

**COMBINED PUBLIC REPORT PURSUANT TO ARTICLE 73A OF THE DUTCH
BANKRUPTCY ACT WITH REGARD TO THE MCGREGOR FASHION GROUP**

REPORT NO. 8

regarding the bankruptcies of:

| Name company | Date of suspension of payments | Date of bankruptcy | Bankruptcy number |
|---------------------------------------|---------------------------------------|---------------------------|--------------------------|
| Adam Menswear B.V. | 10 June 2016 | 28 June 2016 | C/13/16/292F |
| Cofi Maastricht B.V. | 24 June 2016 | 28 June 2016 | C/13/16/298F |
| Deno B.V. | 24 June 2016 | 28 June 2016 | C/13/16/294F |
| Emergo Sportswear B.V. | 24 June 2016 | 28 June 2016 | C/13/16/300F |
| Gaastra Holding Netherlands B.V. | N/a | 15 July 2016 | C/13/16/329F |
| Gaastra International Footwear B.V. | 24 June 2016 | 28 June 2016 | C/13/16/297F |
| Gaastra International Sportswear B.V. | 24 June 2016 | 28 June 2016 | C/13/16/302F |
| Gaastra Retail B.V. | 24 June 2016 | 28 June 2016 | C/13/16/295F |
| McGregor E-Store B.V. | 24 June 2016 | 28 June 2016 | C/13/16/296F |
| McGregor Fashion Group B.V. | 24 June 2016 | 28 June 2016 | C/13/16/301F |
| McGregor Fashion Group Holding B.V. | 10 June 2016 | 28 June 2016 | C/13/16/293F |
| McGregor Holding Netherlands B.V. | N/a | 15 July 2016 | C/13/16/328F |
| McGregor Retail B.V. | 24 June 2016 | 28 June 2016 | C/13/16/299F |

Bankruptcy trustees : M.R. van Zanten and M.N. de Groot
Supervisory judge : K.M. van Hassel
Reporting period : 21 August 2018 through 4 February 2019
Reporting date : 15 February 2019

CMS Derks Star Busmann N.V.
Atrium Zuidtoren | Parnassusweg 737
NL-1077 DG Amsterdam
The Netherlands
cms.law

TABLE OF CONTENTS

| | | |
|----|--|---|
| 1. | PRELIMINARY REMARKS | 2 |
| 2. | ACCOUNTS RECEIVABLE | 3 |
| 3. | FINANCIAL SETTLEMENT BETWEEN THE ESTATE OF MCGREGOR FASHION GROUP AND THE ESTATE OF DONIGER FASHION GROUP | 4 |
| 4. | REGULARITY | 4 |
| 5. | CREDITORS AND CONSOLIDATION | 5 |
| 6. | OTHER | 5 |
| 7. | PUBLICATION ON WEBSITE | 6 |

1. **PRELIMINARY REMARKS**

This is the eighth combined public report of the Bankruptcy Trustees (the “**Bankruptcy Trustees**”) in the bankruptcies of Adam Menswear B.V. (“**Adam Menswear**”), Cofi Maastricht B.V. (“**Cofi Maastricht**”), Deno B.V. (“**Deno**”), Emergo Sportswear B.V. (“**Emergo Sportswear**”), Gaastra Holding Netherlands B.V. (“**Gaastra Holding Netherlands**”), Gaastra International Footwear B.V. (“**Gaastra International Footwear**”), Gaastra International Sportswear B.V. (“**Gaastra International Sportswear**”), Gaastra Retail B.V. (“**Gaastra Retail**”), McGregor E-Store B.V. (“**McGregor E-Store**”), McGregor Fashion Group B.V. (“**McGregor Fashion Group**”), McGregor Fashion Group Holding B.V. (“**McGregor Fashion Group Holding**”), McGregor Holding Netherlands B.V. (“**McGregor Holding Netherlands**”) and McGregor Retail B.V. (“**McGregor Retail**”), hereinafter jointly referred to as: the “**MFG Companies**”. The MFG Companies all belong to the McGregor Fashion Group, which is headed by McGregor Fashion Group Holding (the “**McGregor Fashion Group**”).

The report covers the period from 21 August 2018 through 04 February 2019 and must be read in conjunction with the first seven reports.

To the extent this report makes no reference to matters that were referred to in the previous bankruptcy report, then these matters have either been settled or no developments worthy of mentioning have taken place in comparison to the state of affairs mentioned in the previous bankruptcy report. This report will continue to use the definitions as used in the first bankruptcy report.

Given the strong mutual interconnectedness between the activities of the MFG Companies, and the permission already obtained on 22 July 2016 for the consolidated handling of the bankruptcies, the public reporting will take place by way of combined public reports.

In this report, the Bankruptcy Trustees describe in a simplified manner the current state of affairs in accordance with the guidelines for bankruptcy reports as applicable in the Netherlands.

The Bankruptcy Trustees emphasize that the information contained in this report is subject to further investigation and is largely based on the information provided and the statements made by third parties. It may turn out at a later stage that the information in this report needs

to be adjusted. Consequently, no statements can be made about the completeness and accuracy of the information contained in this report.

No rights may be derived from the public reports already published and/or subsequent public reports. Nothing in the public reports may be interpreted as an acknowledgement of liability or as a waiver of any right.

In the performance of their activities, the Bankruptcy Trustees use the legal advisory services of CMS Derks Star Busmann N.V., CMS Cameron McKenna v.o.s. (Czech Republic), CMS Cameron McKenna Greszta (Poland), CMS Albiñana & Suárez de Lezo (Spain) and CMS Hasche Sigle (Germany). In addition, the Bankruptcy Trustees are assisted by BVA Auctions B.V. (“**BVA**”), Insolresearch (bankruptcy accountant), Houlihan Lokey (Netherlands) B.V. (sales adviser), Netherlands Taxatie- en Adviesbureau B.V. (“**NTAB**”), Value@Stake B.V. (press officer of the Bankruptcy Trustees), Meijburg&Co (tax adviser), Vistra Corporate Services Sp. Z.o.o. (Poland), Vistra Corporate Services S.r.o. (Czech Republic) and VAT Systems SAS (settlement foreign VAT registrations)

Furthermore, the Bankruptcy Trustees instructed Limits Consulting B.V. to secure the digital accounting records of the MFG Companies. Finally, the Bankruptcy Trustees instructed BFI Global B.V. (“**BFI**”) and Insolresearch to investigate the causes of the bankruptcy, see more about this in chapter 4 of this report.

2. ACCOUNTS RECEIVABLE

2.1 Amount of receivables

The accounts receivable portfolio of the MFG Companies amounted to EUR 5,166,492 on 11 July 2016. A large number of accounts receivable are established abroad.

In the relaunch agreement with Doniger Fashion Group, the Bankruptcy Trustees agreed that they would handle the debt collection on behalf of the estate at a collection fee of 47.5%.

On 4 September 2017, provisional suspension of payments was granted to Doniger Fashion Group and nine of its affiliated companies. On 6 September 2017, the provisional suspension of payments granted was withdrawn under the simultaneous pronouncement of the bankruptcy of the aforementioned companies. Mrs. Coninck-Smolders has been appointed as the Bankruptcy Trustee in the bankruptcy of Doniger Fashion Group and its nine group companies.

Prior to the bankruptcy of Doniger Fashion Group, the Bankruptcy Trustees have had frequent discussions with various interim and permanent employees of Doniger Fashion Group and third parties engaged by the Group about the status of the debtors’ portfolio and its collection. To date, Doniger Fashion Group has been unable to provide sufficient insight into the proceeds received for the estate. No amounts received by Doniger Fashion Group on behalf of the bankrupt estate have yet been remitted.

Partly further to the above and in connection with the settlement of various mutual claims between the bankrupt estates of the MFG Companies and Doniger Fashion Group, the Bankruptcy Trustees have consulted with the Bankruptcy Trustee of Doniger Fashion Group and have made further agreements with the aim of achieving a speedy settlement of the debt collection.

The Bankruptcy Trustees have since received more information with regard to the debtors' payments received by Doniger Fashion Group for the estates. However, the information is not complete yet.

In addition, a proposal for the distribution of the payments received from debtors was received. According to the Bankruptcy Trustees, this proposal is not entirely in keeping with the agreements made on the distribution of the sales proceeds. Therefore, the Bankruptcy Trustees will conduct further consultations with the bankruptcy trustee of Doniger Fashion Group.

3. FINANCIAL SETTLEMENT BETWEEN THE ESTATE OF MCGREGOR FASHION GROUP AND THE ESTATE OF DONIGER FASHION GROUP

As a consequence of the relaunch, mutual claims have arisen between the estate of McGregor Fashion Group and the estate of Doniger Fashion Group.

The following illustrates that various mutual claims have arisen that must be settled.

The Bankruptcy Trustees and the Security Agent, or where applicable the Shareholders, agreed to keep all shops and webshops operated by the McGregor Fashion Group open in view of the sales procedure and in order to realize the highest possible proceeds from the sale of the inventories. This period lasted from 10 June 2016 through 10 July 2016 because a relaunch was realized effective 11 July 2016. The parties agreed in this respect that the estate would receive 40% of the net sales proceeds over the period from 10 June 2016 through 10 July 2016. Effective 11 July 2016, the net profit accrues in full to the Security Agent or the Shareholders, respectively. On 11 July 2016, however, the point-of-sale terminals were still linked to the bank accounts that the MFG Companies held at ABN AMRO Bank N.V. As a result, the proceeds of sales of stocks accruing to Doniger Fashion Group that were made via point-of-sale terminals, as well as the proceeds of online sales, were still received on the bank accounts of the MFG Companies. The foregoing gave rise to a claim of Doniger Fashion Group against the estate.

On the other hand, the estate of Doniger Fashion Group must still remit the debtors' payments received for the estate of McGregor Fashion Group. As described in section 2.1, this requires insight into the debtors' payments received for the estates by Doniger Fashion Group.

The bankruptcy accountant – together with third parties – is currently busy preparing a (draft) final settlement.

4. REGULARITY

4.1 Investigating the causes of the bankruptcy

The Bankruptcy Trustees are still busy studying the Final Investigation Report with a view to ultimately forming an opinion on the question whether there may have been improper management/supervision and whether this was a cause of the bankruptcy or whether legal or natural persons engaged in otherwise imputable conduct for which they are liable to the bankrupt estate or to joint creditors.

The Bankruptcy Trustees expect to be able to discuss their first conclusions further to the

Final Investigation Report with the supervisory judge in the second quarter of 2019.

5. CREDITORS AND CONSOLIDATION

5.1 Verification of the creditor's claims

The total amount of the claims submitted for verification to the Bankruptcy Trustees has not changed much compared to the previous reporting period.

The creditor's claims can be submitted, and the underlying documents can be sent via the online form by clicking the 'submit claim' button on the website www.cms-dsb.com/mcgregor. Notices that are important to creditors will also be published on this website.

5.2 Consolidation

On 22 July 2016, the supervisory judge granted permission for the consolidated handling of the MFG Companies' bankruptcies.

6. OTHER

6.1 Balance bankruptcy account

As at 04 February 2019, the balances of the MFG Companies' bankruptcy accounts jointly amount to EUR 2,798,162.96. A large part of this amount, approximately EUR 1.59 million, relates to the deposit reserved by the Bankruptcy Trustees in anticipation of the final settlement with the estate of Doniger Fashion Group, with regard to which consultation is currently taking place with the Bankruptcy Trustee of Doniger Fashion Group.

6.2 Preliminary prospect for creditors and term for settlement

Together with the bankruptcy accountant, the Bankruptcy Trustees have made an estimate of the state of affairs of the bankrupt estate at this time. From this it is clear that the realized and anticipated assets will be insufficient to be able to pay all the bankrupt estate's debts. Only the preferential estate creditors can in part be paid from the assets realized to date and the specific income currently expected, which means that partial or full payment to the unsecured estate creditors, the preferential creditors or the unsecured creditors will not be possible. The foregoing is an estimate based on the current state of affairs. It may turn out at a later stage that the amount of estate assets to be realized will be higher or lower. Therefore, no rights can be derived from this.

The Bankruptcy Trustees cannot yet make any statements on the term of settlement, as this depends in part on the collection of accounts receivable and the course and outcome of the investigation into the causes of the bankruptcies of the MFG Companies.

6.3 Number of hours spent

The Bankruptcy Trustees and their team of employees spent a total of 81 hours and 25 minutes on handling the bankruptcies of the MFG Companies during the period to which this report relates.

6.4 Interim financial report

The eighth interim financial report of the MFG Companies is attached to this report as

Appendix 1. This interim financial report only states the transactions on the bankruptcy accounts held at the Kasbank B.V.

6.5 **Plan of action**

In connection with the agreed relaunch, the settlement between the bankrupt estate and Doniger Fashion Group still has to take place. To this end, the Bankruptcy Trustees are consulting with the bankruptcy trustee of Doniger Fashion Group.

The Bankruptcy Trustees will furthermore supervise the debt collection.

Finally, the Bankruptcy Trustees will study the Final Investigation Report with a view to ultimately forming an opinion on the question whether there may have been improper management/supervision and whether this was a major cause of the bankruptcy or whether legal or natural persons engaged in otherwise imputable conduct for which they are liable to the bankrupt estate or to joint creditors. The Bankruptcy Trustees expect to be able to discuss their first finding with the supervisory judge in the second quarter of this year.

6.6 **Filing of the next report**

The next report will be published on 15 May 2019, except to the extent exceptional developments dictate the necessity of an earlier report.

7. **PUBLICATION ON WEBSITE**

7.1 For further information about these bankruptcies, the Bankruptcy Trustees refer to the public reports and other notices that will be published on the website of CMS (www.cms-dsb.com/mcgregor), where in addition to this report, all other public reports in the bankruptcies of the MFG Companies will be published.

7.2 An English translation of this public report will also be made available on this website www.cms-dsb.com/mcgregor as soon as possible. In case of differences of interpretation of otherwise between the Dutch and the English version of this public report, the Dutch version is decisive.

Amsterdam, 15 February 2019

M.R. van Zanten and
Bankruptcy Trustee

M.N. de Groot
Bankruptcy Trustee

| Annex | Description |
|-------|--|
| 1 | Interim financial report of 04 February 2019 |