



Wolford Scandinavia ApS
(under compulsory dissolution)
Frederiksberggade 19, 3. sal
1459 København K

FINANCIAL STATEMENTS
01.05.2016 – 30.04.2017

CVR-nr. 18300249

The Annual General Meeting adopted the annual report on 18.12.2017
Chairman of the General Meeting

A handwritten signature in black ink, appearing to be "A. Dreher", written over a horizontal line.

Name: Axel Dreher





TABLE OF CONTENT

| | |
|------------------------------|----|
| Entity Details | 3 |
| Independent auditor's report | 5 |
| Management commentary | 8 |
| Accounting Policies | 9 |
| Profit and loss | 13 |
| Balance sheet | 14 |
| Notes | 17 |





ENTITY DETAILS

Entity

Wolford Scandinavia ApS
(under compulsory dissolution)
Frederiksberggade 19, 3. sal
1459 København K

Central Business Registration No: 18300249

Registered in: Copenhagen, Denmark

Financial year: 01.05.2016 – 30.04.2017

Executive Board

Erik Danielsen, Chief Executive Officer

Yves Michel

Brigitte Kurz

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

0900 Copenhagen C





STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Executive Board has today considered and approved the annual report to Wolford Scandinavia ApS for the financial year 01.05.2016 – 30.04.2017.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.04.2017 and of the results of its operations for the financial year 01.05.2016 – 30.04.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 18.12.2017

Executive Board



Erik Danielsen
Chief Executive Officer



Yves Michel



Brigitte Kurz



INDEPENDENT AUDITOR'S REPORT

To the shareholders of Wolford Scandinavia ApS

Opinion

We have audited the financial statements of Wolford Scandinavia ApS for the financial year 01.05.2016 - 30.04.2017, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.04.2017 and of the results of its operations for the financial year 01.05.2016 - 30.04.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- 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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement on the management commentary

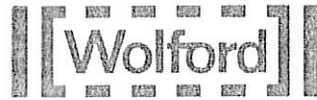
Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.





Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Violation of the regulation in the Danish Financial Statements Act related to filing of financial statements

The Company has filed their annual report for the period 1 May 2016 – 30 April 2017 too late, which is a violation of the Danish Financial Statements Act §138 which may lead to Management responsibilities.

Copenhagen, 18.12.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56

A handwritten signature in grey ink, appearing to read "Morten Speitzer".

Morten Speitzer

State-Authorised Public Accountant

MNE no 10057





MANAGEMENT COMMENTARY

Primary activities

The Company sells stockings, ladies underwear and fashion wear produced by the Parent's manufacturing facilities in Austria.

Some of the Company's activities are carried out by its branches in Norway (Oslo), Sweden (Stockholm) and Finland (Helsinki), respectively.

Sales to customers take place partly as wholesale to a number of distributors in the respective countries and partly as sales through own concept stores (flagships) in each Nordic country. In the domestic market, the Company thus has its own stores in Lyngby, Hellerup, Copenhagen and an outlet in Ringsted, and in the Nordic market in Helsinki and two stores in Oslo. There are five SIS concessions and three SIS on consignment in Denmark. In addition, the Company has five Wolford partner stores which are operated according to a concept similar to franchising of which four are located in Denmark and one is located in Sweden.

Development in activities and finances

The contribution made by the Company's foreign branches to the overall earnings of the Company is not yet at its maximum. Consequently, the total gross profit realised by the Company is DKK 20.597 thousand.

The Company's profit for the year after tax totals DKK 1.607 thousand. At 30.04.2017, equity amounts to DKK 6.953 thousand. The performance for the financial year 2016/17 is considered satisfactory.

Management commentary

The Company has recognized a deferred tax asset amounting to DKK 1.548 thousand, which primarily consists of tax loss carryforwards. The Company has generated a profit in the financial year, and Management is expecting to generate profits in the coming financial years. Management expect that the tax loss carryforwards will be utilized within 3-5 years.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.





ACCOUNTING POLICIES

Reporting class

This annual report has been presented in accordance with the provisions of the Danish DFinancial Statements Act governing reporting class B enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date. Exchange differences that arise between the rate at transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses.

When recognising the financial statements of foreign branches, the income statements are translated at average exchange rates, while the balance sheet items are translated at the exchange rates at the balance sheet date in respect of monetary items and at the exchange rates at the transaction date in respect of non-monetary items, as the branches are not considered independent foreign entities. Exchange differences arising out of the translation of foreign branches' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.



ACCOUNTING POLICIES

INCOME STATEMENT

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and other external expenses.

Revenue

Revenue is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises interest income, currency translation adjustments of transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, currency transaction adjustments of transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.





ACCOUNTING POLICIES

BALANCE SHEET

Intellectual property rights etc

Intellectual property rights etc comprise leases that are expected to add value over the amortisation period.

Intellectual property rights acquired are measured at cost less accumulated amortisation.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Leasehold improvements as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price and costs directly attributable to the acquisition until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

| | |
|--|--------------|
| Leasehold improvements | 5 – 10 years |
| Other fixtures and fittings, tools and equipment | 4 – years |

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Deferred Tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.





ACCOUNTING POLICIES

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable

Cost of goods for resale consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equaling nominal value less write-downs for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.





| INCOME STATEMENT FOR 2016/17 | Notes | 2016/17 DKK | 2015/16 DKK |
|--|----------|-------------------|-------------------|
| Gross profit | 1 | 20.596.865 | 22.000.148 |
| Staff costs | 2 | (17.133.098) | (18.701.621) |
| Amortisation, depreciation and impairment losses | 3 | (959.049) | (1.314.502) |
| Operating profit/loss | | 2.504.718 | 1.984.025 |
| Other financial income | 4 | 2.477 | 672.310 |
| Other financial expenses | 5 | (754.183) | (525.840) |
| Profit/loss from ordinary activities before tax | | 1.753.012 | 2.130.495 |
| Tax on profit/loss from ordinary activities | | (145.729) | 1.590.445 |
| Profit/loss for the year | | 1.607.283 | 3.720.940 |
| Proposed distribution of profit/loss | | | |
| Retained earnings | | 1.607.283 | 3.720.940 |
| | | 1.607.283 | 3.720.940 |



| BALANCE SHEET AT 30.04.2017 | Notes | 2016/17 DKK | 2015/16 DKK |
|--|----------|-------------------|-------------------|
| Acquired intangible assets | | 39.794 | 90.627 |
| Intangible assets | 6 | 39.794 | 90.627 |
| Other fixtures and fittings, tools and equipment | | 1.715.011 | 1.550.526 |
| Leasehold improvements | | 86.145 | 167.037 |
| Property, plant and equipment | 7 | 1.801.156 | 1.717.563 |
| Deferred tax | | 1.547.678 | 1.784.329 |
| Fixed assets investments | | 1.459.348 | 1.784.329 |
| Fixed assets | | 3.348.834 | 3.592.519 |
| Manufactured goods and goods for sale | | 12.902.779 | 10.231.157 |
| Inventories | | 12.902.779 | 10.231.157 |
| Trade receivables | | 6.349.741 | 4.573.101 |
| Other receivables | | 2.017.015 | 3.409.244 |
| Income tax receivables | | 0 | 0 |
| Prepayments | | 356.688 | 348.364 |
| Receivables | | 8.723.444 | 8.330.709 |
| Cash | | 3.441.636 | 2.982.413 |
| Current assets | | 25.067.859 | 21.544.279 |
| Assets | | 28.456.487 | 25.136.798 |





| BALANCE SHEET AT 30.04.2017 | Notes | 2016/17 DKK | 2015/16 DKK |
|--|-------|-------------------|-------------------|
| Contributed capital | | 800.000 | 800.000 |
| Retained earnings | | 6.153.054 | 4.006.027 |
| Equity | | 6.953.054 | 4.806.027 |
| Trade payables | | 98.412 | 228.784 |
| Payables to group enterprises | | 16.534.210 | 13.630.184 |
| Other payables | | 4.586.110 | 6.222.110 |
| Deferred income | | 284.701 | 249.693 |
| Current liabilities other than provisions | | 21.503.433 | 20.330.771 |
| Liabilities other than provisions | | 21.503.433 | 20.330.771 |
| Equity and liabilities | | 28.456.487 | 25.136.798 |
| Unrecognised rental and lease commitments | 8 | | |
| Assets charged and collateral | 9 | | |
| Related parties with control | 10 | | |
| Ownership | 11 | | |
| Consolidation | 12 | | |
| Contingent liabilities | 13 | | |





STATEMENT OF CHANGES IN EQUITY FOR 2016/17

| | Contributed capital DKK | Retained earnings DKK | Total DKK |
|----------------------------------|----------------------------|--------------------------|------------------|
| Equity beginning of year | 800.000 | 4.006.027 | 4.806.027 |
| Currency translation adjustments | 0 | 539.744 | 539.744 |
| Profit/loss/for the year | 0 | 1.607.283 | 1.607.283 |
| Equity end of the year | 800.000 | 6.153.054 | 6.953.054 |





NOTES

1 Gross profit

Referring to section 32 of the Danish Financial Statements Act, the Company has aggregated revenue and external expenses and has named the item "gross profit".

| | 2016/17 DKK | 2015/16 DKK |
|---|----------------|------------------|
| 2 Staff costs | | |
| Staff costs | 17.133.098 | 18.701.621 |
| Average number of employees | 65 | 66 |
| 3 Amortisation, depreciation and impairment losses | | |
| Amortisation of intangible assets | 50.833 | 50.833 |
| Depreciation on property, plant and equipment | 908.216 | 1.263.669 |
| | 959.049 | 1.314.502 |
| 4 Other financial income | | |
| Currency translation adjustments | 0 | 668.738 |
| Other financial income | 2.477 | 3.572 |
| | 2.477 | 672.310 |
| 5 Other financial expenses | | |
| Currency translation adjustments | 682.228 | 512.817 |
| Other financial expenses | 71.955 | 13.023 |
| | 754.183 | 525.840 |





NOTES

| | Acquired intangible assets DKK |
|---|---|
| 6 Intangible assets | |
| Cost beginning of year | 3.998.667 |
| Cost end of year | 3.998.667 |
| Amortisation and impairment losses beginning of year | (3.908.040) |
| Amortisation for the year | (50.833) |
| Amortisation and impairment losses end of year | (3.958.873) |
| Carrying amount end of year | 39.794 |



NOTES

| | Other fixtures and fittings, tools and equipment DKK | Leasehold improvements DKK |
|--|--|----------------------------------|
| 7 Property, plant and equipment | | |
| Cost beginning of year | 8.307.033 | 1.084.087 |
| Currency translation adjustments | (43.396) | (2.880) |
| Additions | 1.010.892 | 0 |
| Disposals | (167.263) | (228.725) |
| Cost end of year | 9.107.266 | 852.482 |
| Depreciation and impairment losses beginning of year | (6.756.507) | (917.051) |
| Currency translation adjustments | 36.579 | 2.844 |
| Depreciation for the year | (827.363) | (80.853) |
| Reversal regarding disposals | 155.036 | 228.723 |
| Depreciation and impairment losses end of year | (7.392.255) | (766.337) |
| Carrying amount end of year | 1.715.011 | 86.145 |
| | 2016/17 DKK | 2015/16 DKK |
| 8 Unrecognised rental and lease commitments | | |
| Commitments under rental agreements or leases until expiry | 4.241.680 | 3.663.243 |

Operating lease agreements on cars and rental agreements on office space and outlets have been concluded for the year 2016 to 2021.

9 Assets charged and collateral

The Company has provided a guarantee of DKK 213.092 to the landlord in Finland.



10 Related parties with control

Related parties with controlling interest in Wolford Scandinavia ApS:

Wolford AG, Austria

11 Ownership

The following shareholder holds more than 5% of the Company's share capital:

Wolford Beteiligungs GmbH

12 Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Wolford AG, Austria

The consolidated financial statements can be obtained by request from Wolford Scandinavia ApS, Copenhagen. All consolidated financial statements are available at <http://company.wolford.com/investor-relations>.

13 Contingent liabilities

The Danish tax authorities are currently investigating the Company's tax returns for the financial years 2012/13 – 2014/15. The outcome of the investigation is not yet known and consequently no adjustment to taxable income in prior years, if any, can be made at this stage.

