



Statsautoriseret
Revisionsinteressentskab

Kevin Murphy Europe A/S

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Annual Report 2017/18

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 27 September 2018

A handwritten signature in blue ink, appearing to read 'Lars G Brandt', written over a horizontal line.

Lars G Brandt
Chairman

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Kevin Murphy Europe A/S

Management's Statement

Today, Management has considered and adopted the Annual Report of Kevin Murphy Europe A/S for the financial year 6 June 2017 - 30 June 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 assets, liabilities and financial position of the Company at 30 June 2018 and of the results of the Company's operations and cash flow for the financial year 6 June 2017 - 30 June 2018.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

København, 29 August 2018

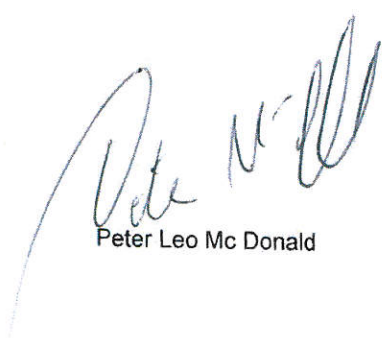
Executive Board

Peter Leo Mc Donald
Man. Director

Supervisory Board



Richard Alen Kornbluth
Chairman



Peter Leo Mc Donald



Richard Clark Lamishaw

Kevin Murphy Europe A/S

Independent Auditor's Report

To the shareholders of Kevin Murphy Europe A/S

Opinion

We have audited the financial statements of Kevin Murphy Europe A/S for the financial year 6 June 2017 - 30 June 2018, which comprise an income statement, balance sheet, cash flows and notes. 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 Company's financial position at 30 June 2018 and of the results of its operations and cash flows for the financial year 6 June 2017 - 30 June 2018 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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 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 considers 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 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

Independent Auditor's Report

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Kevin Murphy Europe A/S

Independent Auditor's Report

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

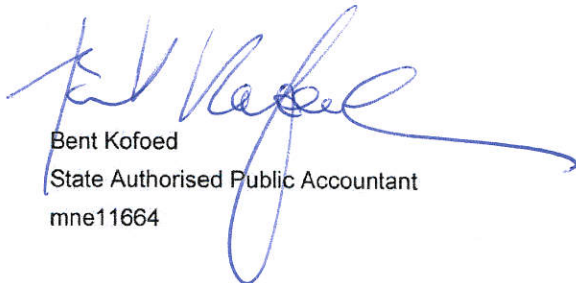
Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

København, 29 August 2018

KRESTON CM

Statsautoriseret Revisionsinteressentskab

CVR-no. 39463113



Bent Kofoed

State Authorised Public Accountant

mne11664

Kevin Murphy Europe A/S

Company details

Company	Kevin Murphy Europe A/S Refshalevej 163A 2. tv 1432 København K
	CVR No. 38691473
	Date of formation 6 June 2017
	Registered office København
	Financial year 6 June 2017 - 30 June 2018
Supervisory Board	Richard Alen Kornbluth, Chairman Peter Leo Mc Donald Richard Clark Lamishaw
Executive Board	Peter Leo Mc Donald, Man. Director
Auditors	KRESTON CM Statsautoriseret Revisionsinteressentskab Adelgade 15 1304 København K CVR-no.: 39463113
Bank	Danske Bank

Kevin Murphy Europe A/S

Management's Review

The Company's principal activities

The Company's principal activities consist of promotion and sale of products for the professional hair care/hairstyling market in Europe.

Insecurity regarding recognition or measurement

There is no material insecurity regarding recognition or measurement.

Exceptional circumstances

No exceptional circumstances have affected recognition or measurement.

Development in activities and financial matters

The Company's Income Statement of the financial year 6 June 2017 - 30 June 2018 shows a result of USD 5.906.786 and the Balance Sheet at 30 June 2018 a balance sheet total of USD 15.620.185 and an equity of USD 5.986.219.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Expectations for the future

The Company expects its operations to develop positively next year.

Knowledge resources

The company sells products developed in cooperation with its parent company and the rest of the group. Since the company's activities consist of promotion and sale of products, no special knowledge resource is connected to this activity.

Risks

The company is exposed to currency risks in respect of current operations. The company bills in EUR and USD, whereas all purchases is in USD and operating costs is in DKK.

Other than that, the company has no significant risks relating to its operations.

Environmental issues

The company is not considered to cause pollution or emission that in any case affects the environment. The company has no production activity in Denmark.

Kevin Murphy Europe A/S

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:

All figures are in USD

	2017/18
EBITDA	7.610.612
Operating profit/loss	7.609.800
Financial income	-24.284
Profit/loss before tax	7.585.516
Tax	-1.678.730
Profit/loss for the year	5.906.786
Investment in non-current assets	7.183
Total fixed assets	121.624
Current assets	15.498.561
Total assets	15.620.185
Total equity	5.986.219
Provision for deferred tax	216
Total liabilities	9.633.750
Total equity and liabilities	15.620.185
Return on equity (ROE) (%)	98,67
Profit margin (%)	21,06
Return on capital employed (%)	48,56
Solvency ratio (%)	38,32
Acid test ratio	1,61

For definitions of key ratios, see Accounting and Valuation Principles

Accounting Policies

Reporting Class

The Annual Report of Kevin Murphy Europe A/S for 2017/18 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

As the financial year 2017/18 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Reporting currency

The annual report is submitted in USD.

The exchange rate as per 30 June 2018 is 639,26 DKK for 100 USD.

Translation policies

Transactions in foreign currencies are translated into USD at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into USD based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit consists of revenue and external costs.

Revenue

Revenue from the sale of goods is recognised in the income statement from the date of delivery and if the risk has passed to the buyer and it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Raw materials and consumables

Costs for raw materials and consumables comprise purchase of goods and services for resale.

Other external expenses

Other external expenses comprise expenses regarding distribution, sale, administration, and facilities.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-10 years	0%

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Accounting Policies

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured by the equity method at the proportionately owned share of the equity of the enterprises plus any consolidated goodwill, less intercompany profit and negative goodwill. Enterprises with negative equity are measured at 0 as the negative value corresponding to the proportionate share is offset against receivables, if any. Amounts beyond this are recognised in the provisions item, if there is a legal or actual obligation to cover the negative balance.

Other investments

Other financial fixed assets are measured at amortised cost.

Inventories

Inventories are measured at cost comprising purchase price plus delivery costs.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity is comprised of share capital, retained earnings and other equity items that may be statutory or stipulated in the Articles of Association.

Accounting Policies

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Accounting policies Cash Flow Statement

The Cash Flow Statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flow from the operating activity is determined as the profit/loss for the year adjusted for changes in working capital and non-cash income statement items such as amortisation and impairment losses and provisions. The working capital comprises current assets less short-term liabilities, exclusive of the items that are included in cash and cash equivalents.

Cash flow from the investing activity comprises cash flows from purchase and sale of intangible, tangible and investments.

Cash flow from the financing activity comprises cash flows from raising and repaying long-term liabilities and payments to and from the owners.

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

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Accounting Policies

Explanation of financial ratios

Profit margin	=	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Return on equity (%)	=	$\frac{\text{Profit/loss for the year}}{\text{Avg. equity}}$
Return on capital employed (%)	=	$\frac{(\text{Operating profit} + \text{Financial income}) \times 100}{\text{Avg. assets}}$
Acid test ratio	=	$\frac{\text{Total current assets}}{\text{Short-term liabilities}}$
Solvency ratio (%)	=	$\frac{\text{Total equity} \times 100}{\text{Total liabilities}}$

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Income Statement

	Note	2017/18 USD
Gross profit		8.467.304
Salaries & Wages	1	-856.692
Depreciation Expenses		-812
Profit from ordinary operating activities		7.609.800
Financial expenses		-24.284
Profit from ordinary activities before tax		7.585.516
Tax expense on ordinary activities	2	-1.678.730
Profit	3	5.906.786

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Balance Sheet as of 30 June

	Note	2018 USD
Assets		
Fixtures, fittings, tools and equipment	4	6.371
Property, plant and equipment		6.371
Long-term investments in group enterprises	5, 6	78.890
Deposits, investments		36.363
Investments		115.253
Fixed assets		121.624
Manufactured goods and goods for resale		2.661.450
Inventories		2.661.450
Short-term trade receivables		9.024.917
Short-term receivables from group enterprises		190.230
Other receivables		662.459
Deferred expenses	7	39.690
Receivables		9.917.296
Cash and cash equivalents		2.919.815
Current assets		15.498.561
Assets		15.620.185

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Balance Sheet as of 30 June

	Note	2018 USD
Liabilities and equity		
Contributed capital		79.433
Retained earnings		5.906.786
Equity		5.986.219
Provisions for deferred tax	8	216
Provisions		216
Trade payables		630.264
Payables to group enterprises		6.973.303
Tax payables		1.678.514
Other short-term liabilities		351.669
Short-term liabilities other than provisions		9.633.750
Liabilities other than provisions within the business		9.633.750
Liabilities and equity		15.620.185
Contingent liabilities	9	
Collaterals and assets pledges as security	10	
Ownership	11	
Related parties	12	

Kevin Murphy Europe A/S

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Increase of capital	79.433	0	79.433
Profit	0	5.906.786	5.906.786
Equity 30 June 2018	79.433	5.906.786	5.986.219

The share capital has remained unchanged since the foundation 6 June 2017.

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Cash Flow Statement

	2017/18
	USD
Profit	5.906.786
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets	812
Adjustments for deferred tax	216
Decrease (increase) in inventories	-2.661.450
Decrease (increase) in receivables	-9.727.066
Decrease (increase) in trade payables	9.443.520
Cash flows from operating activities	2.962.818
Purchase of property, plant and equipment	-7.183
Purchase of investments	-115.253
Cash flows from investing activities	-122.436
Cash capital increase	79.433
Cash flows from financing activities	79.433
Net increase (decrease) in cash and cash equivalents	2.919.815
Cash and cash equivalents, ending balance	2.919.815

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Notes

	2017/18
1. Salaries & Wages	
Wages and salaries	767.066
Post-employment benefit expense	8.419
Social security contributions	81.207
	856.692
<i>Hereof remuneration to management</i>	
Management	0
Board of directors	0
	0
Average number of employees	9
2. Tax expense	
Current tax for the year	1.678.514
Change, deferred tax	216
	1.678.730
3. Distribution of profit	
Retained earnings	5.906.786
	5.906.786
4. Fixtures, fittings, tools and equipment	
Addition during the year, incl. improvements	7.183
Cost at the end of the year	7.183
Amortisation for the year	-812
Impairment losses and amortisation at the end of the year	-812
Carrying amount at the end of the year	6.371

Kevin Murphy Europe A/S

Notes

2017/18

5. Long-term investments in group enterprises

Addition during the year, incl. improvements	78.890
Cost at the end of the year	78.890

Carrying amount at the end of the year **78.890**

6. Disclosure in long-term investments in group enterprises and associates

Group enterprises

Name	Registered office	Share held in %
Omni Blonde A/S	København	100,00

The company was founded 14 June 2018. The company's first financial year ends 30 June 2019.

7. Deferred expenses

Deferred expenses	39.690
Balance at the end of the year	39.690

8. Provisions for deferred tax

Deferred tax, income statement	216
Balance at the end of the year	216

Intangible assets

Property, plant and equipment	216
	216

9. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

10. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

11. Ownership

Kevin Murphy Group Pty Ltd
23a Westside Dr
Laverton North, VIC 3026
Australia

Notes

2017/18

12. Related parties

Dominant participation
Kevin Murphy Group Pty Ltd
23a Westside Dr
Laverton North, VIC 3026, Australia

Related party transactions:

All transactions with related parties during the financial year have been completed on market terms. Thus, no further informations about transactions with related parties is disclosed ind accordance with §98 of the danish financial statments act.