

Abercrombie & Fitch (Denmark) ApS

**c/o Harbourhouse Sundkrogsgade 21
2100 Copenhagen Ø**

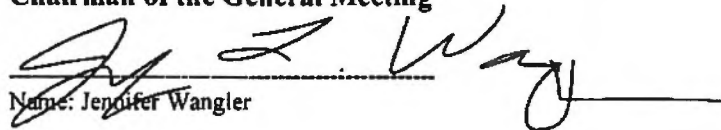
Central Business Registration No: 31178975

Annual report 2017/18

The Annual General Meeting adopted the annual report on

28/06/2018

Chairman of the General Meeting



Name: Jennifer Wangler

Contents

	<u>Page</u>
Entity details	2
Statement by Management on the annual report	3
Independent practitioner's report	4
Management commentary	6
Accounting policies	9
Income statement	13
Balance sheet	14
Statement of changes in equity	16
Notes	17

Entity details

Entity

Abercrombie & Fitch (Denmark) ApS
c/o Harbourhouse Sundkrogsgade 21
2100 Copenhagen Ø

Central Business Registration No: 31178975

Registered in: Copenhagen

Financial year: 01.02.2017 - 31.01.2018

Executive Board

Jennifer Wangler

Robert Everett Bostrom

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44

2900 Hellerup

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Abercrombie & Fitch (Denmark) ApS for the financial year 01.02.2017 - 31.01.2018.

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 31.01.2018 and of the results of its operations for the financial year 01.02.2017 - 31.01.2018.

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.

Executive Board

Jennifer Wangler

 08/06/2018

Robert Everett Bostrom

 08/06/2018

Independent Practitioner's Report on the Financial Statements

To the Shareholder of Abercrombie & Fitch (Denmark) ApS

We have performed an extended review of the Financial Statements of Abercrombie & Fitch (Denmark) ApS for the financial year 1 February 2017 – 31 January 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the Financial Statements. We conducted our extended review in accordance with the Danish Business Authority's assurance standard for small enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared under the Danish Financial Statements Act.

This requires that we comply with the Danish Act on Approved Auditors and Audit Firms and FSR – Danish Auditors' Code of Ethics and that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

Conclusion

Based on the extended review, in our opinion the Financial Statements give a true and fair view of the financial position of the Company at 31 January 2018 and of the results of the Company operations for the financial year 1 February 2017 – 31 January 2018 in accordance with the Danish Financial Statements Act.

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 extended review 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 extended review, 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.

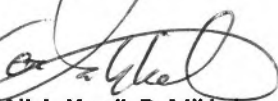
Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Hellerup,

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-no. 33 77 12 31



Niels Henrik B. Mikkelsen

State Authorised Public Accountant

mne 16675

Management commentary

Primary activities

Abercrombie & Fitch (Denmark) ApS is a specialty retailer that offers a broad assortment of apparel, personal care products and accessories for men and women under the Abercrombie & Fitch brand through its flagship store in Copenhagen. The brand has a commitment to offering products of enduring quality and exceptional comfort that allows customer to express their own individuality and style.

Development in activities and finances

The Company began its retail operations at its Copenhagen location on 4 November 2010.

Profit for 2017/2018 was 0.8 million DKK as compared to profit of 1.2 million DKK for 2016/2017 and of 3.6 million DKK for 2015/2016. The results for 2017/2018 are considered satisfactory.

Assets as of 31 January 2018 were 43.1 million DKK compared to 43.5 million DKK and 44.7 million DKK as of 31 January 2017 and 31 January 2016, respectively. Total assets included 11.4 million DKK of property and equipment as of 31 January 2018 compared to 17.6 million DKK and 23.3 million DKK as of 31 January 2017 and 31 January 2016, respectively. Equity as of 31 January 2018 was 37.9 million DKK compared to 37.2 million DKK and 36.0 million DKK as of 31 January 2017 and 31 January 2016, respectively.

Uncertainty relating to recognition and measurement

Abercrombie & Fitch (Denmark) ApS has no areas where there is material uncertainty in recognition and measurement, other than what's disclosed in the paragraph related to principal risks and uncertainties.

Unusual circumstances affecting recognition and measurement

There have been no unusual circumstances that have impacted recognition and measurement.

Principal risks and uncertainties

Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. The following factors, categorized by the primary nature of the associated risk, could affect our financial performance and cause actual results to differ materially from those expressed or implied in any of the forward-looking statements.

Macroeconomic and industry risks include:

- Changes in global economic and financial conditions, and the resulting impact on consumer confidence and consumer spending, as well as other changes in consumer discretionary spending habits, could have a material adverse effect on our business, results of operations and liquidity;
- Failure to anticipate customer demand and changing fashion trends and to manage our inventory commensurately could adversely impact our sales levels and profitability;
- Our market share may be negatively impacted by increasing competition and pricing pressures from companies with brands or merchandise competitive with ours;
- Our ability to attract customers to our stores depends, in part, on the success of the shopping malls or area attractions that our stores are located in or around; and,
- The impact of war, acts of terrorism or civil unrest could have a material adverse effect on our operating results and financial condition.

Management commentary (continued)

Strategic risks include:

- The expansion of our direct-to-consumer sales channels and omnichannel initiatives are significant components of our growth strategy, and the failure to successfully develop our position across all channels could have an adverse impact on our results of operations;
- Our growth strategy and ability to conduct business may be adversely affected by legal, regulatory, political and economic risks; and,
- Failure to successfully implement our strategic plans could have a negative impact on our growth and profitability.

Operational risks include:

- Failure to protect our reputation could have a material adverse effect on our brands;
- Our business could suffer if our information technology systems are disrupted or cease to operate effectively;
- We may be exposed to risks and costs associated with cyber-attacks, credit card fraud and identity theft that would cause us to incur unexpected expenses and reputation loss;
- Our reliance on the Abercrombie & Fitch Co. group's distribution centers makes us susceptible to disruptions or adverse conditions affecting our supply chain;
- Changes in cost, availability and quality of raw materials, labor, transportation and trade relations could cause manufacturing delays and increase our costs;
- We depend upon independent third parties for the manufacture and delivery of all our merchandise, and a disruption of the manufacture or delivery of our merchandise could result in lost sales;
- We rely on the experience and skills of Abercrombie & Fitch Co.'s senior executive officers and associates, the loss of whom could have a material adverse effect on our business; and,
- Extreme weather conditions, including natural disasters, pandemic disease and other unexpected events, could negatively impact our facilities, systems and stores, as well as Abercrombie & Fitch Co. group's facilities and systems of our vendors and manufacturers, which could result in an interruption to our business and adversely affect our operating results.
- Additionally, we may face operational issues that could have a material adverse effect on our reputation, business and results of operations if we fail to address work stoppages or other labor-related issues in our European stores where associates are represented by workers' councils and unions.

Legal, tax, regulatory and compliance risks include:

- Fluctuations in our tax obligations and effective tax rate may result in volatility in our results of operations;
- Our litigation exposure could have a material adverse effect on our financial condition and results of operations;
- Failure to adequately protect our trademarks could have a negative impact on our brand image and limit our ability to penetrate new markets; and,
- Changes in the regulatory or compliance landscape and compliance with changing regulations for accounting, corporate governance and public disclosure could adversely affect our business, results of operations and reported financial results.

Management commentary (continued)

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.

Expected development in 2018

There are no significant changes planned in the Company's operations in the foreseeable future.

Accounting policies

Reporting class

The Annual Report of Abercrombie & Fitch (Denmark) A/S for 2017/18 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial statements for 2017/18 are presented in DKK.

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 recognized 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.

Translation policies

Transactions in foreign currencies are re-measured at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the re-measurement date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are re-measured at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the re-measurement date rates are recognised in financial income and expenses in the income statement.

Accounting policies (continued)

Income statement

Gross profit or loss

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

Revenue

Revenue from the sale of goods for resale is recognized in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognized net of VAT, duties and sales discounts and is measured at fair value of the fixed consideration. The Company also reserves for sales returns through estimates based on historical experience.

With reference to section 32 of the Danish Financial Statement Act, revenue has not been disclosed in the Annual Report.

Other operating income and expenses

Other operating income and expenses comprises income of a secondary nature as viewed in relation to the Company's primary activities, including gains and losses on the sale of property and equipment.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for premises, stationery and office supplies and marketing costs.

Staff costs

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

Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses relating to property and equipment comprise amortization, 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. There have not been impairment losses recognized to date on the property and equipment.

Other financial income

Other financial income comprises interest income, as well as tax relief under the Danish Tax Prepayment Scheme.

Other financial expenses

Other financial expenses comprise interest expenses, including foreign currency loss on payables transactions in foreign currencies, amortization of financial liabilities as well as tax surcharges under the Danish Tax Prepayment Scheme.

Accounting policies (continued)

Income taxes

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

Balance sheet

Property and equipment

Other fixtures, fittings and equipment are measured at cost less accumulated depreciation and impairment losses. The Company owns no land.

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

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

- Other fixtures, fittings and equipment 3-10 years
- Leasehold improvements 4-10 years

Property and equipment are written down to the lower of recoverable amount or 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.

Inventory

Inventory is measured at the lower of cost or net realizable value using the weighted average cost method. Cost of goods for resale consists of purchase price plus delivery costs. The net realizable value of inventory is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

Accounting policies (continued)

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise the asset retirement obligation and other payables.

Other provisions are recognized and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

A provision is made for goods estimated to be returned based on historical experience.

Operating leases

Lease payments on operating leases are recognized on a cash basis in the income statement over the term of the lease.

Other financial liabilities

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

Deferred income

Deferred income consists of received income for recognition in subsequent financial years. Deferred income is measured at historical value.

The Company sells gift cards in its stores. The Company accounts for gift cards sold to customers by recognizing a liability at the time of sale. Gift cards sold to customers do not expire or lose value over periods of inactivity. The liability remains on the Company's books until the Company recognizes income from gift cards. Income on gift cards is recognized at the earlier of redemption by the customer (recognized as revenue) or when the company determines that the likelihood of redemption is remote, referred to as gift card breakage (recognized as other operating income). The company determines the probability of the gift card being redeemed to be remote based on historical redemption patterns.

Dividend

There was no dividend distribution proposed by management for the year.

Income statement

	Notes	2017/18 DKK'000	2016/17 DKK'000
Gross profit		29.755	32.925
Staff costs	1	(8.318)	(10.161)
Wages and salaries		(7.691)	(9.467)
Pensions		(623)	(571)
Other social security costs		(4)	(123)
Depreciation		(5.981)	(6.008)
Other operating expenses		(13.826)	(15.263)
Operating profit		1.630	1.493
Other financial income	2	64	620
Other financial expenses		(703)	(618)
Profit from ordinary activities before tax		991	1.495
Tax on profit from ordinary activities	3	217	292
Profit for the year		774	1.203
Proposed distribution of profit			
Retained earnings		774	1.203
Net profit for the year		774	1.203

Balance sheet

	Notes	31.01.2018 DKK'000	31.01.2017 DKK'000
Other fixtures, fittings and equipment		1.801	3.986
Leasehold improvements		9.604	13.615
Property and equipment	4	11.405	17.601
Deferred tax assets	5	4.740	3.886
Fixed asset investments		4.740	3.886
Fixed assets		16.145	21.487
Goods for resale		8.648	8.553
Inventory		8.648	8.553
Receivables from group enterprises		492	7.950
Income tax receivables		377	386
Other receivables		12.441	390
Prepayments		1.188	1.224
Receivables		14.498	9.950
Cash		3.777	3.509
Current assets		26.923	22.012
Assets		43.068	43.499

Balance sheet (continued)

	Notes	31.01.2018 DKK'000	31.01.2017 DKK'000
Contributed capital	6	2.500	2.500
Retained earnings		35.429	34.655
Equity		37.929	37.155
Other provisions		1.544	1.544
Provisions		1.544	1.544
Trade payables		81	266
Payable to group enterprises		56	45
Other payables		1.893	2.532
Deferred income		1.565	1.957
Current liabilities other than provisions		3.595	4.800
Liabilities other than provisions		3.595	4.800
Equity and liabilities		43.068	43.499
Future rental and lease commitments	7		
Related parties with control	8		

Statement of changes in equity

	Contributed capital DKK '000	Retained earnings DKK '000	Total DKK '000
Equity beginning of year	2.500	34.655	37.155
Profit for the year	-	774	774
Equity end of year	2.500	35.429	37.929

Notes

1. Staff costs

	2017/18	2016/17
	DKK'000	DKK'000
Salaries and wages	7.691	9.467
Pension costs	623	571
Other social security costs	4	123
	8.318	10.161

The Executive Board has not received remuneration during financial years 2017/18 and 2016/17.

	2017/18	2016/17
Average number of full-time employees	23	29

2. Other financial income

	2017/18	2016/17
	DKK'000	DKK'000
Financial income	64	620
	64	620

3. Tax on profit from ordinary activities

	2017/18	2016/17
	DKK'000	DKK'000
Current tax	1.071	1.130
Change in deferred tax	(854)	(789)
Tax adjustment regarding previous year	-	(49)
	217	292

Notes (continued.)**4. Property and equipment**

	Leasehold improvements	Other fixtures, fittings and equipment
	DKK'000	DKK'000
Cost beginning of year	40.911	22.108
Additions	59	76
Disposals	-	(375)
Other	(47)	(169)
Cost end of year	40.923	21.640
Depreciation beginning of year	(27.296)	(18.122)
Depreciation for the year	(4.023)	(1.958)
Reversals relating to disposals	-	241
Depreciation end of year	(31.319)	(19.839)
Carrying amount end of year, net	9.604	1.801

5. Deferred tax assets

	31.01.2018	31.01.2017
	DKK'000	DKK'000
Deferred tax asset resulting from temporary differences in fixed assets, prepayments and provisions	4.987	4.128
Deferred tax liability resulting from temporary differences in fixed assets, prepayments and provisions	(247)	(242)
	4.740	3.886

6. Contributed capital

	Number of shares	Par value DKK	Nominal value DKK'000
Ordinary shares	2.500	1.000	2.500
	2.500		2.500

7. Future rental and lease commitments

	31.01.2018	31.01.2017
	DKK'000	DKK'000
Future commitments under rental agreements or leases until expiry	55.074	41.137

Notes (continued)

8. Related parties with control

The immediate Parent Company is Abercrombie & Fitch Europe SAGL, Switzerland. The Company's ultimate Parent Company, which prepares consolidated financial statements into which the Company is incorporated as a subsidiary, is Abercrombie & Fitch Co.

The consolidated financial statements of Abercrombie & Fitch Co. can be obtained at the following address:

Abercrombie & Fitch Co.

6301 Fitch Path

New Albany, OH

USA