	(93)	100	277
Cash flow from investing activities	3	(16)	(17)	(52)	1,692
Investments in property, plant and equipment	(3)	(12)	(19)	(46)	(53)
Free cash flow	(70)	36	(110)	48	1,969
Cash flow from financing activities	-	3	(1,833)	(80)	(79)
Net cash flow for the period	(70)	39	(1,943)	(32)	1,890
<b>KEY RATIOS (%)</b>					
Revenue growth	(17.3)	(13.3)	(11.2)	(9.8)	(8.9)
Gross margin	53.0	62.8	53.8	63.3	61.3
Cost ratio	60.2	53.5	55.4	52.4	55.3
EBITDA margin	(3.2)	13.3	1.8	14.6	10.3
EBITDA margin before non-recurring costs <sup>2)</sup>	(0.8)	13.3	4.7	14.6	10.3
EBIT margin	(7.2)	9.3	(1.6)	10.8	6.0
EBIT margin before non-recurring costs <sup>2)</sup>	(4.8)	9.3	1.3	10.8	6.0
Return on equity			(9.7)	25.0	2.3
Equity ratio			46.1	54.8	83.3
Return on invested capital <sup>3)</sup>			(6.1)	17.2	9.3
Net working capital in proportion to revenue <sup>4)</sup>			17.6	16.9	8.8
Cash conversion			8.5	0.3	34.5
Financial gearing			22.2	6.1	(81.6)
<b>SHARE-BASED RATIOS</b>					
Average number of shares excluding treasury shares, diluted (1,000)	15,193	16,648	15,607	16,648	16,648
Share price, end of period, DKK	39.5	140.4	39.5	140.4	160.2
Earnings per share, DKK	(3.3)	1.9	(8.1)	11.2	96.3
Diluted earnings per share, DKK	(3.3)	1.9	(8.1)	11.2	96.3
Diluted cash flow per share, DKK	(4.8)	2.8	(6.0)	6.0	16.6
Diluted net asset value per share, DKK	20.7	47.0	20.2	47.0	137.1
Diluted price/earnings, DKK	(12.0)	73.9	(4.9)	12.5	1.7
<b>EMPLOYEES</b>					
Number of employees (calculated as FTEs, end of period)			563	1,131	831
<b>NUMBER OF STORES, CONTINUING OPERATIONS (OWN STORES)</b>					
Retail stores			27	27	27
Concessions			32	26	26

**1)** Comparative figures and key figures in income statement have been adjusted to take into account Peak Performance, Saint Tropez and Designers Remix being presented as discontinued operations.

**2)** Key ratios have been adjusted for non-recurring costs related to the transformation of IC Group.

**3)** Return on invested capital has been calculated as EBIT's share of invested capital (key figures have not been adjusted to take into account Peak Performance, Saint Tropez and Designers Remix being presented as discontinued operations).

**4)** Trailing 12 months revenue (key figures have not been adjusted to take into account Peak Performance, Saint Tropez and Designers Remix being presented as discontinued operations).

Key ratios have been calculated according to the recommendations issued by the Danish Society of Financial Analysts.

# FINANCIAL PERFORMANCE

TIGER OF SWEDEN



Tiger of Sweden is strongly rooted in the classic tailoring traditions, manufacturing fashion wear for men and women with a strong and confident profile. Learn more about Tiger of Sweden at: [tigerofsweden.com](http://tigerofsweden.com)

## Financial performance of Tiger of Sweden

In February 2019, Moa Strand, Chief Marketing Officer in Tiger of Sweden, was appointed interim CEO as a consequence of the dismissal of Hans-Christian Meyer. The management team is focusing on executing the brand's new strategy, which was completed in January 2019 with assistance from McKinsey & Company. The recruitment process of a new CEO is proceeding satisfactorily.

Revenue from Tiger of Sweden declined by 20.7% (19.5% measured in local currency) for Q3 2018/19 and amounted to DKK 172 million compared to DKK 217 million in Q3 2017/18. The revenue reduction was particularly driven by the wholesale channel which reported a decline of 26.2% primarily due to lower in-season selling as well as the timing of deliveries. After having adjusted for the before-mentioned timing, the reductions for the wholesale channel and Tiger of Sweden would have been 12.8% and 12.0%, respectively. The retail channel reported a revenue reduction of 10.5%, and the same-store revenue declined by 9.9% driven by physical stores. Revenue for Q1-Q3 2018/19 declined by 11.6% (9.2% measured in local currency) to DKK 594 million (DKK 672 million) driven by both the wholesale channel as well as the retail channel. The same-store revenue declined by 13.4% driven by physical stores. The number of stores (concessions) increased by six (opened in Q3 2018/19) during Q1-Q3 2018/19.

During Q3 and Q1-Q3 2018/19, Tiger of Sweden generated revenue growth on its international markets, however, this growth was not able to compensate the setbacks reported in the Nordic markets. To strengthen the development of the brand and its sales performance, Tiger of Sweden has terminated its agency agreements in Norway and Finland as at 1 July 2019. In the future, distribution in these countries will take place through Tiger of Sweden's own sales organization.

The gross margin for Q3 2018/19 was at the same level as last financial year, while the gross margin for Q1-Q3 2018/19 declined compared to last financial year. The cost ratio primarily rose as a consequence of the reduced revenue.

The operating loss for Q3 2018/19 amounted to DKK 6 million compared to an operating profit of DKK 18 million for Q3 2017/18 corresponding to a negative EBIT margin of 3.5% compared to a positive EBIT margin of 8.3% for Q3 2017/18. The lower margin was driven by a higher cost ratio compared to last financial year. The operating profit for Q1-Q3 2018/19 amounted to DKK 26 million (DKK 62 million) corresponding to an EBIT margin of 4.4% (9.2%). This earnings development is primarily driven by the lower revenue as indicated above.

For the financial year 2018/19 as a whole, a minor revenue reduction (measured in local currency) and a moderate decline in nominal earnings are expected.

DKK million	Q3 2018/19 3 months	Q3 2017/18 3 months	Change, %	Q1-Q3 2018/19 9 months	Q1-Q3 2017/18 9 months	Change, %
Revenue	172	217	(20.7)	594	672	(11.6)
Wholesale and franchise	104	141	(26.2)	356	394	(9.7)
Retail, e-commerce and outlets*	68	76	(10.5)	238	278	(14.4)
Revenue growth in local currency (%)	(19.5)			(9.2)		
Same-store growth (%)	(9.9)			(13.4)		
Operating profit/loss before depreciation and amortization (EBITDA)	(2)	22	n.m	38	76	(50.0)
EBITDA margin (%)	(1.2)	10.1		6.4	11.3	
Depreciations, amortization and impairment losses	(4)	(4)	-	(12)	(14)	(14.3)
<b>Operating profit/loss (EBIT)</b>	<b>(6)</b>	<b>18</b>	<b>n.m</b>	<b>26</b>	<b>62</b>	<b>(58.1)</b>
EBIT margin (%)	(3.5)	8.3		4.4	9.2	

\*Revenue from Vingåker Factory Outlet (multi-brand outlet) accounted for DKK 23 million in Q3 2018/19 (DKK 27 million) and DKK 99 million in Q1-Q3 2018/19 (DKK 116 million).

Own stores	Number of stores 31 March 2019	Number of stores 31 March 2018	Change	Number of stores 30 June 2018
Retail stores	18	18	-	18
Concessions	26	20	6	20
<b>Total</b>	<b>44</b>	<b>38</b>	<b>6</b>	<b>38</b>

## BY MALENE BIRGER

By Malene Birger is a Danish high-profile design brand with an international appeal offering affordable luxury to women. Learn more about By Malene Birger at: [bymalenebirger.com](http://bymalenebirger.com)

### Financial performance of By Malene Birger

During 2018/19, By Malene Birger has, simultaneously with an enhanced cost control, also implemented a significant optimisation of the production area and the organisation in general which will lead to substantial cost savings as of the financial year 2019/20. At the same time, By Malene Birger is focusing on expanding the digitalisation of its business, in particular in e-commerce, as quickly as possible, including its cooperation with so-called "global pure e-commerce players" as well as increased digital marketing. Consequently, this has, among others, led to changes in the management team which has been strengthened in respect of the digital area with both a new international commercial director and a new marketing director.

Revenue for Q3 2018/19 declined by 8.3% (7.6% measured in local currency) to DKK 77 million (DKK 84 million). Revenue from the wholesale channel declined by 8.3% driven by lower order intake. Revenue from the retail channel declined by 8.3% driven by physical stores, partly compensated by increased e-commerce sales. The same-store revenue declined by 5.2%. Revenue for Q1-Q3 2018/19 decreased by 9.7% (8.6% measured in local currency) to DKK 233 million (DKK 258 million) due to reduced revenues from both the wholesale channel as well as the retail channel. The same-store revenue declined by 13.9% driven by physical stores. No changes have been made to the store portfolio during Q1-Q3 2018/19.

Revenue for Q3 2018/19 was at the same level as last financial year while revenue from the Nordic region declined driven by the Danish market. Most markets, except Finland and Germany, reported revenue declines for Q1-Q3 2018/19.

The gross margin for Q3 and Q1-Q3 2018/19 declined compared to last financial year while the cost ratio increased primarily as a consequence of the reduced revenue.

The operating loss for Q3 2018/19 amounted to DKK 3 million (profit of DKK 4 million) corresponding to a negative EBIT margin of 3.9% (positive EBIT margin of 4.8%). Consequently, the EBIT margin development was driven by a higher cost ratio compared to last financial year. The operating loss for Q1-Q3 2018/19 amounted to DKK 4 million (profit of DKK 17 million) resulting in a negative EBIT margin of 1.7% (positive EBIT margin of 6.6%). The earnings development is primarily attributable to the reduced revenue.

For the financial year 2018/19 as a whole, a moderate revenue reduction (measured in local currency) and a substantial decline in nominal earnings are expected.

DKK million	Q3 2018/19 3 months	Q3 2017/18 3 months	Change, %	Q1-Q3 2018/19 9 months	Q1-Q3 2017/18 9 months	Change, %
Revenue	77	84	(8.3)	233	258	(9.7)
Wholesale and franchise	55	60	(8.3)	159	174	(8.6)
Retail, e-commerce and outlets	22	24	(8.3)	74	84	(11.9)
Revenue growth in local currency (%)	(7.6)			(8.6)		
Same-store growth (%)	(5.2)			(13.9)		
Operating profit/loss before depreciation and amortization (EBITDA)	(1)	6	n.m	2	23	(91.3)
EBITDA margin (%)	(1.3)	7.1		0.9	8.9	
Depreciations, amortization and impairment losses	(2)	(2)	-	(6)	(6)	-
<b>Operating profit/loss (EBIT)</b>	<b>(3)</b>	<b>4</b>	<b>n.m</b>	<b>(4)</b>	<b>17</b>	<b>n.m</b>
EBIT margin (%)	(3.9)	4.8		(1.7)	6.6	

Own stores	Number of stores 31 March 2019	Number of stores 31 March 2018	Change	Number of stores 30 June 2018
Retail stores	9	9	-	9
Concessions	6	6	-	6
<b>Total</b>	<b>15</b>	<b>15</b>	<b>-</b>	<b>15</b>

## The Group

### Revenue

Consolidated revenue of continuing operations for Q3 2018/19 amounted to DKK 249 million (DKK 301 million) corresponding to a reduction of 17.3% (16.2% measured in local currency). This development was driven by the wholesale channel in Tiger of Sweden. In total, the revenue from the wholesale channel declined by 20.9%. After having adjusted for timing differences in Tiger of Sweden, the reduction amounted to 11.0%. Revenue from the retail channel declined by 10.0% driven by physical stores. The same-store revenue declined by 8.4%.

Consolidated revenue of continuing operations for Q1-Q3 2018/19 declined by 11.2% (9.0% measured in local currency) to DKK 827 million (DKK 931 million). The reduced revenue was driven by both the wholesale channel as well as the retail channel which reported revenue declines of 9.3% and 13.8%, respectively, compared to last financial year. The same-store revenue declined by 13.6% driven in particular by physical stores.

### Gross profit

The gross profit for Q3 2018/19 amounted to DKK 132 million (DKK 189 million), and the gross margin declined by 9.8 percentage points to 53.0%. The majority of this gross margin decline is attributable to the implemented structural changes as well as the divestment of Peak Performance in 2017/18. After having adjusted for the implemented structural changes as well as the divestment of Peak Performance in 2017/18, the gross profit would have amounted to DKK 146 million and the gross margin to 58.6%. The remaining gross margin decline is primarily attributable to higher discounts as well as negative channel mix effects compared to Q3 2017/18.

The gross profit for Q1-Q3 2018/19 amounted to DKK 445 million (DKK 589 million) corresponding to a gross margin of 53.8% compared to 63.3% last financial year. As was the case for Q3 2018/19, the majority of this gross margin decline is attributable to the implemented structural changes as well as the divestment of Peak Performance in 2017/18. After having adjusted for the implemented structural changes as well as the divestment of Peak Performance in 2017/18, the gross profit would have amounted to DKK 490 million and the gross margin to 59.3%. The remaining gross margin decline is attributable to higher discounts and negative channel mix effects compared to Q1-Q3 2017/18.

### Capacity costs

Capacity costs for Q3 2018/19 declined by DKK 11 million to DKK 150 million. After having adjusted for non-recurring costs of DKK 6 million in respect of the transformation of IC Group, the costs declined by DKK 17 million. This decline is attributable to the fact that approx. DKK 11 million in fee income in respect of logistics services to Peak Performance during Q3 2018/19 has been included under 'Other operating income' while this fee income was included under the gross profit last financial year as well as a lower cost base in the corporate functions. The cost ratio (excluding non-recurring costs) amounted to 57.8% (53.5%).

Capacity costs for Q1-Q3 2018/19 declined by DKK 30 million to DKK 458 million. After having adjusted for the total non-recurring costs of DKK 24 million in respect of the transformation of IC Group, the costs declined by DKK 54 million. DKK 30 million of this amount is attributable to the fact that the fee income in respect of logistics services to Peak Performance during Q1-Q3 2018/19 has been included under 'Other operating income', as mentioned above, while this fee income was included under the gross profit last financial year. The remaining amount of the decline is primarily attributable to a lower cost base in the corporate functions as well as lower distribution costs in Group brands. The cost ratio (excluding non-recurring costs) amounted to 52.5% (52.4%).

Other operating income for Q3 2018/19 of DKK 20 million is primarily attributable to income in respect of providing certain services to Peak Performance. Other operating income for Q1-Q3 2018/19 amounted to DKK 58 million.

### Operating profit/loss (EBIT)

The operating loss for Q3 2018/19 amounted to DKK 18 million (profit of DKK 28 million) resulting in a negative EBIT margin of 7.2% compared to a positive EBIT margin of 9.3% last financial year. After having adjusted for the mentioned non-recurring costs, the operating loss amounted to DKK 12 million resulting in a negative EBIT margin of 4.8%

The operating loss for Q1-Q3 2018/19 amounted to DKK 13 million (profit of DKK 101 million) resulting in a negative EBIT margin of 1.6% compared to a positive EBIT margin of 10.8% last financial year. After having adjusted for the non-recurring costs of DKK 24 million, the operating profit amounted to DKK 11 million corresponding to an EBIT margin of 1.3%.

### Tax on profit for the period of continuing operations

Tax on profit for Q3 2018/19 of continuing operations amounted to DKK 4 million (DKK 7 million), and tax on profit for Q1-Q3 2018/19 of continuing operations amounted to DKK 11 million (DKK 23 million). Tax on profit for the period was negatively impacted by impairment of tax assets.

### Profit/loss for the period of continuing operations

Loss of continuing operations for Q3 2018/19 amounted to DKK 14 million (profit of DKK 17 million). Loss of continuing operations for Q1-Q3 2018/19 amounted to DKK 15 million (profit of DKK 70 million).

### Profit/loss for the period of discontinued operations

Loss of discontinued operations for Q3 2018/19 amounted to DKK 36 (profit of DKK 17 million) and loss of discontinued operations for Q1-Q3 2018/19 amounted to DKK 111 million (profit of DKK 120 million). Discontinued operations for 2018/19 comprised loss for the period and losses/impairment losses as well as gains from the divestment of Saint Tropez (Company Announcement no. 1/2019) and Designers Remix (Company Announcement no. 36/2018), respectively. Discontinued operations for 2017/18 comprised profit for the period from both Peak Performance, Saint Tropez and Designers Remix. For further information, please see note 4.

### **Statement of financial position**

The development of the consolidated financial position as at 31 March 2019 compared to 31 March 2018 is generally impacted by the divestments of Peak Performance, Saint Tropez and Designers Remix. The disposal of net assets in connection with the divestments primarily affects inventories, trade receivables, trade payables as well as provisions deriving from discontinued operations.

### **Net working capital**

As at 31 March 2019, the working capital amounted to DKK 192 million corresponding to a decline of DKK 258 million compared to the same period last financial year primarily driven by the divestment of Peak Performance. The working capital constituted 17.6% of the trailing twelve months revenue compared to 16.9% for the same period last financial year (adjusted for the divestment of Peak Performance, Saint Tropez and Designers Remix 18.6%).

### **Statement of cash flows**

Consolidated cash flow from operating activities for Q1-Q3 2018/19 amounted to an outflow of DKK 93 million which is DKK 193 million lower compared to the same period last financial year. The development is primarily attributable to a lower operating profit for the period as well as the divestment of Peak Performance.

Cash flow from investing activities for Q1-Q3 amounted to an outflow of DKK 17 million (an outflow of DKK 52 million). Investments in intangible assets and property, plant and equipment primarily relate to existing Tiger of Sweden stores and the Group's Logistics function. Cash flow from sale of businesses for Q1-Q3 2018/19 amounted to an inflow of DKK 5 million attributable to a positive cash flow effect of DKK 2 million from the sale of Designers Remix and DKK 7 million from the sale of Saint Tropez partly offset by a negative cash flow effect of DKK 4 million from Peak Performance (settlement of transactions costs and final settlement of sales price during Q2 2018/19). For further information, please see note 4.

Consolidated free cash flow thus amounted to an outflow of DKK 110 million (inflow of DKK 48 million).

As previously communicated (Company Announcement 20/2018), the Company completed a share buy-back programme in September 2018 under which it bought back 1,448,494 shares at DKK 159 per share with a nominal value of DKK 10 each corresponding to a total acquisition price of DKK 230 million and to 8.5% of the Company's total share capital. The remaining net proceeds from the divestment of Peak Performance of DKK 1,520 million were distributed to the shareholders as extraordinary dividend in September 2018.

Payment of extraordinary dividend and share buy-back have been completed on those terms which the Board of Directors communicated in Company Announcement no. 18/2018.

### **Changes in equity and equity ratio**

Equity as at 31 March 2019 amounted to DKK 315 million (30 June 2018: DKK 2,294 million). This development was primarily driven by payment of extraordinary dividend of DKK 1,520 million, payment of ordinary dividend of DKK 83 million as well as share buy-back amounting to DKK 230 million. Furthermore, the equity has been affected by the operating loss for the period of DKK 126 million.

At the Company's Annual General Meeting held on 26 September 2018, it was resolved to cancel the Group's treasury shares through a capital reduction which was finalized on 5 November 2018 and amounted to DKK 19 million. Subsequently, the equity ratio as at 31 March 2019 amounted to 46.1% (30 June 2018: 83.3%).

# CONSOLIDATED INCOME STATEMENT

Note	DKK million	Q3 2018/19 3 months	Q3 2017/18 3 months	Q1-Q3 2018/19 9 months	Q1-Q3 2017/18 9 months	Year 2017/18 12 months
3	<b>Revenue</b>	249	301	827	931	1,197
	Cost of sales	(117)	(112)	(382)	(342)	(463)
	<b>Gross profit</b>	132	189	445	589	734
	Other external costs	(81)	(65)	(243)	(206)	(282)
	Staff costs	(79)	(86)	(245)	(249)	(331)
	Other operating income	20	2	58	2	2
	<b>Operating profit/loss before depreciation and amortization (EBITDA)</b>	(8)	40	15	136	123
	Depreciation, amortization and impairment losses	(10)	(12)	(28)	(35)	(51)
	<b>Operating profit/loss (EBIT)</b>	(18)	28	(13)	101	72
	Financial income	9	-	15	12	21
	Financial costs	(1)	(4)	(6)	(20)	(28)
	<b>Profit/loss before tax of continuing operations</b>	(10)	24	(4)	93	65
	Tax on profit for the period of continuing operations	(4)	(7)	(11)	(23)	(10)
	<b>Profit/loss for the period of continuing operations</b>	(14)	17	(15)	70	55
4	Profit/loss for the period of discontinued operations	(36)	17	(111)	120	1,551
	<b>Profit/loss for the period</b>	(50)	34	(126)	190	1,606
	Profit allocation:					
	Shareholders of IC Group A/S	(50)	35	(127)	186	1,604
	Non-controlling interests	-	(1)	1	4	2
	<b>Profit/loss for the period</b>	(50)	34	(126)	190	1,606
	Earnings per share, DKK	(3.3)	1.9	(8.1)	11.2	96.3
	Diluted earnings per share, DKK	(3.3)	1.9	(8.1)	11.2	96.3
	Earnings per share of continuing operations, DKK	(0.9)	0.6	(1.0)	3.7	1.8
	Diluted earnings per share of continuing operations, DKK	(0.9)	0.6	(1.0)	3.7	1.8

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	DKK million	Q3 2018/19 3 months	Q3 2017/18 3 months	Q1-Q3 2018/19 9 months	Q1-Q3 2017/18 9 months	Year 2017/18 12 months
	<b>Profit/loss for the period</b>	(50)	34	(126)	190	1,606
	<b>OTHER COMPREHENSIVE INCOME</b>					
	<i>Items to be reclassified to the income statement when certain conditions are met:</i>					
	<i>Hedging transactions:</i>					
	Fair value adjustments, gain/loss on financial instruments related to cash flow hedges	(4)	(4)	8	(8)	38
	Reclassification to income statement, gains/loss on financial instruments related to realized cash flow hedges	(11)	(4)	(26)	(6)	(1)
	Tax on hedging transactions which may be reclassified to the income statement	3	1	4	3	(8)
	<i>Foreign currency translation adjustments:</i>					
	Foreign currency translation adjustments, foreign subsidiaries	7	(5)	8	(20)	20
	<i>Items that are not subsequently reclassified to the consolidated income statement:</i>					
	Actuarial adjustments	-	-	-	-	(1)
	<b>Other comprehensive income after tax</b>	(5)	(12)	(6)	(31)	48
	<b>Total comprehensive income</b>	(55)	22	(132)	159	1,654
	<b>Allocation of comprehensive income for the period:</b>					
	Shareholders of IC Group A/S	(55)	23	(133)	155	1,652
	Non-controlling interests	-	(1)	1	4	2
	<b>Total</b>	(55)	22	(132)	159	1,654



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	DKK million	31 March 2019	31 March 2018	30 June 2018
	<b>ASSETS</b>			
	<b>NON-CURRENT ASSETS</b>			
	Intangible assets	94	142	139
	Property, plant and equipment	69	108	86
	Financial assets	9	11	11
	Deferred tax	24	51	38
	<b>Total non-current assets</b>	<b>196</b>	<b>312</b>	<b>274</b>
	<b>CURRENT ASSETS</b>			
6	Inventories	171	187	211
7	Trade receivables	178	256	178
	Tax receivable	42	35	32
	Other receivables	27	52	75
	Prepayments	47	45	44
8	Cash and cash equivalents	22	37	1,941
		<b>487</b>	<b>612</b>	<b>2,481</b>
5	Assets held-for-sale	-	531	-
	<b>Total current assets</b>	<b>487</b>	<b>1,143</b>	<b>2,481</b>
	<b>TOTAL ASSETS</b>	<b>683</b>	<b>1,455</b>	<b>2,755</b>

Note	DKK million	31 March 2019	31 March 2018	30 June 2018
	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	Share capital	152	171	171
	Reserve for hedging transactions	6	(20)	20
	Translation reserve	(42)	(88)	(50)
	Retained earnings	199	720	2,141
	<b>Equity attributable to shareholders of the Parent Company</b>	<b>315</b>	<b>783</b>	<b>2,282</b>
	<b>Equity attributable to non-controlling interests</b>	<b>-</b>	<b>14</b>	<b>12</b>
	<b>Total equity</b>	<b>315</b>	<b>797</b>	<b>2,294</b>
	<b>LIABILITIES</b>			
	Deferred tax	3	7	3
	Provisions	13	4	5
	Other liabilities	-	3	4
	<b>Total non-current liabilities</b>	<b>16</b>	<b>14</b>	<b>12</b>
8	Current liabilities to credit institutions	92	119	68
	Trade payables	105	102	177
	Tax payable	7	17	6
	Other liabilities	115	204	183
	Provisions	33	13	15
		<b>352</b>	<b>455</b>	<b>449</b>
5	Liabilities concerning assets held-for-sale	-	189	-
	<b>Total current liabilities</b>	<b>352</b>	<b>644</b>	<b>449</b>
	<b>Total liabilities</b>	<b>368</b>	<b>658</b>	<b>461</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>683</b>	<b>1,455</b>	<b>2,755</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK million	Share Capital	Reserve for hedging transactions	Translation reserve	Retained earnings	Proposed dividend	Equity owned by shareholders of ICG A/S	Equity owned by non-controlling interests	Total equity
<b>Equity at 1 July 2018</b>	<b>171</b>	<b>20</b>	<b>(50)</b>	<b>2,058</b>	<b>83</b>	<b>2,282</b>	<b>12</b>	<b>2,294</b>
Loss for the period	-	-	-	(127)	-	(127)	1	(126)
Other comprehensive income after tax	-	(14)	8	-	-	(6)	-	(6)
<b>Total comprehensive income</b>	<b>-</b>	<b>(14)</b>	<b>8</b>	<b>(127)</b>	<b>-</b>	<b>(133)</b>	<b>1</b>	<b>(132)</b>
<b>Transactions with owners:</b>								
Sale of Designers Remix	-	-	-	-	-	-	(9)	(9)
Dividend paid	-	-	-	-	(83)	(83)	(4)	(87)
Acquisition of own shares	-	-	-	(230)	-	(230)	-	(230)
Cancellation of own shares	(19)	-	-	19	-	-	-	-
Costs related to capital changes	-	-	-	(1)	-	(1)	-	(1)
Extraordinary dividend own shares	-	-	-	189	-	189	-	189
Extraordinary dividend paid	-	-	-	(1,709)	-	(1,709)	-	(1,709)
<b>Changes in equity during the period</b>	<b>(19)</b>	<b>(14)</b>	<b>8</b>	<b>(1,859)</b>	<b>(83)</b>	<b>(1,967)</b>	<b>(12)</b>	<b>(1,979)</b>
<b>Equity at 31 March 2019</b>	<b>152</b>	<b>6</b>	<b>(42)</b>	<b>199</b>	<b>-</b>	<b>315</b>	<b>-</b>	<b>315</b>

DKK million	Share Capital	Reserve for hedging transactions	Translation reserve	Retained earnings	Proposed dividend	Equity owned by shareholders of ICG A/S	Equity owned by non-controlling interests	Total equity
<b>Equity at 1 July 2017</b>	<b>171</b>	<b>(9)</b>	<b>(68)</b>	<b>534</b>	<b>85</b>	<b>713</b>	<b>10</b>	<b>723</b>
Profit for the period	-	-	-	186	-	186	4	190
Other comprehensive income after tax	-	(11)	(20)	-	-	(31)	-	(31)
<b>Total comprehensive income</b>	<b>-</b>	<b>(11)</b>	<b>(20)</b>	<b>186</b>	<b>-</b>	<b>155</b>	<b>4</b>	<b>159</b>
<b>Transactions with owners:</b>								
Dividend of treasury shares	-	-	-	-	(2)	(2)	-	(2)
Dividend paid	-	-	-	-	(83)	(83)	-	(83)
<b>Changes in equity during the period</b>	<b>-</b>	<b>(11)</b>	<b>(20)</b>	<b>186</b>	<b>(85)</b>	<b>70</b>	<b>4</b>	<b>74</b>
<b>Equity at 31 March 2018</b>	<b>171</b>	<b>(20)</b>	<b>(88)</b>	<b>720</b>	<b>-</b>	<b>783</b>	<b>14</b>	<b>797</b>

DKK million	Shares
<b>DEVELOPMENT IN TREASURY SHARES</b>	
Treasury shares at 1 July 2018	442,572
Addition	1,454,979
Cancellation	(1,897,551)
<b>Treasury shares at 31 March 2019</b>	<b>-</b>

In September 2018, IC Group completed a share buy-back of 1,448,494 shares corresponding to DKK 230 million as communicated in Company Announcement no. 20/2018. At the Company's Annual General Meeting held on 26 September 2018, it was resolved to cancel the Group's treasury shares through a capital reduction which was finalized on 5 November 2018.

Following the capital reduction, IC Group A/S' nominal share capital amounts to DKK 151,933,070 divided into shares of each DKK 10 corresponding to 15,193,307 shares.

Furthermore, an extraordinary dividend of DKK 1,520 million was distributed in September 2018 as communicated in Company Announcement no. 18/2018. In October 2018, an ordinary dividend of DKK 83 million (DKK 85 million) was distributed. For technical reasons, it was required that the dividend was distributed on the Company's treasury shares, however, this did not have any accounting effect on the Company other than a dividend payment made out to the Company itself.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Note	DKK million	Q3 2018/19 3 months	Q3 2017/18 3 months	Q1-Q3 2018/19 9 months	Q1-Q3 2017/18 9 months	Year 2017/18 12 months
	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
	Operating profit/loss, continuing operations	(18)	28	(13)	101	72
	Operating profit/loss, discontinued operations	(10)	21	(79)	155	112
	<b>Operating profit/loss</b>	<b>(28)</b>	<b>49</b>	<b>(92)</b>	<b>256</b>	<b>184</b>
	Other adjustments	(7)	(5)	99	21	35
	Change in working capital	(34)	14	(80)	(132)	101
	<b>Cash flow from ordinary operating activities</b>	<b>(69)</b>	<b>58</b>	<b>(73)</b>	<b>145</b>	<b>320</b>
	Financial income received	1	-	2	2	3
	Financial costs paid	-	(1)	(4)	(3)	(4)
	<b>Cash flow from operating activities</b>	<b>(68)</b>	<b>57</b>	<b>(75)</b>	<b>144</b>	<b>319</b>
	Tax paid	(5)	(5)	(18)	(44)	(42)
	<b>Total cash flow from operating activities</b>	<b>(73)</b>	<b>52</b>	<b>(93)</b>	<b>100</b>	<b>277</b>
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
	Investments in intangible assets	(1)	(2)	(4)	(5)	(8)
	Investments in property, plant and equipment	(3)	(12)	(19)	(46)	(53)
4	Sale of businesses	7	-	5	-	1,750
	Change in other financial assets	-	(2)	1	(1)	3
	<b>Total cash flow from investing activities</b>	<b>3</b>	<b>(16)</b>	<b>(17)</b>	<b>(52)</b>	<b>1,692</b>
	<b>Total free cash flow</b>	<b>(70)</b>	<b>36</b>	<b>(110)</b>	<b>48</b>	<b>1,969</b>
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
	Other liabilities	-	3	-	3	4
	Dividends paid	-	-	(83)	(83)	(83)
	Extraordinary dividends paid	-	-	(1,520)	-	-
	Acquisition of own shares	-	-	(230)	-	-
	<b>Total cash flow from financing activities</b>	<b>-</b>	<b>3</b>	<b>(1,833)</b>	<b>(80)</b>	<b>(79)</b>
	<b>NET CASH FLOW FOR THE PERIOD</b>	<b>(70)</b>	<b>39</b>	<b>(1,943)</b>	<b>(32)</b>	<b>1,890</b>
	<b>CASH AND CASH EQUIVALENTS</b>					
	Cash and cash equivalents, beginning of period	-	(88)	1,873	(17)	(17)
	Net cash flow for the period	(70)	39	(1,943)	(32)	1,890
	<b>Cash and cash equivalents, end of period</b>	<b>(70)</b>	<b>(49)</b>	<b>(70)</b>	<b>(49)</b>	<b>1,873</b>

DKK million	31 March 2019	31 March 2018	30 June 2018
<i>Cash and cash equivalents in the statement of cash flows comprise:</i>			
Cash	22	84	1,941
Current liabilities to credit institutions	(92)	(133)	(68)
<b>Cash and cash equivalents, cf. statement of cash flows</b>	<b>(70)</b>	<b>(49)</b>	<b>1,873</b>

# NOTES

## 1. Accounting policies

This interim financial report is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

The accounting policies applied in this interim report are unchanged as compared to the accounting policies applied in the Annual Report 2017/18 and are in accordance with the International Financial Reporting Standard (IFRS) as adopted by the EU. We refer to the Annual Report 2017/18 (chapter 1) for a detailed description of the accounting policies.

As communicated in Company Announcement no. 6/2018 dated 30 April 2018, IC Group A/S entered into an agreement to sell Peak Performance to Amer Sports Corporation. Final closing of the transaction took place on 29 June 2018. On 5 December 2018, IC Group entered into an agreement to sell Designers Remix to Hesselbjerg Holding ApS (Company Announcement no. 36/2018) and on 31 January, IC Group entered into an agreement to sell Saint Tropez to DK Company A/S (Company Announcement no. 1/2019). Consequently, the operations relating to Peak Performance, Designers Remix and Saint Tropez are now presented as discontinued operations. Operating profit/loss after tax of discontinued operations is presented as a separate item in the income statement under "Profit/loss for the period of discontinued operations" with adjusted comparative figures. The comparative figures for the statement of financial position have not been adjusted. For further information, please see note 4.

IC Group has implemented all new and amended standards (IFRS) and interpretations (IFRIC) as endorsed by the EU and which are effective for the financial year 1 July 2018 – 30 June 2019. This implementation has had no impact on the recognition and measurement of the Group's assets and liabilities besides as described below.

### *IFRS 15 'Revenue from Contracts with Customers'*

IC Group has implemented IFRS 15 as at 1 July 2018. The accounting policies applied have not been changed significantly as a consequence of the implementation as the accounting policies applied by the Group according to the existing standards and interpretations for recognition of revenue have essentially been in accordance with the principles of IFRS 15. The implementation has no impact on the income statement and no material impact on the statement of financial position. We refer to the Annual Report 2017/18 (chapter 1) for a detailed description.

### *IFRS 9 'Financial Instruments'*

IC Group has implemented IFRS 9 as at 1 July 2018 by applying the simplified method, and, consequently, the Group registers expected losses during the life-span of all trade receivables. Based on the portfolio of financial assets and liabilities as well as the historically low realized losses on loans and receivables, the implementation of the new standard has not had any material impact on IC Group's interim report. Furthermore, no elements of the implementation of this standard have had any impact on recognition and measurement. We refer to the Annual Report 2017/18 (chapter 1) for a detailed description.

### *IFRS 16 'Leases'*

Furthermore, IASB has issued IFRS 16 "Leases" which is effective for annual periods beginning on or after 1 January 2019 and which has been adopted by the EU on 31 October 2017. IC Group is currently assessing the impact of this new standard but has already assessed that particularly the lease terms will have an impact on the income statement, cash flow as well as statement of financial position when lease assets and lease liabilities are recognized. We refer to the Annual Report 2017/18 (chapter 1) for a detailed description.

### **Significant accounting estimates and assumptions**

In the preparation of this interim report, the Management of IC Group makes a number of significant accounting estimates and assumptions that may affect the reported values of assets, liabilities, income, costs, cash flows and related information at the reporting date. The accounting estimates and assumptions which Management considers to be material for the preparation and understanding of the interim report appear from chapter 1 of the Annual Report 2017/18 and relate to, e.g., intangible assets including impairment test, inventories, trade receivables, provisions as well as tax.

As a consequence of the divestment of Saint Tropez to DK Company A/S, tangible and intangible assets as well as deferred tax assets in Saint Tropez have been impaired corresponding to the sales price less transaction costs as at 31 December 2018 pursuant to IAS 36 'Impairment of Assets'. Total impairment on the non-current assets amounted to DKK 55 million while the remaining net assets were impaired at the date of sale.

The criteria for classification of Saint Tropez as discontinued operations pursuant to IFRS 5 'Non-current Assets Held-for-sale and Discontinued Operations' were not met before 31 December 2018. Consequently, Saint Tropez has been classified and presented as discontinued operations as at Q3 2018/19.

## 2. Seasonality

The Group's business segments are to a certain degree influenced by seasonal fluctuations relating to seasonal deliveries to wholesale customers as well as a sales season of the Group's products that varies during the course of the year in the retail channel. Revenue and operating profit before tax thus vary in the various reporting periods for which reason they are not necessarily indicative of future trends. The results of the individual quarters are therefore not reliable sources in terms of projecting the Group's development.

### 3. Segment information

#### Business segments

Reporting to the Executive Board, which is considered to be the Chief Operating Decision Maker, is based on the separate reporting of each of the Group's business units (brands). Reporting is continuously adjusted to the Group structure and has been adjusted most recently in connection with the divestment of Saint Tropez. As mentioned in note 1, the profit shares from Peak Performance, Designers Remix and Saint Tropez have been classified as discontinued operations. Comparative figures for 2017/18 have been adjusted. Please see note 4 for further information.

#### Central functions

In all material respects, "Central functions" include:

- income and costs in Group functions which are not allocated to the Group's business segments;
- intercompany eliminations; and
- any differences arising between costs invoiced to Group brands and realized costs in the Group's service functions.

DKK million	Tiger of Sweden Q3 2018/19 3 months	By Malene Birger Q3 2018/19 3 months	Continuing operations, total Q3 2018/19 3 months	Tiger of Sweden Q1-Q3 2018/19 9 months	By Malene Birger Q1-Q3 2018/19 9 months	Continuing operations, total Q1-Q3 2018/19 9 months
<b>Total revenue</b>	<b>172</b>	<b>77</b>	<b>249</b>	<b>594</b>	<b>233</b>	<b>827</b>
Wholesale and franchise	104	55	159	356	159	515
Retail, e-commerce and outlets	68	22	90	238	74	312
Growth compared to 2017/18 (%)	(20.7)	(8.3)	(17.3)	(11.6)	(9.7)	(11.1)
Growth in local currency compared to 2017/18 (%)	(19.5)	(7.6)	(16.2)	(9.2)	(8.6)	(8.8)
Operating profit/loss before depreciation and amortization (EBITDA)	(2)	(1)	(3)	38	2	40
EBITDA margin (%)	(1.2)	(1.3)	(1.2)	6.4	0.9	4.8
Depreciations, amortization and impairment losses	(4)	(2)	(6)	(12)	(6)	(18)
<b>Operating profit/loss (EBIT)</b>	<b>(6)</b>	<b>(3)</b>	<b>(9)</b>	<b>26</b>	<b>(4)</b>	<b>22</b>
EBIT margin (%)	(3.5)	(3.9)	(3.6)	4.4	(1.7)	2.7
<b>Reconciliation of segment information of continuing operations</b>						
Operating profit/loss (EBIT), reportable segments			(9)			22
Central functions etc.*			(9)			(35)
<b>Operating profit/loss (EBIT)</b>			<b>(18)</b>			<b>(13)</b>
Financial income			9			15
Financial costs			(1)			(6)
<b>Loss before tax</b>			<b>(10)</b>			<b>(4)</b>
Tax on profit for the period			(4)			(11)
<b>Loss for the period</b>			<b>(14)</b>			<b>(15)</b>

\* Q3 2018/19 includes non-recurring costs of DKK 6 million relating to the transformation of IC Group. Q1-Q3 2018/19 include non-recurring costs of DKK 24 million.

DKK million	Tiger of Sweden Q3 2017/18 3 months	By Malene Birger Q3 2017/18 3 months	Continuing operations, total Q3 2017/18 3 months	Tiger of Sweden Q1-Q3 2017/18 9 months	By Malene Birger Q1-Q3 2017/18 9 months	Continuing operations, total Q1-Q3 2017/18 9 months
<b>Total revenue</b>	<b>217</b>	<b>84</b>	<b>301</b>	<b>672</b>	<b>258</b>	<b>930</b>
Wholesale and franchise	141	60	201	394	174	568
Retail, e-commerce and outlets	76	24	100	278	84	362
Operating profit before depreciation and amortization (EBITDA)	22	6	28	76	23	99
EBITDA margin (%)	10.1	7.1	9.3	11.3	8.9	10.6
Depreciations, amortization and impairment losses	(4)	(2)	(6)	(14)	(6)	(20)
<b>Operating profit (EBIT)</b>	<b>18</b>	<b>4</b>	<b>22</b>	<b>62</b>	<b>17</b>	<b>79</b>
EBIT margin (%)	8.3	4.8	7.3	9.2	6.6	8.5
<b>Reconciliation of segment information of continuing operations</b>						
Operating profit (EBIT), reportable segments			22			79
Central functions etc.			6			22
<b>Operating profit (EBIT)</b>			<b>28</b>			<b>101</b>
Financial income			-			12
Financial costs			(4)			(20)
<b>Profit before tax</b>			<b>24</b>			<b>93</b>
Tax on profit for the period			(7)			(23)
<b>Profit for the period</b>			<b>17</b>			<b>70</b>

DKK million	Q3 2018/19 3 months	Q3 2017/18 3 months	Q1-Q3 2018/19 9 months	Q1-Q3 2017/18 9 months
<b>Segment revenue (reportable segments)</b>	<b>249</b>	<b>301</b>	<b>827</b>	<b>930</b>
Unallocated items and eliminations	-	-	-	1
<b>Total revenue, cf. income statement</b>	<b>249</b>	<b>301</b>	<b>827</b>	<b>931</b>

#### 4. Discontinued operations and sale of businesses

Discontinued operations for 2018/19 comprise Designers Remix and Saint Tropez as Peak Performance was divested on 29 June 2018 while 2017/18 comprise both Peak Performance, Designers Remix and Saint Tropez.

#### Discontinued operations

DKK million	Q3 2018/19 3 months	Q3 2017/18 3 months	Q1-Q3 2018/19 9 months	Q1-Q3 2017/18 9 months	Year 2017/18 12 months
Revenue	10	386	138	1,239	1,405
Cost of sales	(5)	(195)	(67)	(589)	(668)
<b>Gross profit</b>	<b>5</b>	<b>191</b>	<b>71</b>	<b>650</b>	<b>737</b>
Other external costs	(10)	(96)	(51)	(266)	(332)
Staff costs	(6)	(68)	(48)	(208)	(271)
Other operating income and costs	2	-	3	(1)	-
<b>Operating profit before depreciation and amortization (EBITDA)</b>	<b>(9)</b>	<b>27</b>	<b>(25)</b>	<b>175</b>	<b>134</b>
Depreciation, amortization and impairment losses	(1)	(6)	(54)	(20)	(22)
<b>Operating profit/loss (EBIT)</b>	<b>(10)</b>	<b>21</b>	<b>(79)</b>	<b>155</b>	<b>112</b>
Financial income	-	2	4	6	7
Financial costs	(2)	(3)	(5)	(7)	(7)
Loss/gain on sale of businesses	(23)	-	(22)	-	1,475
<b>Profit/loss before tax</b>	<b>(35)</b>	<b>20</b>	<b>(102)</b>	<b>154</b>	<b>1,587</b>
Tax on profit for the period	(1)	(3)	(9)	(34)	(36)
<b>Profit/loss for the period of discontinued operations</b>	<b>(36)</b>	<b>17</b>	<b>(111)</b>	<b>120</b>	<b>1,551</b>
Profit allocation:					
Shareholders of IC Group A/S	(36)	18	(112)	116	1,549
Non-controlling interests	-	(1)	1	4	2
<b>Profit/loss for the period of discontinued operations</b>	<b>(36)</b>	<b>17</b>	<b>(111)</b>	<b>120</b>	<b>1,551</b>
<b>Profit allocation for the period:</b>					
Saint Tropez	(36)	(8)	(112)	(17)	(24)
Designers Remix	-	(1)	2	8	5
Peak Performance, etc.	-	26	(1)	129	1,570
<b>Profit/loss for the period of discontinued operations</b>	<b>(36)</b>	<b>17</b>	<b>(111)</b>	<b>120</b>	<b>1,551</b>
Earnings per share of discontinued operations, DKK	(2.4)	1.3	(7.1)	7.5	94.5
Diluted earnings per share of discontinued operations, DKK	(2.4)	1.3	(7.1)	7.5	94.5
<b>Statement of cash flow:</b>					
Cash flow from operating activities	(13)	100	(26)	85	123
Cash flow from investing activities	-	(6)	(3)	(23)	(27)
<b>Total cash flow *</b>	<b>(13)</b>	<b>94</b>	<b>(29)</b>	<b>62</b>	<b>96</b>

\*Excluding sales proceeds, transaction costs, etc. Please see statement of cash flows.

#### Sale of businesses

As communicated in Company Announcement no. 1/2019, IC Group divested Saint Tropez to DK Company A/S as at 31 January 2019. As expected, the cashflow was impacted by a positive, minor million amount from the sale while the accounting effect amounted to a loss of DKK 70 million of which DKK 55 million (impairment on non-current assets) was recognized in H1 2018/19.

On 5 December 2018, IC Group A/S divested Designers Remix A/S (51% equity share) to Hesselbjerg Holding Aps (Company Announcement no. 36/2018). The payment in cash amounted to DKK 8 million. Payments to be settled in subsequent financial year amount to DKK 4 million (long-term loan). The accounting gain on the sale amounted to DKK 1 million.

DKK million	Designers Remix	Saint Tropez	31 March 2019
<b>Non-current assets</b>	<b>4</b>	<b>5</b>	<b>9</b>
Intangible assets	1	-	1
Property, plant and equipment	1	-	1
Financial assets	-	5	5
Deferred tax	2	-	2
<b>Current assets</b>	<b>19</b>	<b>42</b>	<b>61</b>
Inventories	10	25	35
Trade receivables	7	10	17
Other receivables and prepayments	-	7	7
Cash and cash equivalents	2	-	2
<b>Non-current liabilities</b>	<b>1</b>	<b>3</b>	<b>4</b>
Provisions	1	3	4
<b>Current liabilities</b>	<b>8</b>	<b>29</b>	<b>37</b>
Trade payables	3	14	17
Tax payable	1	1	2
Other liabilities	4	14	18
<b>Carrying amount of sold net assets</b>	<b>14</b>	<b>15</b>	<b>29</b>
Non-controlling interests share of sold net assets	(7)	-	(7)
<b>Carrying amount of sold net assets, IC Group share</b>	<b>7</b>	<b>15</b>	<b>22</b>
Payment in cash	8	5	13
Value of net assets	(7)	(15)	(22)
Impairment of non-current assets	-	(55)	(55)
Sales costs, etc.	-	(7)	(7)
Other adjustments	-	(4)	(4)
Recirculation of accumulated foreign currency translation adjustments in respect of foreign subsidiaries	-	(3)	(3)
<b>Gain/loss on sale recognized as discontinued operations</b>	<b>1</b>	<b>(79)</b>	<b>(78)</b>
Settlement of hedging instruments recognized under financial items	-	9	9
<b>Total gain/loss on sale</b>	<b>1</b>	<b>(70)</b>	<b>(69)</b>
<b>Cash flow effect</b>			
Gain on sale	1	(79)	(78)
Value of net assets	7	15	22
Impairment of non-current assets	-	55	55
Other adjustments	-	4	4
Recirculation of accumulated foreign currency translation adjustments in respect of foreign subsidiaries	-	3	3
Disposed cash, cf. above	(2)	-	(2)
<b>Net cash flow effect</b>	<b>6</b>	<b>(2)</b>	<b>4</b>
Payments to be settled in subsequent financial year	(4)	-	(4)
Settlement of hedging instruments	-	9	9
<b>Cash flow effect recognized in the statement of cash flow</b>	<b>2</b>	<b>7</b>	<b>9</b>
Payments settled related to the sale of Peak Performance	-	-	(4)
<b>Total cash flow effect recognized in the statement of cash flow</b>	<b>2</b>	<b>7</b>	<b>5</b>

## 5. Assets and liabilities held-for-sale

DKK million	31 March 2019	31 March 2018	30 June 2018
Intangible assets	-	84	-
Property, plant and equipment	-	40	-
Other non-current assets	-	23	-
Inventories	-	82	-
Trade receivables	-	163	-
Other current receivables	-	92	-
Cash and cash equivalents	-	47	-
<b>Assets classified as held-for-sale</b>	<b>-</b>	<b>531</b>	<b>-</b>
Other non-current debt	-	8	-
Trade payables	-	28	-
Other current debt	-	139	-
Current liabilities to credit institutions	-	14	-
<b>Liabilities concerning assets classified as held-for-sale</b>	<b>-</b>	<b>189</b>	<b>-</b>
<b>Total assets classified as held-for-sale</b>	<b>-</b>	<b>531</b>	<b>-</b>
<b>Total liabilities concerning assets classified as held-for-sale</b>	<b>-</b>	<b>189</b>	<b>-</b>

## 6. Inventories

DKK million	31 March 2019	31 March 2018	30 June 2018
Raw material and consumables	35	32	41
Finished goods and goods for resale	152	177	180
Goods in transit	10	10	28
<b>Total inventories, gross</b>	<b>197</b>	<b>219</b>	<b>249</b>
<b>Changes in inventory write-downs for the period:</b>			
<b>Write-downs at 1 July</b>	<b>38</b>	<b>90</b>	<b>90</b>
Write-downs for the period, addition (recognized in the income statement)	9	32	34
Write-downs for the period, reversals (utilized)	(15)	(59)	(56)
Write-downs for the period, reversals (not utilized)	-	(5)	(5)
Reclassified as assets held-for-sale and disposal in connection with sale of businesses	(6)	(26)	(25)
<b>Total inventory write-downs</b>	<b>26</b>	<b>32</b>	<b>38</b>
<b>Total inventories, net</b>	<b>171</b>	<b>187</b>	<b>211</b>

## 7. Trade receivables

DKK million	31 March 2019	31 March 2018	30 June 2018
Not yet due	131	201	147
Due, 1-60 days	40	38	19
Due, 61-120 days	2	3	5
Due more than 120 days	5	14	7
<b>Total trade receivables, net</b>	<b>178</b>	<b>256</b>	<b>178</b>
<b>Change in trade receivables write-downs for the period:</b>			
<b>Write-downs at 1 July</b>	<b>21</b>	<b>29</b>	<b>29</b>
Change in write-downs for the period	4	(4)	1
Realized loss for the period	(6)	(5)	(5)
Reclassified as assets held-for-sale and disposal in connection with sale of businesses	(3)	(7)	(4)
<b>Total write-downs</b>	<b>16</b>	<b>13</b>	<b>21</b>

## 8. Net interest-bearing debt

DKK million	31 March 2019	31 March 2018	30 June 2018
<b>Net interest-bearing debt comprises:</b>			
Current liabilities to credit institutions	92	119	68
Liabilities concerning assets held-for-sale	-	14	-
<b>Interest-bearing debt, gross</b>	<b>92</b>	<b>133</b>	<b>68</b>
Cash	22	37	1,941
Cash concerning assets held-for-sale	-	47	-
<b>Net interest-bearing debt</b>	<b>70</b>	<b>49</b>	<b>(1,873)</b>

As a consequence of the ongoing structural changes, the Group's credit facilities have been adjusted. In the future, the Group's non-guaranteed credit facilities amount to DKK 396 million.

## 9. Events after the reporting period

As communicated in Company Announcement no. 6/2019, IC Group has divested its logistics function to Scan Global Logistics Group with an expected final closing date as at 30 June 2019. Subsequently, Scan Global Logistics Group will provide logistics services to Tiger of Sweden and By Malene Birger.

The cashflow effect from the sale including transaction costs is expected to be neutral while the accounting effect is expected to amount to a loss of approx. DKK 20 million which will be included in non-recurring costs for the financial year 2018/19.

Besides the above, no material events have taken place after the reporting period that have not been recognized or otherwise included in this interim report.



# STATEMENT BY THE MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the interim report of IC Group A/S for the period 1 July 2018 – 31 March 2019. This interim financial report is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU, cf. chapter on accounting policies and additional Danish disclosure requirements for interim reports of listed companies.

Except from the implemented accounting standards (IFRS) and interpretations (IFRIC) mentioned in note 1, the accounting policies applied in this interim report are unchanged as compared to the accounting policies applied in the Annual Report 2017/18. This interim report is unaudited and has not been reviewed by the Group's auditors.

In our opinion, we consider the applied accounting policies to be appropriate to the effect that this interim report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2019 and of the results of the Group's operations and cash flows for the period 1 July 2018 – 31 March 2019.

Furthermore, we consider the Management Commentary (on page 1-7) to give a true and fair review of the development of the Group's operations and financial affairs, profit for the period and of the Group's financial position for the period as a whole as well as a description of the most significant risks and uncertainty factors that the Group is facing.

Apart from the information set out in this interim report, there have been no changes to the Group's significant risks and uncertainties that have not been disclosed in the Annual Report 2017/18.

Copenhagen, 14 May 2019

The Executive Board:

ALEXANDER MARTENSEN-LARSEN  
CEO

The Board of Directors:

PETER THORSEN  
Chairman

HENRIK HEIDEBY  
Deputy Chairman

NIELS ERIK MARTINSEN  
Board Member

MICHAEL HAUGE SØRENSEN  
Board Member

JÓN BJÖRNSSON  
Board Member

CONNY KALCHER  
Board Member

# CORPORATE INFORMATION

## IC GROUP'S CORPORATE INFORMATION

<b>Share capital</b>	151,933,070	<b>Address</b>	IC Group A/S
<b>Number of shares</b>	15,193,307		12 Adelgade
<b>Share class</b>	One class		1304 Copenhagen K
<b>ISIN code</b>	DK0010221803		Denmark
<b>Business Reg. No. (CVR)</b>	62816414		
<b>Reuter ticker</b>	IC.CO	Phone:	+ 45 32 66 77 88
<b>Bloomberg ticker</b>	IC DC	E-mail:	<a href="mailto:info@icgroup.net">info@icgroup.net</a>
		Homepage:	<a href="http://icgroup.net">icgroup.net</a>

## FINANCIAL CALENDAR



29 August  
2019

## CONTACT

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