

INTERIM REPORT FOR THE PERIOD 1 JULY 2017 TO 30 SEPTEMBER 2017

Consolidated revenue for Q1 2017/18 amounted to DKK 810 million (DKK 851 million) corresponding to a reduction of 4.8% or 4.4% measured in local currency. Revenue decreased in the wholesale channel whereas the retail channel reported increased revenue driven by higher same-store revenue as well as the full-year effect from new stores. The gross margin amounted to 58.3% compared to 56.1% reported last financial year. Costs decreased by DKK 10 million whereas the cost ratio increased to 41.0% (40.2%). The consolidated operating profit for Q1 2017/18 amounted to DKK 140 million (DKK 135 million) resulting in an EBIT margin of 17.3% compared to 15.9% for Q1 2016/17.

We retain the outlook for the financial year 2017/18 as announced on 31 August 2017.

Financial Performance Q1

| | Revenue DKK million | | Revenue growth | | Operating profit DKK million | | EBIT margin | |
|------------------------------------|------------------------|---------------|--------------------------------|--------------------|---------------------------------|---------------|---------------|---------------|
| | Q1 2017/18 | Q1 2016/17 | Growth in local currency | Reported growth | Q1 2017/18 | Q1 2016/17 | Q1 2017/18 | Q1 2016/17 |
| Peak Performance | 346 | 348 | 0.0% | (0.6%) | 72 | 62 | 20.8% | 17.8% |
| Tiger of Sweden | 266 | 289 | (7.5%) | (8.0%) | 47 | 55 | 17.7% | 19.0% |
| By Malene Birger | 96 | 99 | (2.5%) | (3.0%) | 8 | 4 | 8.3% | 4.0% |
| Premium brands | 708 | 736 | (3.3%) | (3.8%) | 127 | 121 | 17.9% | 16.4% |
| Other brands | 102 | 115 | (11.2%) | (11.3%) | 3 | 13 | 2.9% | 11.3% |
| Reportable segments | 810 | 851 | (4.4%) | (4.8%) | 130 | 134 | 16.0% | 15.7% |
| Unallocated items and eliminations | - | - | n.m | n.m | 10 | 1 | n.m | n.m |
| Total | 810 | 851 | (4.4%) | (4.8%) | 140 | 135 | 17.3% | 15.9% |

Segment performance for Q1

- Peak Performance generated revenue for Q1 2017/18 of DKK 346 million (DKK 348 million) corresponding to a reduction of 0.6% (0.0% measured in local currency). The retail channel reported a revenue increase which consequently means that the revenue reduction was driven by the wholesale channel due to timing of deliveries. The operating profit amounted to DKK 72 million (DKK 62 million) corresponding to an EBIT margin of 20.8% (17.8%). The improved margin is attributable to a higher gross margin.
- Tiger of Sweden generated revenue for Q1 2017/18 of DKK 266 million (DKK 289 million) thus corresponding to a decrease of 8.0% (7.5% measured in local currency). Revenue from the wholesale channel declined due to lower order intake on the autumn collections whereas revenue from the retail channel increased. The operating profit amounted to DKK 47 million (DKK 55 million), and the EBIT margin thus declined to 17.7% (19.0%) as a consequence of a higher cost ratio.
- By Malene Birger generated revenue for Q1 2017/18 of DKK 96 million (DKK 99 million) corresponding to a decline of 3.0% (2.5% measured in local currency). This revenue reduction was primarily attributable to lower order intake whereas the retail revenue increased. The operating profit amounted to DKK 8 million (DKK 4 million), and the EBIT margin improved to 8.3% (4.0%) due to a higher gross margin.
- Revenue from the Group's Other brands decreased by 11.3% (11.2% measured in local currency) to DKK 102 million for Q1 2017/18 (DKK 115 million) driven by Saint Tropez. The operating profit amounted to DKK 3 million (DKK 13 million) resulting in an EBIT margin of 2.9% (11.3%).

Group performance for Q1

- Consolidated revenue amounted to DKK 810 million (DKK 851 million) corresponding to a reduction of 4.8% (reduction of 4.4% measured in local currency). This reduction was driven by the wholesale channel, in particular by Tiger of Sweden, whereas revenue from the retail channel increased as a consequence of higher revenue from physical stores, high e-commerce growth as well as the full-year effect from stores opened within the past twelve months. During Q1 2017/18, the total number of stores was reduced by 6 primarily attributable to store closures in Saint Tropez.
- The gross profit amounted to DKK 472 million (DKK 477 million) whereas the gross margin increased to 58.3% (56.1%) which was primarily attributable to improved product margins as well as a larger share of sales through own channels.
- Capacity costs declined by DKK 10 million to DKK 332 million compared to Q1 2016/17. This reduction is, inter alia, attributable to the effect of the implemented structural changes during Q3 2016/17. However, the cost ratio increased to 41.0% (40.2%) as a consequence of the lower revenue.
- The consolidated operating profit for Q1 2017/18 amounted to DKK 140 million (DKK 135 million) corresponding to an EBIT margin of 17.3% compared to 15.9% for Q1 2016/17.
- The working capital amounted to DKK 565 million corresponding to a decline of DKK 114 million compared to last financial year and constituted 20.9% of the trailing twelve months revenue compared to 25.4% for the same period last financial year.

Unchanged outlook for the financial year 2017/18

For the Group as a whole, we expect to realize a minor revenue reduction compared to the financial year 2016/17 and an EBIT margin of approx. 5%.

A moderate revenue and earnings growth is expected in Peak Performance. In Tiger of Sweden revenue is expected to decline while earnings are expected to be significantly reduced compared to last financial year. We expect a moderate revenue decline but significant earnings improvement in By Malene Birger.

Investments for the financial year 2017/18 are expected to be in the region of 3-4% of annual revenue.

Strategic review process of Peak Performance

As communicated in Company Announcement no. 22/2017 dated 5 October 2017, the Group has initiated a strategic review process of Peak Performance. The purpose of this process is, inter alia, to identify whether IC Group – either partial or in full – also serves as the best owner of Peak Performance in the future.

The process is on schedule, however, yet at an early stage. The Group has no further comments.

Copenhagen, 14 November 2017

IC Group A/S

Alexander Martensen-Larsen
CEO

Information Meeting

IC Group will host an information meeting for investors, analysts and other stakeholders on Tuesday 14 November 2017 at 10.00 a.m. The information meeting will be held in English via audio cast and telephone, and it will be possible to raise questions online using the chat function or telephone. To participate in the information meeting online, please use the link below which is also available on our corporate website icgroup.net under Investors/calendar-events/: <https://edge.media-server.com/m6/p/xmkj5fda>

To participate in the telephone conference, please dial in using the below-listed telephone numbers:

+45 3271 1659 (Denmark)

+1 646 254 3388 (USA)

+44 (0) 20 3427 1919 (UK)

Forward-looking statements

This interim report contains forward-looking statements, including statements regarding the Group's future operating profit, financial position, inventory, cash flows, Group and brand strategies as well as plans for the future. Forward-looking statements include, without limitation, any statement that may predict, indicate or imply future results, performance or achievements, and may contain the words "believes", "expects", "estimates", "projects", "plans", "anticipates", "continues" and "intends" or any variations of such words or other words with similar meaning. The statements are based on Management's reasonable expectations and forecasts at the time of disclosure of the interim report. Any such statements are subject to risks and uncertainties, and a number of different factors of which many are beyond IC Group A/S' control can mean that the actual development and actual result will differ significantly from the expectations contained in the interim report. Without being exhaustive, such factors include general economics and commercial factors, including market and competitive matters, supplier issues and financial issues. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

This announcement is a translation from the Danish language. In the event of any discrepancy between the Danish and English versions, the Danish version shall prevail.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

| DKK million | Q1 2017/18 3 months | Q1 2016/17 3 months | Year 2016/17 12 months |
|---|---------------------------|---------------------------|------------------------------|
| INCOME STATEMENT | | | |
| Revenue | 810 | 851 | 2,749 |
| Gross profit | 472 | 477 | 1,519 |
| Operating profit before depreciation and amortization (EBITDA) | 158 | 152 | 205 |
| Operating profit (EBIT) | 140 | 135 | 125 |
| Net financials | 7 | 3 | (3) |
| Profit for the period before tax | 147 | 138 | 122 |
| Profit for the period | 113 | 105 | 92 |
| STATEMENT OF FINANCIAL POSITION | | | |
| Total assets | 1,594 | 1,721 | 1,393 |
| Average invested capital including goodwill | 1,042 | 1,026 | 772 |
| Net working capital | 565 | 679 | 318 |
| Total equity | 718 | 751 | 723 |
| Non-controlling interest | 13 | 8 | 10 |
| Net interest-bearing debt, end of period | 141 | 259 | 17 |
| STATEMENT OF CASH FLOW | | | |
| Cash flow from operating activities | (108) | (219) | 175 |
| Cash flow from investing activities | (16) | (19) | (88) |
| Investments in property, plant and equipment | (14) | (15) | (72) |
| Free cash flow | (124) | (238) | 87 |
| Cash flow from financing activities | - | 4 | (79) |
| Net cash flow for the period | (124) | (234) | 8 |
| KEY RATIOS (%) | | | |
| Revenue growth | (4.8) | 0.9 | 3.2 |
| Gross margin | 58.3 | 56.1 | 55.3 |
| Cost ratio | 41.0 | 40.2 | 50.7 |
| EBITDA margin | 19.5 | 17.9 | 7.5 |
| EBIT margin | 17.3 | 15.9 | 4.5 |
| Tax rate | 23.1 | 23.9 | 24.0 |
| Return on equity | 15.5 | 14.1 | 12.2 |
| Equity ratio | 45.0 | 43.7 | 51.9 |
| Return on invested capital ¹⁾ | 12.5 | 20.9 | 16.2 |
| Net working capital in proportion to revenue ²⁾ | 20.9 | 25.4 | 11.6 |
| Cash conversion | 7.4 | (1.8) | 0.7 |
| Financial gearing | 19.6 | 34.5 | 2.4 |
| SHARE-BASED RATIOS | | | |
| Average number of shares excluding treasury shares, diluted (1,000) | 16,648 | 16,683 | 16,639 |
| Share price, end of period, DKK | 136.5 | 165.0 | 140.0 |
| Earnings per share, DKK | 6.6 | 6.2 | 5.3 |
| Diluted earnings per share, DKK | 6.6 | 6.2 | 5.3 |
| Diluted cash flow per share, DKK | (6.5) | (13.1) | 10.5 |
| Diluted net asset value per share, DKK | 42.3 | 44.5 | 42.9 |
| Diluted price/earnings, DKK | 20.7 | 26.6 | 26.4 |
| EMPLOYEES | | | |
| Number of employees (calculated as FTEs, end of period) | 1,197 | 1,190 | 1,186 |
| NUMBER OF STORES (OWN STORES) | | | |
| Retail stores | 120 | 113 | 126 |
| Concessions | 43 | 42 | 43 |

1) Return on invested capital is calculated as trailing twelve months EBIT's share of invested capital.

2) Trailing twelve months revenue.

Key ratios have been calculated according to the recommendations set out in "Recommendations & Financial Ratios 2015" issued by the Danish Society of Financial Analysts.

FINANCIAL PERFORMANCE

PeakPerformance

Peak Performance has its origin in alpine skiing and is one of the largest manufacturers of technical and functional sports and fashion wear in the Nordic region today. Learn more about Peak Performance at: peakperformance.com

Financial performance of Peak Performance

Peak Performance generated revenue of DKK 346 million for Q1 2017/18 (DKK 348 million) corresponding to a reduction of 0.6% (0.0% measured in local currency). The reduction was driven by the wholesale channel which generated a revenue of DKK 254 million compared to DKK 274 million last financial year. Revenue was negatively affected by timing of deliveries between Q1 and Q2 of approx. DKK 30 million. Revenue from the retail channel increased by 24.3% to DKK 92 million (DKK 74 million). This development was primarily driven by new stores but also by the same-store growth rate of 4.7% driven by e-commerce as well as physical stores.

During Q1 2017/18, Peak Performance converted the last two franchise stores in Sweden into own retail stores, meaning that all stores in Sweden are now owned by Peak Performance.

Revenue from the Nordic region increased driven by Sweden and Norway whereas revenue from outside the Nordic region declined.

The gross margin for Q1 2017/18 was improved driven by higher margins on sold products as well as a larger share of sales through own channels. Costs increased which is to a great extent attributable to the full-year effect from stores opened during the financial year 2016/17 as well as the two stores opened during Q1 2017/18.

The operating profit for Q1 2017/18 amounted to DKK 72 million (DKK 62 million). The EBIT margin increased by 3.0 percentage points to 20.8% attributable to a higher gross margin.

| DKK million | Q1 2017/18 3 months | Q1 2016/17 3 months | Change, % |
|--|---------------------------|---------------------------|-------------|
| Revenue | 346 | 348 | (0.6) |
| Wholesale and franchise | 254 | 274 | (7.3) |
| Retail, e-commerce and outlets | 92 | 74 | 24.3 |
| Revenue growth in local currency (%) | - | | |
| Same-store growth (%) | 4.7 | | |
| Operating profit before depreciation and amortization (EBITDA) | 77 | 67 | 14.9 |
| EBITDA margin (%) | 22.3 | 19.3 | |
| Depreciations, amortization and impairment losses | (5) | (5) | - |
| Operating profit (EBIT) | 72 | 62 | 16.1 |
| EBIT margin (%) | 20.8 | 17.8 | |

| Own stores | Number of stores 30 Sep. 2017 | Number of stores 30 Sep. 2016 | Change |
|---------------|--|--|-----------|
| Retail stores | 49 | 38 | 11 |
| Concessions | 1 | 1 | - |
| Total | 50 | 39 | 11 |



Tiger of Sweden is strongly rooted in the classic tailoring traditions, manufacturing fashion wear for men and women with a strong and confident profile characterized by "a different cut". Learn more about Tiger of Sweden: tigerofsweden.com

Financial performance of Tiger of Sweden

Revenue in Tiger of Sweden declined by 8.0% (7.5% measured in local currency) for Q1 2017/18 and amounted to DKK 266 million compared to DKK 289 million in Q1 2016/17. This reduced revenue was driven by the wholesale channel where lower order intake led to a revenue decline of 16.5% compared to the same period last financial year. On the other hand, revenue from the retail channel increased by 9.5% primarily driven by higher same-store revenue in physical stores as well as e-commerce. The same-store revenue increased by 11.9% for Q1 2017/18.

During Q1 2017/18, Tiger of Sweden closed one Tiger Jeans pop-up store located in Copenhagen.

The reduced order intake for Q1 2017/18 was generally reported in all of Tiger of Sweden's primary markets, and revenue from both the Nordic region as well as outside the Nordic region declined. However, revenue from the German market for Q1 2017/18 was at the same level as last financial year.

The gross margin for Q1 2017/18 was marginally improved compared to last financial year while costs declined. However, the reduced cost level was not able to fully compensate the revenue reduction, and consequently the cost ratio increased.

The operating profit for Q1 2017/18 amounted to DKK 47 million compared to DKK 55 million for Q1 2016/17. The EBIT margin declined by 1.3 percentage points to 17.7% driven by the higher cost ratio.

| DKK million | Q1 2017/18 3 months | Q1 2016/17 3 months | Change, % |
|--|---------------------------|---------------------------|---------------|
| Revenue | 266 | 289 | (8.0) |
| Wholesale and franchise | 162 | 194 | (16.5) |
| Retail, e-commerce and outlets* | 104 | 95 | 9.5 |
| Revenue growth in local currency (%) | (7.5) | | |
| Same-store growth (%) | 11.9 | | |
| Operating profit before depreciation and amortization (EBITDA) | 52 | 59 | (11.9) |
| EBITDA margin (%) | 19.5 | 20.4 | |
| Depreciations, amortization and impairment losses | (5) | (4) | 25.0 |
| Operating profit (EBIT) | 47 | 55 | (14.5) |
| EBIT margin (%) | 17.7 | 19.0 | |

*revenue from Vinåker Factory Outlet (multibrand outlet) accounted for DKK 48 million in Q1 2017/18 (DKK 46 million).

| Own stores | Number of stores 30 Sep. 2017 | Number of stores 30 Sep. 2016 | Change |
|---------------|--|--|----------|
| Retail stores | 21 | 20 | 1 |
| Concessions | 19 | 19 | - |
| Total | 40 | 39 | 1 |

BY MALENE BIRGER

By Malene Birger is a Danish high-profile design brand with an international appeal offering affordable luxury to women. Learn more about By Malene Birger at: bymalenebirger.com

Financial performance of By Malene Birger

Revenue for Q1 2017/18 decreased by 3.0% (2.5% measured in local currency) to DKK 96 million (DKK 99 million). This decline was driven by a revenue reduction in the wholesale channel of 9.3% due to lower order intake on the autumn collection. On the other hand, revenue from the retail channel increased by 16.7% driven by a higher same-store revenue from physical stores as well as e-commerce. The same-store growth rate amounted to 18.5%.

Revenue from the Nordic region increased and revenue from Rest of Europe remained at the same level whereas revenue from outside Europe declined driven by Japan and the Middle East.

The gross margin increased during Q1 2017/18 due to improved product margins, lower discounts as well as a larger share of sales through own channels. Costs declined, and the cost ratio was consequently lower compared to last financial year. However, costs for Q1 2016/17 were affected by consultancy costs of DKK 4 million in connection with a comprehensive brand and positioning analysis.

The operating profit for Q1 2017/18 increased by DKK 4 million to DKK 8 million. The EBIT margin was improved by 4.3 percentage points to 8.3% as a consequence of the higher gross margin.

| DKK million | Q1 2017/18 3 months | Q1 2016/17 3 months | Change, % |
|--|---------------------------|---------------------------|--------------|
| Revenue | 96 | 99 | (3.0) |
| Wholesale and franchise | 68 | 75 | (9.3) |
| Retail, e-commerce and outlets | 28 | 24 | 16.7 |
| Revenue growth in local currency (%) | (2.5) | | |
| Same-store growth (%) | 18.5 | | |
| Operating profit before depreciation and amortization (EBITDA) | 10 | 6 | 66.7 |
| EBITDA margin (%) | 10.4 | 6.1 | |
| Depreciations, amortization and impairment losses | (2) | (2) | - |
| Operating profit (EBIT) | 8 | 4 | 100.0 |
| EBIT margin (%) | 8.3 | 4.0 | |

| Own stores | Number of stores 30 Sep. 2017 | Number of stores 30 Sep. 2016 | Change |
|---------------|--|--|----------|
| Retail stores | 9 | 9 | - |
| Concessions | 6 | 6 | - |
| Total | 15 | 15 | - |

The Group

Revenue

Consolidated revenue for Q1 2017/18 amounted to DKK 810 million (DKK 851 million) corresponding to a reduction of 4.8% (reduction of 4.4% measured in local currency). This reduction was primarily driven by Tiger of Sweden but Other brands also contributed to this reduction. Revenue from Other brands declined to DKK 102 million (DKK 115 million) corresponding to a reduction of 11.3% (reduction of 11.2% measured in local currency) mainly driven by Saint Tropez.

This revenue reduction was driven by the wholesale channel which reported lower order intake compared to last financial year. Revenue from the wholesale channel amounted to DKK 546 million compared to DKK 610 million last financial year corresponding to a decline of 10.5%. On the other hand, revenue from the retail channel increased by 9.5% which is attributable to higher same-store revenue from the physical stores, high e-commerce growth as well as the full-year effect from stores opened during the past twelve months. The same-store growth amounted to 2.9% driven by high e-commerce growth as well as higher revenue from physical stores in all three Premium brands. The same-store revenue from the group's Other brands declined which is attributable to the development in Saint Tropez' physical stores.

During Q1 2017/18, Peak Performance converted two franchise stores into own retail stores whereas Tiger of Sweden closed one store and Saint Tropez closed seven stores.

Gross profit

The gross profit for Q1 2017/18 decreased by DKK 5 million to DKK 472 million whereas the gross margin improved by 2.2 percentage points to 58.3%. The improved gross margin is primarily a combination of higher margins on sold products as well as a larger share of revenue from own channels compared to last financial year.

Capacity costs

Capacity costs for Q1 2017/18 declined by DKK 10 million to DKK 332 million which, among others, is attributable to the implemented structural changes during Q3 2016/17. The cost ratio increased to 41.0% compared to 40.2% in Q1 2016/17 due to the reduced revenue.

Operating profit (EBIT)

Consolidated operating profit for Q1 2017/18 amounted to DKK 140 million compared to DKK 135 million for Q1 2016/17 corresponding to an EBIT margin of 17.3% compared to 15.9% for the same period last financial year. This improvement is attributable to a higher gross margin.

Profit for the period

Consolidated profit for Q1 2017/18 amounted to DKK 113 million (DKK 105 million).

Net working capital

As at 30 September 2017, the working capital amounted to DKK 565 million corresponding to a decrease of DKK 114 million compared to last financial year primarily driven by lower inventories as a consequence of adjusting the amount of products on stock as well as lower trade receivables partly due to lower sales in the wholesale channel. The working capital constituted 20.9% of the trailing twelve months revenue compared to 25.4% for the same period last financial year.

Statement of cash flows

Cash flow from operating activities for Q1 2017/18 amounted to an outflow of DKK 108 million which is an improvement of DKK 111 million compared to the same period last financial year. The development is primarily attributable to the lower tied-up working capital. Cash flow from investing activities amounted to an outflow of DKK 16 million (an outflow of DKK 19 million). Investments have mainly been placed in existing stores as well as in the Group's Logistics function. Consolidated free cash flow thus amounted to an outflow of DKK 124 million (an outflow of DKK 238 million).

Changes in equity and equity ratio

Equity as at 30 September 2017 amounted to DKK 718 million (30 June 2017: DKK 723 million). This development was primarily driven by a combination of profit for the period as well as declared dividend. Subsequently, the equity ratio as at 30 September 2017 amounted to 45.0% (30 June 2017: 51.9%).

CONSOLIDATED INCOME STATEMENT

| Note | DKK million | Q1 2017/18 3 months | Q1 2016/17 3 months | Year 2016/17 12 months |
|------|---|---------------------------|---------------------------|------------------------------|
| 4 | Revenue | 810 | 851 | 2,749 |
| | Cost of sales | (338) | (374) | (1,230) |
| | Gross profit | 472 | 477 | 1,519 |
| | Other external costs | (164) | (172) | (674) |
| | Staff costs | (151) | (153) | (640) |
| | Other operating income | 1 | - | - |
| | Operating profit before depreciation and amortization (EBITDA) | 158 | 152 | 205 |
| | Depreciation, amortization and impairment losses | (18) | (17) | (80) |
| | Operating profit (EBIT) | 140 | 135 | 125 |
| | Financial income | 8 | 5 | 8 |
| | Financial costs | (1) | (2) | (11) |
| | Profit before tax | 147 | 138 | 122 |
| | Tax on profit for the period | (34) | (33) | (30) |
| | Profit for the period | 113 | 105 | 92 |
| | Profit allocation: | | | |
| | Shareholders of IC Group A/S | 110 | 104 | 89 |
| | Non-controlling interests | 3 | 1 | 3 |
| | Profit for the period | 113 | 105 | 92 |
| | Earnings per share, DKK | 6.6 | 6.2 | 5.3 |
| | Diluted earnings per share, DKK | 6.6 | 6.2 | 5.3 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| Note | DKK million | Q1 2017/18 3 months | Q1 2016/17 3 months | Year 2016/17 12 months |
|------|--|---------------------------|---------------------------|------------------------------|
| | Profit for the period | 113 | 105 | 92 |
| | OTHER COMPREHENSIVE INCOME | | | |
| | <i>Items to be reclassified to the income statement when certain conditions are met:</i> | | | |
| | <i>Hedging transactions:</i> | | | |
| | Fair value adjustments, gain/loss on financial instruments related to cash flow hedges | (26) | 4 | (18) |
| | Reclassification to income statement, gains/loss on financial instruments related to realized cash flow hedges | (10) | (14) | (11) |
| | Tax on hedging transactions which may be reclassified to the income statement | 8 | 2 | 6 |
| | <i>Foreign currency translation adjustments:</i> | | | |
| | Foreign currency translation adjustments, foreign subsidiaries and intercompany loans | (5) | (5) | (6) |
| | Actuarial adjustments | - | - | 1 |
| | Other comprehensive income after tax | (33) | (13) | (28) |
| | Total comprehensive income | 80 | 92 | 64 |
| | Allocation of comprehensive income for the period: | | | |
| | Shareholders of IC Group A/S | 77 | 91 | 61 |
| | Non-controlling interests | 3 | 1 | 3 |
| | Total | 80 | 92 | 64 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Note | DKK million | 30 Sep. 2017 | 30 Sep. 2016 | 30 June 2017 |
|------|---------------------------------|--------------|--------------|--------------|
| | ASSETS | | | |
| | NON-CURRENT ASSETS | | | |
| | Intangible assets | 243 | 259 | 246 |
| | Property, plant and equipment | 150 | 136 | 149 |
| | Financial assets | 22 | 21 | 22 |
| | Deferred tax | 69 | 56 | 61 |
| | Total non-current assets | 484 | 472 | 478 |
| | CURRENT ASSETS | | | |
| 5 | Inventories | 406 | 461 | 394 |
| 6 | Trade receivables | 496 | 542 | 277 |
| | Tax receivable | 65 | 64 | 49 |
| | Other receivables | 20 | 45 | 32 |
| | Prepayments | 56 | 65 | 94 |
| 7 | Cash and cash equivalents | 67 | 72 | 69 |
| | Total current assets | 1,110 | 1,249 | 915 |
| | TOTAL ASSETS | 1,594 | 1,721 | 1,393 |

| Note | DKK million | 30 Sep. 2017 | 30 Sep. 2016 | 30 June 2017 |
|------|--|--------------|--------------|--------------|
| | EQUITY AND LIABILITIES | | | |
| | EQUITY | | | |
| | Share capital | 171 | 171 | 171 |
| | Reserve for hedging transactions | (37) | 6 | (9) |
| | Translation reserve | (73) | (67) | (68) |
| | Retained earnings | 644 | 633 | 619 |
| | Equity attributable to shareholders of the Parent Company | 705 | 743 | 713 |
| | Equity attributable to non-controlling interests | 13 | 8 | 10 |
| | Total equity | 718 | 751 | 723 |
| | LIABILITIES | | | |
| | Retirement benefit obligations | 8 | 9 | 8 |
| | Deferred tax | 7 | 11 | 7 |
| | Provisions | 7 | 6 | 11 |
| | Other liabilities | 2 | - | - |
| | Total non-current liabilities | 24 | 26 | 26 |
| 7 | Current liabilities to credit institutions | 208 | 331 | 86 |
| | Trade payables | 194 | 199 | 276 |
| | Tax payable | 40 | 69 | 10 |
| | Other liabilities | 278 | 231 | 223 |
| | Provisions | 47 | 29 | 49 |
| | Declared dividend | 85 | 85 | - |
| | Total current liabilities | 852 | 944 | 644 |
| | Total liabilities | 876 | 970 | 670 |
| | TOTAL EQUITY AND LIABILITIES | 1,594 | 1,721 | 1,393 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| DKK million | Share Capital | Reserve for hedging transactions | Translation reserve | Retained earnings | Proposed dividend | Equity owned by shareholders of ICG A/S | Equity owned by non-controlling interests | Total equity |
|--|---------------|----------------------------------|---------------------|-------------------|-------------------|---|---|--------------|
| Equity at 1 July 2017 | 171 | (9) | (68) | 534 | 85 | 713 | 10 | 723 |
| Profit for the period | - | - | - | 110 | - | 110 | 3 | 113 |
| Other comprehensive income after tax | - | (28) | (5) | - | - | (33) | - | (33) |
| Total comprehensive income | - | (28) | (5) | 110 | - | 77 | 3 | 80 |
| Transactions with owners: | | | | | | | | |
| Declared dividend | - | - | - | - | (85) | (85) | - | (85) |
| Changes in equity during the period | - | (28) | (5) | 110 | (85) | (8) | 3 | (5) |
| Equity at 30 September 2017 | 171 | (37) | (73) | 644 | - | 705 | 13 | 718 |

| DKK million | Share Capital | Reserve for hedging transactions | Translation reserve | Retained earnings | Proposed dividend | Equity owned by shareholders of ICG A/S | Equity owned by non-controlling interests | Total equity |
|--|---------------|----------------------------------|---------------------|-------------------|-------------------|---|---|--------------|
| Equity at 1 July 2016 | 171 | 14 | (62) | 525 | 85 | 733 | 7 | 740 |
| Profit for the period | - | - | - | 104 | - | 104 | 1 | 105 |
| Other comprehensive income after tax | - | (8) | (5) | - | - | (13) | - | (13) |
| Total comprehensive income | - | (8) | (5) | 104 | - | 91 | 1 | 92 |
| Transactions with owners: | | | | | | | | |
| Declared dividend | - | - | - | - | (85) | (85) | - | (85) |
| Exercise of warrants ¹⁾ | - | - | - | 4 | - | 4 | - | 4 |
| Changes in equity during the period | - | (8) | (5) | 108 | (85) | 10 | 1 | 11 |
| Equity at 30 September 2016 | 171 | 6 | (67) | 633 | - | 743 | 8 | 751 |

| DKK million | Shares |
|---|----------------|
| DEVELOPMENT IN TREASURY SHARES | |
| Treasury shares at 1 July 2017 | 442,572 |
| Treasury shares at 30 September 2017 | 442,572 |

- 1) As announced in Company Announcement no. 17/2016, the Company's share capital was increased by DKK 346,110 due to exercise of warrants. The capital increase corresponded to 0.2% of the share capital. After the capital increase, IC Group A/S' share capital amounts to nominally DKK 170,908,580.

In October 2017, the Company distributed an ordinary dividend of approx. DKK 85 million (DKK 85 million) corresponding to DKK 5 per share (DKK 5 per share).

CONSOLIDATED STATEMENT OF CASH FLOWS

| Note | DKK million | Q1 2017/18 3 months | Q1 2016/17 3 months | Year 2016/17 12 months |
|------|---|---------------------------|---------------------------|------------------------------|
| | CASH FLOW FROM OPERATING ACTIVITIES | | | |
| | Operating profit | 140 | 135 | 125 |
| | Other adjustments | 21 | 32 | 124 |
| | Change in working capital | (247) | (367) | (9) |
| | Cash flow from ordinary operating activities | (86) | (200) | 240 |
| | Financial income received | - | 1 | 4 |
| | Financial costs paid | (1) | (1) | (5) |
| | Cash flow from operating activities | (87) | (200) | 239 |
| | Tax paid | (21) | (19) | (64) |
| | Total cash flow from operating activities | (108) | (219) | 175 |
| | CASH FLOW FROM INVESTING ACTIVITIES | | | |
| | Investments in intangible assets | (2) | (6) | (17) |
| | Investments in property, plant and equipment | (14) | (15) | (72) |
| | Change in other financial assets | - | 2 | 1 |
| | Total cash flow from investing activities | (16) | (19) | (88) |
| | Total free cash flow | (124) | (238) | 87 |
| | CASH FLOW FROM FINANCING ACTIVITIES | | | |
| | Dividends paid | - | - | (83) |
| | Exercise of warrants | - | 4 | 4 |
| | Total cash flow from financing activities | - | 4 | (79) |
| | NET CASH FLOW FOR THE PERIOD | (124) | (234) | 8 |
| | CASH AND CASH EQUIVALENTS | | | |
| | Cash and cash equivalents, beginning of period | (17) | (25) | (25) |
| | Net cash flow for the period | (124) | (234) | 8 |
| | Cash and cash equivalents, end of period | (141) | (259) | (17) |
| | DKK million | 30 Sep. 2017 | 30 Sep. 2016 | 30 June 2017 |
| | <i>Cash and cash equivalents in the statement of cash flows comprise:</i> | | | |
| | Cash | 67 | 72 | 69 |
| | Current liabilities to credit institutions | (208) | (331) | (86) |
| | Cash and cash equivalents, cf. statement of cash flows | (141) | (259) | (17) |

NOTES

1. Accounting policies

This interim financial report is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

The accounting policies applied in this interim report are unchanged as compared to the accounting policies applied in the Annual Report 2016/17 and are in accordance with the International Financial Reporting Standard (IFRS) as adopted by the EU. We refer to the Annual Report 2016/17 (chapter 1) for a detailed description of the accounting policies.

IC Group has implemented all new and amended standards (IFRS) and interpretations (IFRIC) as endorsed by the EU and which are effective for the financial year 1 July 2017 – 30 June 2018. This implementation has had no impact on the recognition and measurement of the Group's assets and liabilities.

IASB has issued and the EU has adopted IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" which both are effective for annual periods beginning on or after 1 January 2018. IC Group has assessed the impact of IFRS 9 and is currently assessing the impact of IFRS 15. IC Group will implement both standards for the financial year 2018/19. We refer to the Annual Report 2016/17 (chapter 1) for a detailed description of the new IFRS standards which have been adopted but not yet effective.

Furthermore, IASB has issued IFRS 16 "Leases" which is effective for annual periods beginning on or after 1 January 2019. The standard has not been adopted by the EU yet. IC Group is currently assessing the impact of this new standard but has already assessed that particularly the lease terms will have an impact on the income statement, cash flow as well as statement of financial position when lease assets and lease liabilities are recognized. We refer to the Annual Report 2016/17 (chapter 1) for a detailed description.

Significant accounting estimates and assumptions

In the preparation of this interim report, the Management of IC Group makes a number of significant accounting estimates and assumptions that may affect the reported values of assets, liabilities, income, costs, cash flows and related information at the reporting date. The accounting estimates and assumptions which Management considers to be material for the preparation and understanding of the interim report appear from chapter 1 of the Annual Report 2016/17 and relate to, e.g., intangible assets, inventories, trade receivables, provisions as well as tax.

2. Seasonality

The Group's business segments are influenced by seasonal fluctuations relating to seasonal deliveries to wholesale customers as well as a sales season of the Group's products that varies during the course of the year in the retail segment. The Group's wholesale peak quarters are historically Q1 and Q3, respectively. Revenue and operating profit before tax thus vary in the various reporting periods for which reason they are not necessarily indicative of future trends. The results of the individual quarters are therefore not reliable sources in terms of projecting the Group's development.

3. Fair value measurement

Financial instruments measured at fair value in the statement of financial position are divided into three levels in the fair value hierarchy:

- **Level 1** – Listed prices in an active market for identical instruments
- **Level 2** – Listed prices in an active market for identical assets and liabilities or other methods of measurement where all substantial inputs are based on market observables
- **Level 3** – Method of measurement where substantial inputs may not be based on market observables

| DKK million | Item | 30 Sep. 2017 | | 30 Sep. 2016 | | 30 June 2017 | |
|---|-------------------|--------------|----------|--------------|----------|--------------|----------|
| | | Level 2 | Level 3 | Level 2 | Level 3 | Level 2 | Level 3 |
| Unlisted shares and bonds | Financial assets | - | 7 | - | 8 | - | 8 |
| Financial assets at fair value recognized through the income statement | | - | 7 | - | 8 | - | 8 |
| Financial assets used for hedging purposes | Other receivables | 10 | - | 26 | - | 21 | - |
| Financial liabilities used for hedging purposes | Other liabilities | 58 | - | 19 | - | 32 | - |

No transfers between the levels of the fair value hierarchy have taken place during Q1 2017/18.

4. Segment information

Business segments

Reporting to the Executive Board, which is considered to be the Chief Operating Decision Maker, is based on the Group's three core business units; Peak Performance, Tiger of Sweden and By Malene Birger. Other brands comprise Saint Tropez and Designers Remix.

Unallocated items and eliminations

In all material respects, "Unallocated items and eliminations" include;

- income and costs in Group functions which are not allocated to the Group's business segments;
- intercompany eliminations; and
- any differences arising between costs invoiced to Group brands and realized costs in the Group's Premium service functions.

| DKK million | Peak Performance Q1 2017/18 3 months | Tiger of Sweden Q1 2017/18 3 months | By Malene Birger Q1 2017/18 3 months | Premium brands Q1 2017/18 3 months | Other brands Q1 2017/18 3 months | Total Q1 2017/18 3 months |
|---|---|--|---|---|---|------------------------------------|
| Total revenue | 346 | 266 | 96 | 708 | 102 | 810 |
| Wholesale and franchise | 254 | 162 | 68 | 484 | 62 | 546 |
| Retail, e-commerce and outlets | 92 | 104 | 28 | 224 | 40 | 264 |
| Growth compared to 2016/17 (%) | (0.6) | (8.0) | (3.0) | (3.8) | (11.3) | (4.8) |
| Growth in local currency compared to 2016/17 (%) | - | (7.5) | (2.5) | (3.3) | (11.2) | (4.4) |
| Operating profit before depreciation and amortization (EBITDA) | 77 | 52 | 10 | 139 | 5 | 144 |
| EBITDA margin (%) | 22.3 | 19.5 | 10.4 | 19.6 | 4.9 | 17.8 |
| Depreciations, amortization and impairment losses | (5) | (5) | (2) | (12) | (2) | (14) |
| Operating profit (EBIT) | 72 | 47 | 8 | 127 | 3 | 130 |
| EBIT margin (%) | 20.8 | 17.7 | 8.3 | 17.9 | 2.9 | 16.0 |
| Reconciliation of segment information of continuing operations | | | | | | |
| Operating profit (EBIT), reportable segments | | | | | | 130 |
| Unallocated items and eliminations | | | | | | 10 |
| Operating profit (EBIT) | | | | | | 140 |
| Financial income | | | | | | 8 |
| Financial costs | | | | | | (1) |
| Profit before tax | | | | | | 147 |
| Tax on profit for the period | | | | | | (34) |
| Profit for the period | | | | | | 113 |

| DKK million | Peak Performance Q1 2016/17 3 months | Tiger of Sweden Q1 2016/17 3 months | By Malene Birger Q1 2016/17 3 months | Premium brands Q1 2016/17 3 months | Other brands Q1 2016/17 3 months | Total Q1 2016/17 3 months |
|---|---|--|---|---|---|------------------------------------|
| Total revenue | 348 | 289 | 99 | 736 | 115 | 851 |
| Wholesale and franchise | 274 | 194 | 75 | 543 | 67 | 610 |
| Retail, e-commerce and outlets | 74 | 95 | 24 | 193 | 48 | 241 |
| Operating profit before depreciation and amortization (EBITDA) | 67 | 59 | 6 | 132 | 15 | 147 |
| EBITDA margin (%) | 19.3 | 20.4 | 6.1 | 17.9 | 13.0 | 17.3 |
| Depreciations, amortization and impairment losses | (5) | (4) | (2) | (11) | (2) | (13) |
| Operating profit (EBIT) | 62 | 55 | 4 | 121 | 13 | 134 |
| EBIT margin (%) | 17.8 | 19.0 | 4.0 | 16.4 | 11.3 | 15.7 |
| Reconciliation of segment information of continuing operations | | | | | | |
| Operating profit (EBIT), reportable segments | | | | | | 134 |
| Unallocated items and eliminations | | | | | | 1 |
| Operating profit (EBIT) | | | | | | 135 |
| Financial income | | | | | | 5 |
| Financial costs | | | | | | (2) |
| Profit before tax | | | | | | 138 |
| Tax on profit for the period | | | | | | (33) |
| Profit for the period | | | | | | 105 |

| DKK million | Q1 2017/18 3 months | Q1 2016/17 3 months |
|--|------------------------|------------------------|
| Segment revenue (reportable segments) | 810 | 851 |
| Unallocated items and eliminations | - | - |
| Total revenue, cf. income statement | 810 | 851 |

5. Inventories

| DKK million | 30 Sep. 2017 | 30 Sep. 2016 | 30 June 2017 |
|---|-----------------|-----------------|-----------------|
| Raw material and consumables | 34 | 44 | 40 |
| Finished goods and goods for resale | 389 | 421 | 346 |
| Goods in transit | 43 | 47 | 98 |
| Total inventories, gross | 466 | 512 | 484 |
| Changes in inventory write-downs for the period: | | | |
| Write-downs at 1 July | 90 | 57 | 57 |
| Write-downs for the period, addition (recognized in the income statement) | 4 | 6 | 56 |
| Write-downs for the period, reversals (utilized) | (34) | (12) | (23) |
| Total inventory write-downs | 60 | 51 | 90 |
| Total inventories, net | 406 | 461 | 394 |
| Write-downs (%) | 13 | 10 | 19 |

6. Trade receivables

| DKK million | 30 Sep. 2017 | 30 Sep. 2016 | 30 June 2017 |
|--|-----------------|-----------------|-----------------|
| Not yet due | 432 | 474 | 220 |
| Due, 1-60 days | 44 | 43 | 37 |
| Due, 61-120 days | 4 | 4 | 4 |
| Due more than 120 days | 16 | 21 | 16 |
| Total trade receivables, net | 496 | 542 | 277 |
| Change in trade receivables write-downs for the period: | | | |
| Write-downs at 1 July | 29 | 26 | 26 |
| Change in write-downs for the period | - | 2 | 11 |
| Realized loss for the period | (1) | - | (8) |
| Total write-downs | 28 | 28 | 29 |

7. Net interest-bearing debt

| DKK million | 30 Sep. 2017 | 30 Sep. 2016 | 30 June 2017 |
|---|-----------------|-----------------|-----------------|
| Net interest-bearing debt comprises: | | | |
| Current liabilities to credit institutions | 208 | 331 | 86 |
| Interest-bearing debt, gross | 208 | 331 | 86 |
| Cash | 67 | 72 | 69 |
| Net interest-bearing debt | 141 | 259 | 17 |

8. Events after the reporting period

As communicated in Company Announcement no. 22/2017, the Group has initiated a strategic review process of Peak Performance.

No material events have taken place after the reporting period that have not been recognized or otherwise included in this interim report.

STATEMENT BY THE MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the interim report of IC Group A/S for the period 1 July 2017 – 30 September 2017. This interim financial report is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU, cf. chapter on accounting policies and additional Danish disclosure requirements for interim reports of listed companies. This interim report is unaudited and has not been reviewed by the Group's auditors.

In our opinion, we consider the applied accounting policies to be appropriate to the effect that this interim report gives a true and fair view of the Group's assets, liabilities and financial position at 30 September 2017 and of the results of the Group's operations and cash flows for the period 1 July 2017 – 30 September 2017.

Furthermore, we consider the Management Commentary (on page 1-7) to give a true and fair review of the development of the Group's operations and financial affairs, profit for the period and of the Group's financial position for the period as a whole as well as a description of the most significant risks and uncertainty factors that the Group is facing.

Apart from the information set out in this interim report, there have been no changes to the Group's significant risks and uncertainties that have not been disclosed in the Annual Report 2016/17.

Copenhagen, 14 November 2017

The Executive Board:

ALEXANDER MARTENSEN-LARSEN
CEO

The Board of Directors:

PETER THORSEN
Chairman

HENRIK HEIDEBY
Deputy Chairman

NIELS ERIK MARTINSEN
Board Member

MICHAEL HAUGE SØRENSEN
Board member

JÓN BJÖRNSSON
Board member

CONNY KALCHER
Board member

CORPORATE INFORMATION

IC GROUP'S CORPORATE INFORMATION

| | | | |
|--------------------------------|--------------|----------------|--|
| Share capital | 170,908,580 | Address | IC Group A/S |
| Number of shares | 17,090,858 | | 12 Adelgade |
| Share class | One class | | 1304 Copenhagen K |
| ISIN code | DK0010221803 | | Denmark |
| Business Reg. No. (CVR) | 62816414 | | Phone: +45 32 66 77 88 |
| | | | Fax: +45 32 66 77 03 |
| Reuter ticker | IC.CO | | E-mail: info@icgroup.net |
| Bloomberg ticker | IC DC | | Homepage: icgroup.net |

SUPPLEMENTARY GROUP AND SEGMENT DATA

The announced financial figures and supplementary Group and segment data are available on the corporate website at: icgroup.net/investors/financials/reports/

FINANCIAL CALENDAR



6 February
2018



8 May
2018



28 August
2018

INVESTOR RELATIONS CONTACT

| | |
|----------------------------|--|
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| Head of Investor Relations | E-mail: jeba@icgroup.net |