

CVR no.

36926678

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LULULEMON ATHLETICA DK APS


ANNUAL REPORT

FOR THE YEAR FROM 1 FEBRUARY 2017 TO 31 JANUARY 2018

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c/o Harbour House  
Sundkrogsgade 21  
DK-2100 Copenhagen

Chairman

  
Pernille Ohlsen

Approved at the Company's Annual General Meeting, on: 24 May 2018

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**MANAGEMENT'S REPORT**

The Board of Directors and Management have today discussed and approved the Annual Report of lululemon athletica DK ApS, "The Company", for the financial year from 1 February 2017 to 31 January 2018.

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

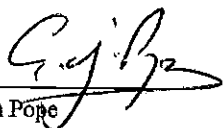
It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 January 2018 and of the results of the Company's operations for the financial year from 1 February 2017 to 31 January 2018.


The Annual Report has not been audited according to the articles of association. The Company complies with the section 135, 1.2 in the Danish Financial Statements Act.

The Annual Report for the coming year will not be audited.

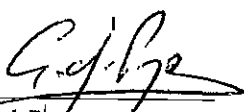
We recommend that the Annual Report be approved at the Annual General Meeting.


Management

  
Gareth Pope

  
Winston Cummins

Board of Directors

  
Gareth Pope

  
Winston Cummins

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**COMPANY INFORMATION**

Company name	lululemon athletica DK ApS
CVR no.	36926678
Address	c/o Harbour House Sundkrogsgade 21 DK-2100 Copenhagen
Management	Gareth Pope Winston Cummins
Board of Directors	Gareth Pope Winston Cummins
Annual General Meeting	
Financial year	From 1 February 2017 to 31 January 2018
Ownership control	The Company is wholly owned by:  Lululemon LU Holdings S.à.r.l. 20, rue des Peupliers L2328, Luxembourg  The Company's ultimate parent, lululemon athletica inc., prepares consolidated financial statements which incorporate lululemon athletica DK ApS.  lululemon athletica inc. c/o Corporation Trust Center 1209 N Orange Street Wilmington, DE 19801

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**MANAGEMENT'S REVIEW**

The directors of lululemon athletica DK ApS (The "Company") present their management review for the year ended 31 January 2018. The Company is a subsidiary of the lululemon athletica group of companies (the "Group") whose ultimate parent company, lululemon athletica inc., is listed on the NASDAQ stock exchange.

**Main activity**

The Company is a distributor of lululemon branded technical athletic apparel. The Company had no sales in the year.

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**ACCOUNTING POLICIES**

The Annual Report of the Company has been prepared in accordance with the provisions of the Danish Financial Statements Act for Class B companies. The Annual Report is prepared in DKK. The accounting policies applied are consistent with those of last year.

**Recognition and measurement**

Revenue is recognised in the income statement as it is earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, write downs and provisions.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each individual item below.

Certain financial assets and liabilities are measured at cost, thus recognising a constant effective interest over the term. Amortised cost is computed as original cost less deductions, if any, as well as additions/deductions of the accumulated amortisation of the difference between cost and nominal value.

When recognising and measuring assets and liabilities, any gains, losses and risks occurred prior to the presentation of the Annual Report will be considered and evidence of such conditions existing at the balance sheet date will be taken into account.

**Foreign currency translation**

Transactions denominated in foreign currencies are translated at the exchange rates at the date of the transaction.

Receivables, liabilities and other items in foreign currencies which have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Realised and unrealised exchange rate adjustments are included in the income statement as financial income/expenses.

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**ACCOUNTING POLICIES (CONTINUED)**

**Income statement**

**Other external expenses**

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

**Financial items**

Financial income and expenses and similar items are recognised in the income statement with the amounts relating to the reporting period. Net financial items include interest income and expense and realised and unrealised exchange rate gains and losses on foreign currency transactions.

**Tax on profit/loss for the year**

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

**Balance sheet**

**Cash and cash equivalents**

Cash and cash equivalents equates to cash held at banks and on hand.

**Receivables**

Receivables are measured at amortised cost. Write-downs for bad debt are based on individual assessment of receivables.

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**ACCOUNTING POLICIES (CONTINUED)**

**Tax assets, receivables and liabilities**

Current tax liabilities and outstanding current tax are recognised in the balance sheet as computed tax on the taxable income for the year adjusted for tax on previous years' taxable income as well as for tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between accounting and tax values of assets and liabilities. In cases, e.g. regarding shares where computation of the tax value can be made according to alternative tax rules, deferred tax is measured either on basis of the planned use of the asset or on settlement of the liability.

Deferred tax assets, including the tax value of tax loss carry forwards, are measured at expected realisable value, either by payment of tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Deferred net tax assets, if any, are measured at net realisable value.

Deferred tax is measured on basis of the tax rules and tax rates ruling at balance sheet date, when the deferred tax is expected to become current tax. Changes in deferred tax because of changes in tax rates are recognised in the income statement. On the basis of the assessment made by the management in regards to realisation of the Company's assets a tax rate of 22% has been applied when calculating deferred tax. When calculating tax on a net profit for the year the current tax rate of 22% has been applied.

**Liabilities**

Liabilities are measured at amortised cost equal to nominal value.



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INCOME STATEMENT FOR THE YEAR TO 31 JANUARY 2018

	2018/2017 DKK	2017/2016 DKK
Selling, general and administrative expenses	(125,675)	(134,940)
Gross loss	<u>(125,675)</u>	<u>(134,940)</u>
Interest income /(expense)	(21,007)	(10,267)
Loss before tax	<u>(146,682)</u>	<u>(145,207)</u>
Income tax expense	—	—
Net loss for the year	<u>(146,682)</u>	<u>(145,207)</u>

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PROPOSED DISTRIBUTION OF LOSS

	2018 DKK	2017 DKK
Proposed distribution of loss	—	—
Retained earnings	(146,682)	(145,207)
<b>Total distribution</b>	<u>(146,682)</u>	<u>(145,207)</u>

**BALANCE SHEET AS AT 31 JANUARY 2018**

	Note	2018 DKK	2017 DKK
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,955,270	4,975,025
Trade and other receivables		<u>13,535</u>	<u>3,942</u>
<b>Total current assets</b>		<u><b>4,968,805</b></u>	<u><b>4,978,967</b></u>
<b>Total assets</b>		<u><b>4,968,805</b></u>	<u><b>4,978,967</b></u>
<b>EQUITY</b>			
Share capital	1	50,001	50,001
Paid in capital	1	4,966,999	4,966,999
Retained earnings	1	<u>(396,625)</u>	<u>(249,943)</u>
<b>Total shareholder's equity</b>		<u><b>4,620,375</b></u>	<u><b>4,767,057</b></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Intercompany payables		<u>348,430</u>	<u>211,910</u>
<b>Total current liabilities</b>		<u><b>348,430</b></u>	<u><b>211,910</b></u>
<b>Total liabilities</b>		<u><b>348,430</b></u>	<u><b>211,910</b></u>
<b>Total liabilities and shareholder's equity</b>		<u><b>4,968,805</b></u>	<u><b>4,978,967</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JANUARY 2018**

**1. Owner's equity**

	Share capital	Paid in capital	Retained earnings	Total
<u>2018</u>	DKK	DKK	DKK	DKK
Owner's equity 31 January 2017	50,001	4,966,999	(249,943)	4,767,057
Loss of the year	—	—	(146,682)	(146,682)
Owner's equity 31 January 2018	50,001	4,966,999	(396,625)	4,620,375

**2. Staff costs**

The Company had no employees in the year (2017: Nil).