
The Intimate Company A/S

Farum Gydevej 73, DK-3520 Farum

Annual Report for 1 July 2018 - 30 June 2019

CVR No 35 40 78 39

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
29/11 2019

Tom Deichmann
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of The Intimate Company A/S for the financial year 1 July 2018 - 30 June 2019.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 30 June 2019 of the Company and of the results of the Company operations for 2018/19.

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

Farum, 29 November 2019

Executive Board

Claus Walther Jensen
CEO

Board of Directors

Claus Walther Jensen

Gitte Breil

Julie Breil

Independent Auditor's Report

To the Shareholder of The Intimate Company A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2019 and of the results of the Company's operations for the financial year 1 July 2018 - 30 June 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of The Intimate Company A/S for the financial year 1 July 2018 - 30 June 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

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 Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of 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 misstate-

Independent Auditor's Report

ment, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events

Independent Auditor's Report

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.

Hillerød, 29 November 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Aslund Pedersen
statsautoriseret revisor
mne17120

Michael Blom
statsautoriseret revisor
mne32797

Company Information

The Company

The Intimate Company A/S
Farum Gydevej 73
DK-3520 Farum

CVR No: 35 40 78 39
Financial period: 1 July - 30 June
Incorporated: 31 July 2013
Financial year: 6th financial year
Municipality of reg. office: Furesø

Board of Directors

Claus Walther Jensen
Gitte Breil
Julie Breil

Executive Board

Claus Walther Jensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Milnersvej 43
DK-3400 Hillerød

Management's Review

Key activities

The primary activities of the Company are design, manufacture, advertising and group external wholesale of lingerie, loungewear, nightwear and swimwear based upon licence agreements with influential global brand owners.

Development in the year

The income statement of the Company for 2018/19 shows a loss of DKK 49,641, and at 30 June 2019 the balance sheet of the Company shows negative equity of DKK 8,546,914.

The Company has lost more than 50 % of its share capital. As a result, the Company falls within the provisions of section 119 of the Danish Companies act governing loss of capital. Management expect the lost equity will be recovered in the future, as the acquired trademarks is fully depreciated, while the Intimate brand will still continue to be source for future royalty payments.

The Company has received a letter of support from the Parent Company.

Subsequent events

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

Income Statement 1 July - 30 June

	Note	2018/19 DKK	2017/18 DKK
Gross profit/loss		2.975.000	3.240.733
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-2.521.000	-2.520.907
Profit/loss before financial income and expenses		454.000	719.826
Financial income	3	6.880	16.526
Financial expenses	4	-524.516	-569.239
Profit/loss before tax		-63.636	167.113
Tax on profit/loss for the year	5	13.995	-36.765
Net profit/loss for the year		-49.641	130.348

Distribution of profit

Proposed distribution of profit

Retained earnings		-49.641	130.348
		-49.641	130.348

Balance Sheet 30 June

Assets

	Note	2018/19 DKK	2017/18 DKK
Acquired trademarks		0	2.521.000
Intangible assets	6	0	2.521.000
Investments in subsidiaries		527	527
Fixed asset investments		527	527
Fixed assets		527	2.521.527
Receivables from group enterprises		194.970	258.983
Other receivables		0	6.357
Deferred tax asset	7	1.198.608	1.303.377
Corporation tax		719.154	529.497
Prepayments		8.810	8.810
Receivables		2.121.542	2.107.024
Cash at bank and in hand		91	183
Currents assets		2.121.633	2.107.207
Assets		2.122.160	4.628.734

Balance Sheet 30 June

Liabilities and equity

	<u>Note</u>	<u>2018/19</u> DKK	<u>2017/18</u> DKK
Share capital		500.000	500.000
Retained earnings		-9.046.914	-8.997.273
Equity		-8.546.914	-8.497.273
Trade payables		44.080	25.142
Payables to group enterprises		9.875.077	13.100.865
Other payables		749.917	0
Short-term debt		10.669.074	13.126.007
Debt		10.669.074	13.126.007
Liabilities and equity		2.122.160	4.628.734
Going concern	1		
Key activities			
Contingent assets, liabilities and other financial obligations	8		
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Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 July	500.000	-8.997.273	-8.497.273
Net profit/loss for the year	0	-49.641	-49.641
Equity at 30 June	500.000	-9.046.914	-8.546.914

Notes to the Financial Statements

1 Going concern

The Company has lost more than 50 % of its share capital. As a result, the Company falls within the provisions of section 119 of the Danish Companies act governing loss of capital. Management expect hte lost equity will be recovered in the future, as the acquired trademarks is fully depreciated, while the Intimate brand will still continue to be source for future royalty payments.

The Company has received a letter of support form the Parent Company.

	2018/19 DKK	2017/18 DKK
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	2.521.000	2.520.907
	2.521.000	2.520.907
3 Financial income		
Interest received from group enterprises	6.880	0
Other financial income	0	16.526
	6.880	16.526
4 Financial expenses		
Interest paid to group enterprises	524.041	566.296
Other financial expenses	475	2.943
	524.516	569.239
5 Tax on profit/loss for the year		
Current tax for the year	0	0
Deferred tax for the year	-13.995	153.962
Adjustment of tax concerning previous years	0	-117.197
	-13.995	36.765

Notes to the Financial Statements

6 Intangible assets

	Acquired trade- marks <u>DKK</u>
Cost at 1 July	<u>26.544.000</u>
Cost at 30 June	<u>26.544.000</u>
Impairment losses and amortisation at 1 July	24.023.000
Amortisation for the year	<u>2.521.000</u>
Impairment losses and amortisation at 30 June	<u>26.544.000</u>
Carrying amount at 30 June	<u>0</u>

7 Deferred tax asset

	<u>2018/19</u> DKK	<u>2017/18</u> DKK
Intangible assets	0	555.000
Tax loss carry-forward	-1.198.608	-1.858.377
Transferred to deferred tax asset	<u>1.198.608</u>	<u>1.303.377</u>
Deferred tax asset	<u>0</u>	<u>0</u>
Calculated tax asset	<u>1.198.608</u>	<u>1.303.377</u>
Carrying amount	<u>1.198.608</u>	<u>1.303.377</u>

8 Contingent assets, liabilities and other financial obligations

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

There are no security and contingent liabilities at 30 June 2019.

Notes to the Financial Statements

9 Related parties

Transactions

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

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of The Intimate Company A/S for 2018/19 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.

The Financial Statements for 2018/19 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

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

Translation policies

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

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

Notes to the Financial Statements

10 Accounting Policies (continued)

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

Income Statement

Revenue

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

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

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income and other external expenses.

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

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

Financial income and expenses

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

Tax on profit/loss for the year

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

Notes to the Financial Statements

10 Accounting Policies (continued)

The Company is jointly taxed with Asian Import ApS. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

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

Impairment of fixed assets

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

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

Investments in subsidiaries

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

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

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

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

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

10 Accounting Policies (continued)

Prepayments

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

Equity

Dividend

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

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

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

Financial debts

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