Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Weidekampsgade 6
Postboks 1600
0900 København C

Telefon 36 10 20 30
Telefax 36 10 20 40
www.deloitte.dk

Noa Noa ApS
Krogenbergvej 15A
3490 Kvistgård
Central Business Registration
No 60746214

Annual report 2016

The Annual General Meeting adopted the annual report on 08.06.2017

Chairman of the General Meeting

Name: Christian Vink

Contents

Entity details

Entity
Noa Noa ApS
Krogenbergvej 15A
3490 Kvistgård

Central Business Registration No: 60746214
Registered in: Kvistgård
Financial year: 01.01.2016 - 31.12.2016
Reporting period, number:36

Board of Directors
Christian Nissen Riisberg, Chairman
Mikkel Hagedorn, Deputy Chairman
Henrik Aaen Kastberg

Executive Board
Henrik Aaen Kastberg

Bank
Nordea Bank

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Noa Noa ApS for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations and cash flows for the financial year 01.01.2016 - 31.12.2016.

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.

Kvistgaard, 02.06.2017

Executive Board

Henrik Aaen Kastberg

Board of Directors

Christian Nissen Riisberg Chairman	Mikkel Hagedorn Deputy Chairman	Henrik Aaen Kastberg

Independent auditor's report

To the shareholders of Noa Noa ApS

Opinion

We have audited the consolidated financial statements and parent financial statements of Noa Noa ApS for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement.. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and parent financial statements of Noa Noa ApS for the financial year 01.01.2016 - 31.12.2016 give a true and fair view of the Group's and the Parent's financial position at 31.12.2016, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

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 consolidated financial statements and parent financial statements section of this auditor's report. We are independent of the Group 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.

Material uncertainty related to going concern

Without modifying our opinion, we refer to note 1 of the financial statement, in which Management has described the uncertainties relating to the groups continued operations, including the preconditions underlying Managements assessments. It is Management's opinion, that the preconditions are realistic and achievable, and thus that the Group is able to continue its operations. Based on this, the annual report is pepared in accordance with the going concern assumption.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent 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 exits. 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 consolidated financial statements and parent 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 consolidated financial statements and parent 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 Group’s and 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 consolidated financial statements and parent 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 Group's and 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 consolidated financial statements and parent 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 Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and parent financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are

Independent auditor's report

responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and parent 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 consolidated financial statements and parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and parent 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 consolidated financial statements and parent 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.

Copenhagen, 02.06.2017

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Torben Skov
State-Authorised Public Accountant

Management commentary

	2016 DKK'000	2015 DKK'000	2014 DKK'000	2013 DKK'000	2012 DKK'000
Financial highlights					
Key figures					
Revenue	247.211	310.628	409.957	455.491	470.360
Gross profit/loss	67.494	78.594	119.406	139.365	157.916
Operating profit/loss	(23.248)	(42.201)	(23.067)	(32.223)	(22.265)
Net financials	(15.750)	(6.295)	(5.184)	(3.540)	(9.109)
Profit/loss for the year	(36.473)	(49.490)	(40.451)	(43.365)	(24.735)
Total assets	158.647	180.099	217.366	264.479	287.739
Investments in property, plant and equipment	4.587	10.310	19.855	10.293	19.367
Equity incl minority interests	(1)	32.937	41.429	58.695	112.162
Cash flows from (used in) operating activities	(20.478)	(13.781)	1.897	(1.863)	5.884
Cash flows from (used in) investing activities	3.196	(10.229)	(19.627)	(10.046)	(21.442)
Cash flows from (used in) financing activities	15.591	20.902	20.827	5.199	19.819
Ratios					
Gross margin (%)	27,3	25,3	29,1	30,6	33,6
Net margin (%)	(14,8)	(15,9)	(9,9)	(9,5)	(5,3)
Return on equity (%)	(221,5)	(133,1)	(80,8)	(50,8)	(22,1)
Equity ratio (%)	0,0	18,3	19,1	22,2	39,0

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	**Calculation formula**	**Ratios**
Gross margin (%)	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity incl minority interests}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity incl minority interests x 100}}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities
The Noa Noa ApS group is owned by the holding companies NN AX 2 ApS and NN AX 1 ApS and a group of current and former executive officers. Ultimately the company is owned by NNCG Holding ApS.

This annual report comprises the parent company, Noa Noa ApS, and its wholly-owned subsidiaries. Reference is also made to the consolidated financial statements of the ultimate parent company, NNCG Holding ApS.

The group's activity consists of designs, markets and sells fashion clothing and a broad range of accessories for women and children. The products sells through own shops, own online shop, third party-owned franchise stores and multi-brand stores in more than 18 countries.

Development in activities and finances
Consolidated revenue for the financial year 2016 came out at DKK 247 million down from DKK 311 million in 2015. Retail revenue (own shops and online shop) came out at DKK 141 million against DKK 170 million in 2015, while wholesale revenue (franchise and multi-brand stores) came out at DKK 107 million against DKK 141 million in 2015. The downturn in wholesale is caused by concentrated focus on fewer markets, but also continuing loss of multibrand customers. In own retail continued focus on closing down unprofitable shops impacts sales.

The company has been able to maintain its Gross Margin percent, though tough competition in the market place. The reason behind this is that the company continues to focus on efficiency and among others the company has recorded full year effect from the warehouse move to Poland during autumn 2015.

We refer to note 1 for further information.

The company's development in 2016

2016 proved to be another challenging year with an intensified focus on revitalizing and updating the Noa Noa brand and design profile. A new brand strategi has been developed and a new productteam hired. Noa Noa has during 2016 continuously adjusted the cost base to create a balance with respect to the lower turnover. The sales challenges from earlier years have continued in 2016, however with positive signs in sales in own retail shops, increasing over the year.

By the end of 2016 Noa Noa had a total of 81 mono-brand shops, of which 39 are own shops and 42 are franchise shops. During 2016, Noa Noa opened 4 mono-brand shops, all franchise, and closed 31 shops, of which 16 was own retail shops, leading to a net close of 27 mono-brand shops.

The company has continued the agreed strategy under the new ownership. The foundation in the strategy is a clear and continuous brand strategy, and a huge focus on closing non profitable activities in the group.

Market review in 2016

The financial year 2016 has once again been characterized by declining consumer demand and within the clothing industry this has lead to difficult market circumstances for both mono-brand and multi-brand shops.

Management commentary

Profit/loss for the year in relation to expected developments
Consolidated EBITDA for 2016 is a loss of DKK 15,1 mio, and compared to DKK 22,1 mio in loss in 2015 after restructuring expenses, it is considered disappointing, however in line with expectations. The group's and the parent company's income statement for the year ended 31 December 2016 shows a loss of DKK 36 mio after tax against a loss of DKK 49 mio in 2015.

Separately, the parent company in 2016 delivered a negative EBITDA of DKK 22 mio, compared to the financial year 2015, with EBITDA in the parent company delivering a loss of DKK 33,5 mio. The result is both for the group and the parent company considered unsatisfactory, however in line with expectations.

Uncertainty relating to recognition and measurement
No recognition and measurement uncertainties have been identified.

Outlook
Overall, the management expects that 2017 will be another year of consolidation with continuing decrease of revenue. However EBITDA is expected to be a minor positive amount based on the cost adjustments carried out in 2015-2016.

Focus for 2017 will be to strengthen the companys market position through executing the new brand strategy, and a continued focus to improve profitability throughout the value chain, specifically improved profitability in the wholesale division is expected, among others through increased sales focus in core markets. In the retail division increased LFL sales are expected based on the 2016 development.

During 2017 Noa Noa is implementing a new web site as an important step in the new brand strategy.

Particular risks
Business risks

The group's key business risks are related to its ability to maintain a strong position in the markets in which its brand is sold. Throughout 2016, Noa Noa continued the work to strengthen the brand's DNA and design. This process will continue in 2017 with a view to strengthen Noa Noa's profile and enhance the commercial aspects of the concept and thus to develop and reinforce the brand's position, with focus to strengthen the presence in existing markets.

Financial risks

Given its operations, investments and financing, Noa Noa is exposed to changes in exchange and interest rates. The group pursues a low-risk financial policy approved by the supervisory board in order to ensure that currency risks arise only as a result of commercial conditions.

Intellectual capital resources
In order to be able to continuously strengthen its international profile and supply competitive products at the right price and quality, it is essential that Noa Noa can recruit and maintain the most talented employees.

Management commentary

Noa Noa's brand and design are made up of a team of competent employees and are therefore not dependent on a single key designer.

Staff

At 31 December 2016, the group employed a total of 151 people, which is significantly lower as of 31 December 2015, where the company employed a total of 213 people. Most employees work in Noa Noa's shops in Scandinavia.

End of 2016 Noa Noa has performed a minor satisfactory survey as follow to the APV survey performed in 2015. The survey showed, that generally there is good employee satisfaction in the Group, nationally and internationally as well as in the central organization as in the decentralized retail division.

Statutory report on the underrepresented gender

The Board has agreed a target for the underrepresented gender in the Board at 40 %, equal to 2 out of 5 members. The Board currently consist of 3 men and the Board has agreed a plan to reach the target at the end of 2017 via expanding the number of board members. The target has not yet been achieved this year as there has been no increase in the number of members in the Board.

At Management level female employees account for 33 % (1 person) and male employees account for 67 % (2 persons). The distribution of gender representation is considered maintained in the future.

Statutory report on corporate governance

Management's duties are planned based on the Danish Companies Act, the Danish Financial Statements Act, the group's articles of association and good practice for entities of the same size and international scope as Noa Noa ApS.

Noa Noa's supervisory and executive boards work continuously to ensure that the group's management structure and control systems are appropriate and effective. Management considers this on a current basis.

Shareholders

The supervisory board considers on a current basis whether the group's capital structure is in accordance with the group's and its stakeholders' interests, the overriding goal being to ensure a capital structure that supports longterm profitable growth.

Noa Noa's articles of association do not lay down any restrictions in relation to ownership or voting rights. The supervisory and executive boards and a group of executive officers are co-owners via an incentive program. Should an offer for the group's shares be made, the supervisory board will consider this as required by law.

NNCG Holding ApS controls the group and is represented in the supervisory board.

Management commentary

The supervisory board's responsibilities

The supervisory board oversees that the executive board pursues the objectives and business procedures adopted by the supervisory board. The supervisory board receives systematic updates from the executive board at meetings and through written and oral reports on relevant events in the surrounding world and the company's performance, profitability and financial position.

The supervisory board meets at least six times a year according to a fixed schedule. In between the ordinary board meetings, the board receives written updates on the group's results and financial position. Extraordinary meetings are convened as required. Nine board meetings were held in 2016.

Remuneration for the supervisory and executive boards

In order to attract and retain managerial skills within the group, the executive board and other executive officers are paid according to duties, value creation and terms in comparable entities. Their remuneration includes bonuses and share warrant schemes to ensure consistency between the interests of management and owners, the incentive schemes reflecting both short and longterm goals.

Consolidated income statement for 2016

	Notes	2016 DKK'000	2015 DKK'000
Revenue	3	247.211	310.628
Other operating income		6.330	93
Costs of raw materials and consumables		(106.905)	(133.450)
Other external expenses		(79.142)	(98.677)
Gross profit/loss		**67.494**	**78.594**
Staff costs	4	(76.234)	(100.647)
Depreciation, amortisation and impairment losses		(12.397)	(17.687)
Other operating expenses		(2.111)	(2.461)
Operating profit/loss		**(23.248)**	**(42.201)**
Other financial income	5	427	97
Other financial expenses	6	(16.177)	(6.392)
Profit/loss before tax		**(38.998)**	**(48.496)**
Tax on profit/loss for the year	7	2.525	(994)
Profit/loss for the year	8	**(36.473)**	**(49.490)**

Consolidated balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Acquired licences		112	409
Acquired rights		3.258	4.734
Goodwill		834	1.939
Intangible assets	9	**4.204**	**7.082**
Land and buildings		29.600	31.035
Other fixtures and fittings, tools and equipment		12.235	17.298
Leasehold improvements		1.105	2.812
Property, plant and equipment	10	**42.940**	**51.145**
Deposits		2.839	4.435
Deferred tax	12	1.204	1.750
Fixed asset investments	11	**4.043**	**6.185**
Fixed assets		**51.187**	**64.412**
Raw materials and consumables		52.385	65.966
Inventories		**52.385**	**65.966**
Trade receivables		33.674	35.455
Other receivables		7.021	3.179
Income tax receivable		3.090	0
Joint taxation contribution receivable		3.420	0
Prepayments	13	5.963	7.489
Receivables		**53.168**	**46.123**
Cash		**1.907**	**3.598**
Current assets		**107.460**	**115.687**
Assets		**158.647**	**180.099**

Consolidated balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Contributed capital		209	209
Retained earnings		(210)	32.728
Equity		**(1)**	**32.937**
Deferred tax	12	50	151
Provisions		**50**	**151**
Mortgage debts		19.229	21.058
Non-current liabilities other than provisions	14	**19.229**	**21.058**
Current portion of long-term liabilities other than provisions	14	1.709	1.589
Bank loans		70.765	53.465
Trade payables		35.769	42.772
Income tax payable		192	206
Other payables		30.934	27.921
Current liabilities other than provisions		**139.369**	**125.953**
Liabilities other than provisions		**158.598**	**147.011**
Equity and liabilities		**158.647**	**180.099**

Going concern	1
Events after the balance sheet date	2
Unrecognised rental and lease commitments	16
Contingent assets	17
Mortgages and securities	18
Group relations	19
Subsidiaries	20

Consolidated statement of changes in equity for 2016

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	209	32.728	32.937
Exchange rate adjustments	0	37	37
Fair value adjustments of hedging instruments	0	3.498	3.498
Profit/loss for the year	0	(36.473)	(36.473)
Equity end of year	**209**	**(210)**	**(1)**

Consolidated cash flow statement for 2016

	Notes	2016 DKK'000	2015 DKK'000
Operating profit/loss		(23.248)	(42.201)
Amortisation, depreciation and impairment losses		12.397	17.687
Working capital changes	15	9.056	19.639
Cash flow from ordinary operating activities		**(1.795)**	**(4.875)**
Financial income received		427	97
Financial income paid		(16.177)	(6.392)
Income taxes refunded/(paid)		(3.554)	(2.611)
Other cash flows from operating activities		621	0
Cash flows from operating activities		**(20.478)**	**(13.781)**
Additions of intangible assets, net		4.892	(354)
Additions of tangible assets, net		(4.344)	(10.292)
Additions of investments, net		2.648	417
Cash flows from investing activities		**3.196**	**(10.229)**
Instalments on loans etc		(1.709)	(1.596)
Change in balances with other credit institutions		17.300	22.498
Cancellation of intercompany balances		0	49.418
Change in long-term liabilities inter-group		0	(25.000)
Changes in intra-group balances		0	(24.418)
Cash flows from financing activities		**15.591**	**20.902**
Increase/decrease in cash and cash equivalents		**(1.691)**	**(3.108)**
Cash and cash equivalents beginning of year		3.598	6.706
Cash and cash equivalents end of year		**1.907**	**3.598**

Notes to consolidated financial statements

1. Going concern

Management is actively working on improving the Groups cash and capital reserves. An agreement regarding a prolongation of the existing engagement with the Groups Bank until 30 December 2018 has been made. In addition an agreement has been made regarding an additional creditline in 2017. This agreement expires on 31 January 2018.

Management is continuously prepraring cash budgets, which are showing that the Groups cash and capital reserves are sufficient to continue the Groups operations in 2017. It is a precondition of the cash budgets, that both the expected earnings as well as the planned cash-saving initatives are completed in 2017. If, against expectations, this does not occur, a significant uncertainty exists regarding the Groups ability to contnue its operations.

It is Managements opinion, that the mentioned budgets and initatives are realistic and achievable, and thus that the Group is able to continue its operations. On this basis the annual report is prepared in accordance with the going concern assumption.

2. Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evalua-tion of this annual report.

	2016 DKK'000	2015 DKK'000
3. Revenue		
Denmark	84.697	103.567
Foreign countries	162.514	207.061
	247.211	**310.628**

	2016 DKK'000	2015 DKK'000
4. Staff costs		
Wages and salaries	62.077	81.593
Pension costs	2.987	3.864
Other social security costs	5.139	7.336
Other staff costs	6.031	7.854
	76.234	**100.647**
Average number of employees	**178**	**243**

Notes to consolidated financial statements

	Remuneration of management 2016 DKK'000	Remuneration of management 2015 DKK'000
Total amount for management categories	3.231	3.802
	3.231	**3.802**

Special incentive programmes

Noa Noa ApS has established a warrant scheme aimed at certain executive officers in the company and NN AX 1 ApS and NN AX 2 ApS as well as certain directors in the NN AX 1 ApS group. In so far all warrants are granted, the warrants holders will become entitled to subscribe for up to a total of nominally DKK 24.064 class A shares in the company. However, the amount may be increased in accordance with the adjustment mechanisms inherent in the warrant agreements.

	2016 DKK'000	2015 DKK'000
5. Other financial income		
Other financial income	427	97
	427	**97**

	2016 DKK'000	2015 DKK'000
6. Other financial expenses		
Other financial expenses	16.177	6.392
	16.177	**6.392**

	2016 DKK'000	2015 DKK'000
7. Tax on profit/loss for the year		
Tax on current year taxable income	(3.341)	661
Change in deferred tax for the year	445	333
Adjustment concerning previous years	371	0
	(2.525)	**994**

	2016 DKK'000	2015 DKK'000
8. Proposed distribution of profit/loss		
Retained earnings	(36.473)	(49.490)
	(36.473)	**(49.490)**

Notes to consolidated financial statements

	Acquired licences DKK'000	Acquired rights DKK'000	Goodwill DKK'000
9. Intangible assets			
Cost beginning of year	21.211	17.655	7.794
Exchange rate adjustments	(104)	(253)	43
Transfers	(5.609)	6.518	723
Additions	0	672	0
Disposals	(6.423)	(3.244)	(6.252)
Cost end of year	**9.075**	**21.348**	**2.308**
Amortisation and impairment losses beginning of year	(20.802)	(12.921)	(5.855)
Exchange rate adjustments	67	250	(48)
Transfers	5.526	(6.425)	(728)
Amortisation for the year	(177)	(1.289)	(365)
Reversal regarding disposals	6.423	2.295	5.522
Amortisation and impairment losses end of year	**(8.963)**	**(18.090)**	**(1.474)**
Carrying amount end of year	**112**	**3.258**	**834**

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improve-ments DKK'000
10. Property, plant and equipment			
Cost beginning of year	53.284	67.348	51.070
Exchange rate adjustments	0	293	(597)
Transfers	0	12.877	(9.647)
Additions	0	3.884	703
Disposals	0	(11.614)	(14.917)
Cost end of year	**53.284**	**72.788**	**26.612**
Depreciation and impairment losses beginning of the year	(22.249)	(50.050)	(48.258)
Exchange rate adjustments	0	(412)	389
Transfers	0	(12.268)	9.122
Depreciation for the year	(1.435)	(8.244)	(887)
Reversal regarding disposals	0	10.421	14.127
Depreciation and impairment losses end of the year	**(23.684)**	**(60.553)**	**(25.507)**
Carrying amount end of year	**29.600**	**12.235**	**1.105**

Notes to consolidated financial statements

11. Fixed asset investments	Deposits DKK'000	Deferred tax DKK'000
Cost beginning of year	4.435	1.750
Additions	1.773	0
Disposals	(3.369)	(546)
Cost end of year	**2.839**	**1.204**
Carrying amount end of year	**2.839**	**1.204**

12. Deferred tax	2016 DKK'000	2015 DKK'000
Property, plant and equipment	1.154	1.599
	1.154	**1.599**

Changes during the year	
Beginning of year	1.599
Recognised in the income statement	(445)
End of year	**1.154**

Deferred tax is solely relating to the Group's foreign subsidiaries, in which the deffered tax is expected to be utilized within the next financial years.

13. Prepayments

Prepayments consist of prepaid IT, insurance, marketing and rent cost.

14. Liabilities other than provisions	Instalments within 12 months 2016 DKK'000	Instalments within 12 months 2015 DKK'000	Instalments beyond 12 months 2016 DKK'000	Outstanding after 5 years DKK'000
Mortgage debts	1.709	1.589	19.229	12.908
	1.709	**1.589**	**19.229**	**12.908**

Notes to consolidated financial statements

	2016 DKK'000	2015 DKK'000
15. Change in working capital		
Increase/decrease in inventories	13.581	10.562
Increase/decrease in receivables	(535)	11.923
Increase/decrease in trade payables etc	(7.003)	(7.819)
Other changes	3.013	4.973
	9.056	**19.639**

	2016 DKK'000	2015 DKK'000
16. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	**51.300**	**68.600**

17. Contingent assets

The Group has an unrecognized deffered tax asset of mDKK 39 as per 31 December 2016.

18. Mortgages and securities

Floating charge in inventory, receivable and operating equipment amounted to mDKK 50 million is provided to the group's financial institution Nordea as collateral for engagement. Further an owner´s mortgage have been registered totalling mDKK 15. The carrying amount of the property is mDKK 30,1.

The group hedges expected risks relating to sales and purchase of goods through forward contracts in USD. The group's forward contracts had a positive marked value of mDKK 2,7 included in the annual accounts (2015; mDKK -0,6). The group has entered into interest swap in respect of mortgage debt. The group's interest swap has a negative market value of mDKK 1,2 included in the annual accounts (2015; mDKK -1,4).

19. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
NNCG Holding ApS, Krogenbergvej 15 A, 3490 Kvistgård
Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Noa Noa ApS, Krogenbergvej 15A, 3490 Kvistgård

Notes to consolidated financial statements

	Registered in	Corpo-rate form	Equity inte-rest %	Equity DKK'000	Profit/loss DKK'000
20. Subsidiaries					
Noa Noa Sverige AB	Stockholm	AB	100,0	8.238	281
Noa Noa Norge AS	Oslo	AS	100,0	13.983	1.445
Noa Noa UK Ltd.	London	Ltd.	100,0	2.843	352
Noa Noa GmbH	Düsseldorf	GmbH	100,0	13.620	801

* Noa Noa UK Ltd. with company number 6703897 is claiming audit exemption in the UK under section 479A of the Companies Act 2006 for the year ending 31 December 2016.

Parent income statement for 2016

	Notes	2016 DKK'000	2015 DKK'000
Revenue		170.739	209.043
Other operating income		5.560	90
Costs of raw materials and consumables		(104.701)	(130.509)
Other external expenses	1	(36.474)	(46.823)
Gross profit/loss		**35.124**	**31.801**
Staff costs	2	(51.596)	(65.186)
Depreciation, amortisation and impairment losses		(10.036)	(12.621)
Other operating expenses		(1.085)	(56)
Operating profit/loss		**(27.593)**	**(46.062)**
Income from investments in group enterprises		3.675	2.351
Other financial income	3	222	324
Other financial expenses	4	(16.197)	(6.104)
Profit/loss before tax		**(39.893)**	**(49.491)**
Tax on profit/loss for the year	5	3.420	0
Profit/loss for the year	6	**(36.473)**	**(49.491)**

Parent balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Acquired licences		0	0
Acquired rights		3.254	4.735
Goodwill		0	617
Intangible assets	7	**3.254**	**5.352**
Land and buildings		29.600	31.036
Other fixtures and fittings, tools and equipment		9.511	12.902
Leasehold improvements		1.155	2.051
Property, plant and equipment	8	**40.266**	**45.989**
Investments in group enterprises		38.684	41.856
Other receivables		1.896	3.424
Fixed asset investments	9	**40.580**	**45.280**
Fixed assets		**84.100**	**96.621**
Manufactured goods and goods for resale		43.677	53.512
Inventories		**43.677**	**53.512**
Trade receivables		11.074	11.484
Receivables from group enterprises		7.150	716
Other receivables		8.778	1.714
Income tax receivable		51	0
Joint taxation contribution receivable		3.420	0
Prepayments	10	4.421	5.101
Receivables		**34.894**	**19.015**
Cash		**151**	**207**
Current assets		**78.722**	**72.734**
Assets		**162.822**	**169.355**

Parent balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Contributed capital	11	209	209
Reserve for net revaluation according to the equity method		44.643	40.968
Retained earnings		(44.853)	(8.240)
Equity		**(1)**	**32.937**
Mortgage debts		19.229	21.058
Non-current liabilities other than provisions	12	**19.229**	**21.058**
Current portion of long-term liabilities other than provisions	12	1.709	1.589
Bank loans		70.765	53.465
Trade payables		33.661	39.631
Payables to group enterprises		13.030	0
Other payables		24.429	20.675
Current liabilities other than provisions		**143.594**	**115.360**
Liabilities other than provisions		**162.823**	**136.418**
Equity and liabilities		**162.822**	**169.355**
Unrecognised rental and lease commitments	13		
Contingent assets	14		
Contingent liabilities	15		
Related parties with controlling interest	16		

Parent statement of changes in equity for 2016

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	209	40.968	(8.240)	32.937
Exchange rate adjustments	0	0	37	37
Fair value adjustments of hedging instruments	0	0	3.498	3.498
Profit/loss for the year	0	3.675	(40.148)	(36.473)
Equity end of year	**209**	**44.643**	**(44.853)**	**(1)**

Notes to parent financial statements

	2016 DKK'000	2015 DKK'000
1. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	417	365
Tax services	40	30
Other services	50	59
	507	**454**

	2016 DKK'000	2015 DKK'000
2. Staff costs		
Wages and salaries	43.347	55.294
Pension costs	2.857	3.613
Other social security costs	811	1.276
Other staff costs	4.581	5.003
	51.596	**65.186**
Average number of employees	**117**	**155**

	Remunera-tion of manage-ment 2016 DKK'000	Remunera-tion of manage-ment 2015 DKK'000
Total amount for management categories	3.231	3.802
	3.231	**3.802**

Special incentive programmes

Noa Noa ApS has established a warrant scheme aimed at certain executive officers in the company and NN AX 1 ApS and NN AX 2 ApS as well as certain directors in the NN AX 1 ApS group. In so far all war-rants are granted, the warrants holders will become entitled to subscribe for up to a total of nominally DKK 24.064 class A shares in the company. However, the amount may be increased in accordance with the adjustment mechanisms inherent in the warrant agreements.

	2016 DKK'000	2015 DKK'000
3. Other financial income		
Financial income arising from group enterprises	76	231
Interest income	146	93
	222	**324**

Notes to parent financial statements

	2016 DKK'000	2015 DKK'000
4. Other financial expenses		
Financial expenses from group enterprises	132	63
Interest expenses	16.065	6.041
	16.197	**6.104**

	2016 DKK'000	2015 DKK'000
5. Tax on profit/loss for the year		
Tax on current year taxable income	(3.420)	0
	(3.420)	**0**

	2016 DKK'000	2015 DKK'000
6. Proposed distribution of profit/loss		
Transferred to reserve for net revaluation according to the equity method	3.675	1.798
Retained earnings	(40.148)	(51.289)
	(36.473)	**(49.491)**

	Acquired licences DKK'000	Acquired rights DKK'000	Goodwill DKK'000
7. Intangible assets			
Cost beginning of year	14.607	17.655	6.000
Additions	0	672	0
Disposals	(6.423)	(1.413)	(6.000)
Cost end of year	**8.184**	**16.914**	**0**
Amortisation and impairment losses beginning of year	(14.607)	(12.920)	(5.383)
Amortisation for the year	0	(1.211)	(67)
Reversal regarding disposals	6.423	471	5.450
Amortisation and impairment losses end of year	**(8.184)**	**(13.660)**	**0**
Carrying amount end of year	**0**	**3.254**	**0**

Notes to parent financial statements

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improve-ments DKK'000
8. Property, plant and equipment			
Cost beginning of year	53.284	54.696	27.124
Additions	0	3.532	599
Disposals	0	(4.097)	(10.173)
Cost end of year	**53.284**	**54.131**	**17.550**
Depreciation and impairment losses beginning of the year	(22.248)	(41.794)	(25.073)
Depreciation for the year	(1.436)	(6.590)	(733)
Reversal regarding disposals	0	3.764	9.411
Depreciation and impairment losses end of the year	**(23.684)**	**(44.620)**	**(16.395)**
Carrying amount end of year	**29.600**	**9.511**	**1.155**

	Investments in group enterprises DKK'000	Other receivables DKK'000
9. Fixed asset investments		
Cost beginning of year	889	3.424
Additions	0	15
Disposals	0	(1.543)
Cost end of year	**889**	**1.896**
Revaluations beginning of year	40.967	0
Exchange rate adjustments	(577)	0
Share of profit/loss for the year	(2.595)	0
Revaluations end of year	**37.795**	**0**
Carrying amount end of year	**38.684**	**1.896**

10. Prepayments

Prepayments consist of prepaid IT, insurance, marketing and rent cost.

Notes to parent financial statements

	Number	Par value DKK'000	Nominal value DKK'000
11. Contributed capital			
Class A shares	200	1	200
Class B shares	9	1	9
	209		**209**

	Instalments within 12 months 2016 DKK'000	Instalments within 12 months 2015 DKK'000	Instalments beyond 12 months 2016 DKK'000	Outstanding after 5 years DKK'000
12. Liabilities other than provisions				
Mortgage debts	1.709	1.589	19.229	12.908
	1.709	**1.589**	**19.229**	**12.908**

	2016 DKK'000	2015 DKK'000
13. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	**19.200**	**32.000**

14. Contingent assets

The parent company has an unrecognized deferred tax asset of mDKK 39 as per 31 December 2016.

	2016 DKK'000	2015 DKK'000
15. Contingent liabilities		
Recourse and non-recourse guarantee commitments	648	600
Contingent liabilities in total	**648**	**600**

The company is part of joint taxation scheme with NNCG Holding ApS as administration company, and therefore obligated on joint and several liability terms with other jointly taxation companies for payments of company tax as well as tax for interests, royalties and dividend.

Notes to parent financial statements

16. Related parties with controlling interest

The following parties control Noa Noa ApS

Name	Registered office	Basis of influence
NNCG Holding ApS	Krogenbergvej 15, 3490 Kvistgård	Ultimate owner
NN AX 1 ApS	Krogenbergvej 15, 3490 Kvistgård	Parent
NN AX 2 ApS	Krogenbergvej 15, 3490 Kvistgård	Parent

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

Recognition and measurement
Assets are recognised 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 recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Accounting policies

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

Income statement
Revenue
Revenue from the sale of manufactured goods and goods for resale 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.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables
Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

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

Depreciation, amortisation 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

Accounting policies

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 operating expenses
Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income from group enterprises
Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises
Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
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.

Balance sheet
Goodwill
Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful

Accounting policies

life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 15 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc
Intellectual property rights etc comprise acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

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

Property, plant and equipment
Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-manufactured assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirect attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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:

Buildings	25-40 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Accounting policies

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

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straigth-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 15 years.

Investments in group enterprises 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 carry forwards, 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.

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

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

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Accounting policies

Income tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated 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.

Mortgage debt
At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

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.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.