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Asian Import ApS

Farum Gydevej 73
3520 Farum
Central Business Registration
No 14531688

Annual report 2017/18

The Annual General Meeting adopted the annual report on 11.01.2019

Chairman of the General Meeting

Name: Tom Deichmann

Contents

Entity details

Entity
Asian Import ApS
Farum Gydevej 73
3520 Farum

Central Business Registration No: 14531688
Registered in: Furesø
Financial year: 01.07.2017 - 30.06.2018

Board of Directors
Gitte Breil
Claus Walther Jensen
Julie Breil

Executive Board
Claus Walther Jensen

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen 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 Asian Import ApS for the financial year 01.07.2017 - 30.06.2018.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group’s and the Parent’s financial position at 30.06.2018 and of their financial performance and the Group’s cash flows for the financial year 01.07.2017 - 30.06.2018.

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.

Farum, 11.01.2019

Executive Board

Claus Walther Jensen

Board of Directors

Gitte Breil	Claus Walther Jensen	Julie Breil

Independent auditor's report

To the shareholders of Asian Import ApS

Qualified opinion

We have audited the consolidated financial statements and the parent financial statements of Asian Import ApS for the financial year 01.07.2017 - 30.06.2018, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement 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 the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for possible effect of the matter described in the Basis for qualified opinion section, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.06.2018, and of the results of their operations and the consolidated cash flows for the financial year 01.07.2017 - 30.06.2018 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

In the consolidated financial statements, the German subsidiary is consolidated with Revenue of 42.702 DKK'000, Cost of Sales of DKK'000 12.806, Profit for the Year of DKK'000 319, Assets of DKK'000 26.192 including Goodwill of DKK'000 4.393, and a negative Equity of DKK'000 13.979. The Group acquired activities in the German subsidiary effectively from 01.07.2017 but the deal was not finalized until after the balance sheet date. A German auditor was appointed by the Board of Directors in October 2018 to perform the audit of German financial statements for Group audit purposes. Instructions were issued to the local German auditor in order to perform procedures addressing the risks identified. However, the audit work was not performed in accordance with the Instructions and accordingly not sufficient including that timelines were not met. Based on this, we are not able to conclude whether the following accounts; Revenue, Cost of Sales, and Goodwill related to the German subsidiary are correctly consolidated.

Due to the above, we are not able to obtain sufficient audit evidence for the investment for the German subsidiary included in the parent financials.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 the 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 qualified opinion.

Independent auditor's report

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 the 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 the 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.

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 the 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 exists. 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 the 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.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the 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 the 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 the parent financial statements, including the disclosures in the notes, and whether the consolidated 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 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 the 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 the 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 the 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.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the 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, 11.01.2019

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Henrik Jacob Vilmann Wellejus
State-Authorised Public Accountant

Management commentary

	2017/18 DKK'000	2016/17 DKK'000	2015/16 DKK'000	2014/15 DKK'000	2013/14 DKK'000
Financial highlights					
Key figures					
Revenue	422.423	360.604	361.742	340.132	305.715
Gross profit/loss	224.349	200.328	178.996	151.629	147.887
EBITDA	39.364	48.849	28.428	22.211	33.163
Operating profit/loss	17.863	33.142	13.683	(5.888)	15.547
Net financials	(15.001)	(20.733)	(14.106)	(6.629)	(18.565)
Profit/loss for the year	1.617	7.644	(2.353)	(5.217)	(6.942)
Total assets	265.687	283.032	267.175	272.024	223.776
Investments in property, plant and equipment	24.203	27.645	36.522	18.337	5.883
Equity incl minority interests	655	1.268	4.762	3.982	6.403
Average invested capital incl goodwill	162.294	179.861	185.635	162.813	147.840
Interest bearing debt, net	155.694	169.977	184.525	176.494	124.800
Employees in average	559	499	432	417	364
Ratios					
Gross margin (%)	53,1	55,6	49,5	44,6	48,4
Net margin (%)	0,4	2,1	(0,7)	(1,5)	(2,3)
Return on invested capital incl goodwill (%)	16,3	21,3	10,0	(3,6)	15,2
Revenue invested capital incl goodwill	2,6	2,0	1,9	2,1	2,1
Equity ratio (%)	0,2	0,4	1,8	1,5	2,9

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 invested capital incl goodwill (%)	$\frac{\text{EBITA x 100}}{\text{Average invested capital incl goodwill}}$	The return generated by the entity on the investors' funds.
Revenue/Invested capital incl goodwill	$\frac{\text{Revenue}}{\text{Average invested capital incl goodwill}}$	Turnover rate of capital employed by the entity.
Equity ratio (%)	$\frac{\text{Equity incl minority interests x 100}}{\text{Total assets}}$	The financial strength of the entity.

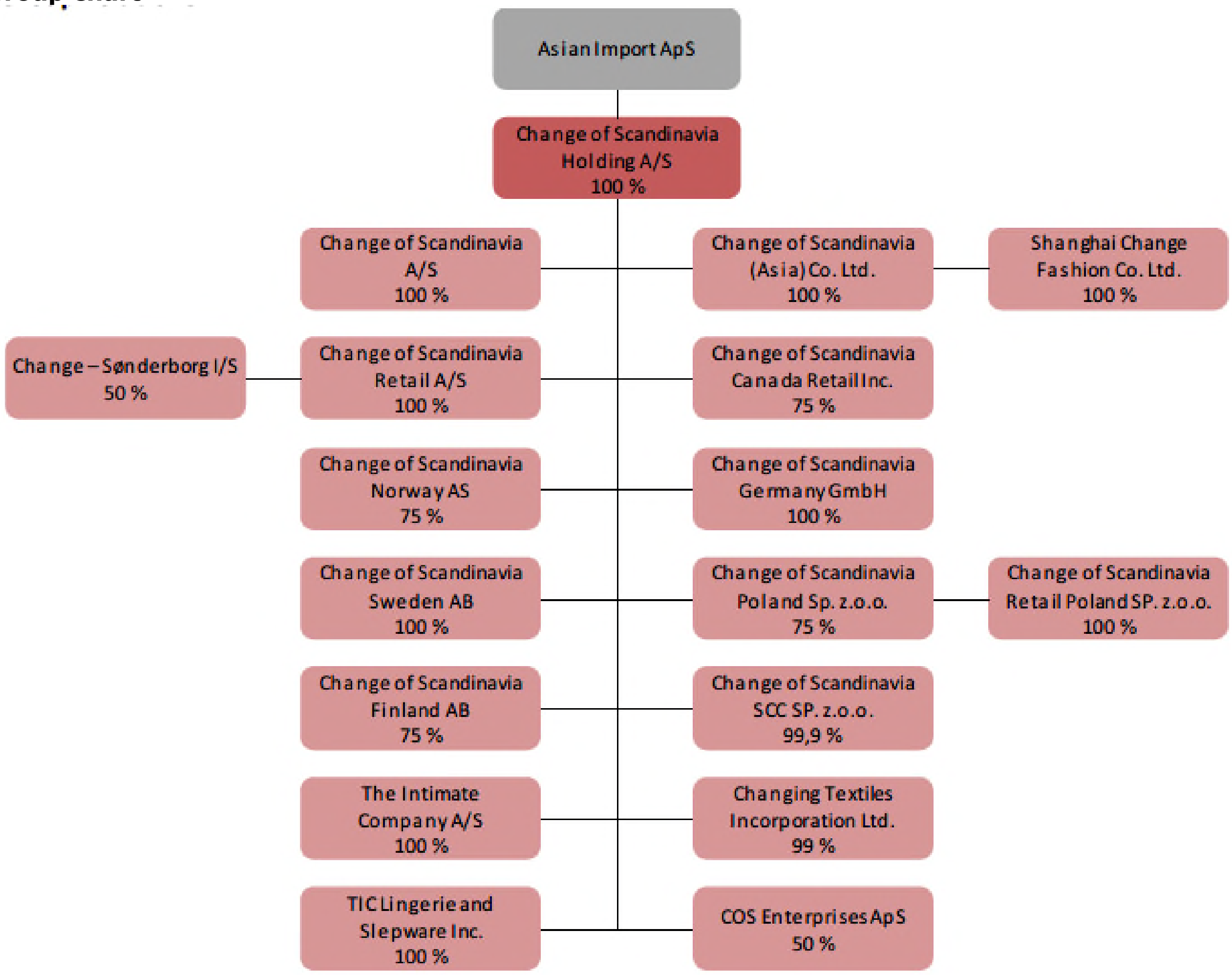
Management commentary

EBITA (Earnings Before Interest, Tax and Amortisation) is defined as operating profit plus the year's amortisation of and impairment losses relating to intangible assets including goodwill.

Invested capital including goodwill is defined as net working capital plus the carrying amount of property, plant and equipment and intangible assets as well as accumulated amortisation of intangible assets including goodwill, and less other provisions and long-term operating liabilities. Accumulated impairment losses relating to goodwill are not added.

Net working capital is defined as inventories, receivables and other operating current assets net of trade payables and other short-term operating liabilities. Income taxes receivable and payable as well as cash are not included in net working capital.

Group chart



Management commentary

Primary activities

The primary activities of the Group are manufacture as well as wholesaling and retailing of lingerie, swimwear, nightwear and underwear.

Development in activities and finances

The consolidated income statement for 2017/18 shows a profit of DKK 1,617 thousand and the consolidated balance sheet shows equity of DKK 655 thousand at 30.06.2018.

The Company has still lost more than 50% of its share capital. Management expect that the share capital will be re-established through own earnings during next year.

The Group has during the year with success implemented a new concept for staff training in the stores and seen very positive result on the store performance, particular in the second half of the year.

The implementation of a comprehensive new and integrated IT & ERP platform in all Group companies the previous two years has made the company ready for its omni-channel strategy, and e-commerce solutions are now fully incorporated in the operational business model.

The near-shoring of Group functions and warehouse activities from Denmark to Poland has been consolidated during the year, and the organization is now well suited to support the Group's further expansion in the European and Canadian markets.

The Group opened 15 new own stores during the year with 4 in Scandinavia, 6 in Germany and 5 in Canada. A review of the store portfolio also meant that 7 own stores were closed during the year, hereof 6 in Scandinavian markets.

The Group also increased its number of own operated stores during the year by taking over the German franchise stores as well as nine Norwegian franchise stores. This has increased the turnover of the Group but also increased the cost base, having a negative effect on the EBITDA margin. Going forward, the takeover of the franchise stores is expected to impact the Group result positively, but the result for this year has been affected negatively by one-off effects of more than DKK 5 million. This includes write-off of accounts receivables and reduced Group margin on products sold, which was on stock in the stores at the time of the takeover.

Uncertainty relating to recognition and measurement

The measurement of certain assets and liabilities are based on accounting estimates performed by management. The estimates are performed in accordance with the accounting policies applied and are based on assumptions and experiences considered realistic and reasonable by Management.

Management commentary

Outlook

In 2018/19, the Group will primarily focus on maintaining and develop the improved performance of the existing stores and on expanding its activities further in the European and Canadian markets. Review of the existing store portfolio will continue to ensure that all stores are expected to contribute to the Group result.

The planned expansion will require investment in new store equipment and a higher working capital due to increased stock. Growth in both the Group turnover and profit before tax is expected compared to 2017/18.

Profit/loss for the year in relation to expected developments

The result of the year is within the expected range, however it is slightly below the budgeted level, particular driven by lower sales than planned in the first half of the fiscal year.

Particular risks

General risks

It is assessed that the Group is not exposed to any special business or financial risks apart from risks common to the industry.

Currency risks

The Group is exposed to general currency risks as regards its operations, however the risk mainly relates to USD and CNY. The main part of the Company's purchasing is done in USD or CNY while the Company invoices in DKK, SEK, NOK, EUR and CAD.

According to the policy approved by the Board of Directors, the risks related to purchases done in USD are hedged using forward exchange contracts running for up to 12 month.

Environmental performance

The Group's environmental impact on its surroundings is very limited. The Group strives to improve and optimise its energy consumption.

Statutory report on corporate social responsibility

Management has decided not to implement any formal policies on corporate social responsibility in accordance with section 99a of the Danish Financial Statement Act. The decision is based on an evaluation of the possible benefit compared to the resources needed to implement such policies.

Statutory report on the underrepresented gender

The Company has less than 50 employees and is therefore not obliged to disclose its policies on gender composition. The Company does not have a policy regarding gender composition, and no Group policy has been established.

The Board of Directors consists of three members, one man and two women – and with it, the Company practices and even distribution of men and women on the Board of Directors.

Management commentary

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Consolidated income statement for 2017/18

	Notes	2017/18 DKK'000	2016/17 DKK'000
Revenue	1	422.423	360.604
Other operating income		3.371	1.145
Cost of sales		(81.125)	(67.594)
Other external expenses	2	(120.320)	(93.827)
Gross profit/loss		**224.349**	**200.328**
Staff costs	3	(178.413)	(147.666)
Depreciation, amortisation and impairment losses	4	(21.501)	(15.612)
Other operating expenses		(6.572)	(3.908)
Operating profit/loss		**17.863**	**33.142**
Income from investments in associates		(81)	(559)
Other financial income	5	42	1.442
Other financial expenses	6	(14.962)	(21.616)
Profit/loss before tax		**2.862**	**12.409**
Tax on profit/loss for the year	7	(1.245)	(4.765)
Profit/loss for the year	8	**1.617**	**7.644**

Consolidated balance sheet at 30.06.2018

	Notes	2017/18 DKK'000	2016/17 DKK'000
Acquired intangible assets		20.805	5.042
Acquired rights		8.277	11.192
Goodwill		27.753	22.777
Intangible assets	9	**56.835**	**39.011**
Land and buildings		15.445	16.087
Other fixtures and fittings, tools and equipment		17.847	42.332
Leasehold improvements		29.521	14.890
Property, plant and equipment in progress		6.649	7.292
Property, plant and equipment	10	**69.462**	**80.601**
Investments in associates		380	415
Other investments		32	0
Other receivables		11.638	15.596
Deferred tax	13	2.995	43
Fixed asset investments	11	**15.045**	**16.054**
Fixed assets		**141.342**	**135.666**
Manufactured goods and goods for resale		71.254	72.533
Prepayments for goods		6	7
Inventories		**71.260**	**72.540**
Trade receivables		18.662	36.901
Receivables from associates		0	2.459
Other receivables		899	8.454
Income tax receivable		0	1.195
Prepayments	14	10.824	7.882
Receivables		**30.385**	**56.891**
Cash		**22.700**	**17.935**
Current assets		**124.345**	**147.366**
Assets		**265.687**	**283.032**

Consolidated balance sheet at 30.06.2018

	Notes	2017/18 DKK'000	2016/17 DKK'000
Contributed capital		300	300
Retained earnings		(9.106)	(5.423)
Equity attributable to the Parent's owners		**(8.806)**	**(5.123)**
Share of equity attributable to minority interests		**9.461**	**6.391**
Equity		**655**	**1.268**
Other provisions		446	0
Provisions for investments in associates		746	494
Provisions		**1.192**	**494**
Mortgage debts		10.630	11.454
Finance lease liabilities		6.353	8.196
Debt to other credit institutions		84.752	97.172
Deferred income	15	4.725	5.077
Non-current liabilities other than provisions	16	**106.460**	**121.899**
Current portion of long-term liabilities other than provisions	16	25.764	20.746
Bank loans		45.417	48.921
Trade payables		46.927	45.653
Income tax payable		785	0
Other payables		38.395	44.051
Deferred income		92	0
Current liabilities other than provisions		**157.380**	**159.371**
Liabilities other than provisions		**263.840**	**281.270**
Equity and liabilities		**265.687**	**283.032**
Associates	12		
Financial instruments	18		
Unrecognised rental and lease commitments	19		
Contingent liabilities	20		
Mortgages and securities	21		
Group relations	22		
Subsidiaries	23		

Consolidated statement of changes in equity for 2017/18

	Contributed capital DKK'000	Retained earnings DKK'000	Share of equity attributable to minority interests DKK'000	Total DKK'000
Equity beginning of year	300	(5.423)	6.391	1.268
Exchange rate adjustments	0	(70)	(43)	(113)
Fair value adjustments of hedging instruments	0	1.451	0	1.451
Value adjustments	0	(3.901)	651	(3.250)
Tax of equity postings	0	(318)	0	(318)
Profit/loss for the year	0	(845)	2.462	1.617
Equity end of year	**300**	**(9.106)**	**9.461**	**655**

Consolidated cash flow statement for 2017/18

	Notes	2017/18 DKK'000	2016/17 DKK'000
Operating profit/loss		17.863	33.237
Amortisation, depreciation and impairment losses		21.501	16.292
Working capital changes	17	22.301	976
Cash flow from ordinary operating activities		**61.665**	**50.505**
Financial income received		42	1.442
Financial income paid		(6.322)	(21.615)
Income taxes refunded/(paid)		(3.721)	(4.690)
Cash flows from operating activities		**51.664**	**25.642**
Acquisition etc of intangible assets		(5.404)	(1.532)
Acquisition etc of property, plant and equipment		(24.203)	(27.645)
Sale of property, plant and equipment		1.437	8.214
Acquisition of fixed asset investments		(1.368)	(1.131)
Sale of fixed asset investments		908	4.304
Cash flows from investing activities		**(28.630)**	**(17.790)**
Loans raised		0	100.000
Instalments on loans etc		(9.854)	(96.604)
Incurrence of lease obligations		0	13.397
Reduction of lease commitments		(5.113)	(11.099)
Cash flows from financing activities		**(14.967)**	**5.694**
Increase/decrease in cash and cash equivalents		**8.067**	**13.546**
Cash and cash equivalents beginning of year		(30.986)	(44.532)
Currency translation adjustments of cash and cash equivalents		202	0
Cash and cash equivalents end of year		**(22.717)**	**(30.986)**
Cash and cash equivalents at year-end are composed of:			
Cash		22.700	17.935
Short-term debt to banks		(45.417)	(48.921)
Cash and cash equivalents end of year		**(22.717)**	**(30.986)**

Notes to consolidated financial statements

	2017/18 DKK'000	2016/17 DKK'000
1. Revenue		
Revenue by geographical market		
Denmark	149.028	156.859
Other European countries	229.174	164.060
Rest of the world	44.221	39.685
	422.423	**360.604**
Revenue by activity		
Retail and web	392.084	294.535
Franchise	30.339	66.069
	422.423	**360.604**

	2017/18 DKK'000	2016/17 DKK'000
2. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	725	693
Other assurance engagements	0	35
Tax services	253	199
Other services	166	203
	1.144	**1.130**

Of the fee, DKK 242 thousand comprises fee to other auditors than appointed by the Annual General Meeting.

	2017/18 DKK'000	2016/17 DKK'000
3. Staff costs		
Wages and salaries	155.810	134.003
Pension costs	8.494	7.784
Other social security costs	10.669	2.088
Other staff costs	3.440	3.791
	178.413	**147.666**
Average number of employees	**559**	**499**

According to section 98b(3) of the Danish Financial Statements Act, remuneration to Management has not been disclosed. The Group pays no remuneration to the Board of Directors.

Notes to consolidated financial statements

	2017/18 DKK'000	2016/17 DKK'000
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	8.538	5.141
Depreciation of property, plant and equipment	10.333	11.151
Impairment losses on property, plant and equipment	2.434	0
Profit/loss from sale of intangible assets and property, plant and equipment	196	(680)
	21.501	**15.612**

	2017/18 DKK'000	2016/17 DKK'000
5. Other financial income		
Other financial income	42	1.442
	42	**1.442**

	2017/18 DKK'000	2016/17 DKK'000
6. Other financial expenses		
Exchange rate adjustments	4.598	21.616
Other financial expenses	10.364	0
	14.962	**21.616**

	2017/18 DKK'000	2016/17 DKK'000
7. Tax on profit/loss for the year		
Tax on current year taxable income	2.549	4.429
Change in deferred tax for the year	(3.270)	551
Adjustment concerning previous years	1.966	(217)
Effect of changed tax rates	0	2
	1.245	**4.765**

	2017/18 DKK'000	2016/17 DKK'000
8. Proposed distribution of profit/loss		
Transferred to reserve for net revaluation according to the equity method	0	(355)
Retained earnings	(845)	5.296
Minority interests' share of profit/loss	2.462	2.703
	1.617	**7.644**

Notes to consolidated financial statements

	Acquired intangible assets DKK'000	Acquired rights DKK'000	Goodwill DKK'000
9. Intangible assets			
Cost beginning of year	26.544	20.429	28.466
Exchange rate adjustments	0	(46)	(26)
Transfers	49.998	(4.144)	1.967
Additions	243	0	5.161
Cost end of year	**76.785**	**16.239**	**35.568**
Amortisation and impairment losses beginning of year	(21.502)	(9.237)	(5.689)
Exchange rate adjustments	0	45	2
Transfers	(28.966)	2.178	(50)
Amortisation for the year	(5.512)	(948)	(2.078)
Amortisation and impairment losses end of year	**(55.980)**	**(7.962)**	**(7.815)**
Carrying amount end of year	**20.805**	**8.277**	**27.753**

Of the carrying amount at 30.06.2018 for acquired intangible assets amounting to a total of DKK 20,805 thousand the Group has recognised DKK 18,275 of this as software.

Notes to consolidated financial statements

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Property, plant and equipment in progress DKK'000
10. Property, plant and equipment				
Cost beginning of year	19.941	76.491	52.407	7.292
Exchange rate adjustments	(5)	(185)	(1.275)	0
Transfers	(942)	(51.983)	20.715	(2.402)
Additions	554	5.506	13.496	4.647
Disposals	0	(367)	(497)	(2.888)
Cost end of year	**19.548**	**29.462**	**84.846**	**6.649**
Depreciation and impairment losses beginning of the year	(3.854)	(34.159)	(37.517)	0
Exchange rate adjustments	2	57	883	0
Transfers	155	25.455	(12.016)	0
Depreciation for the year	(406)	(3.104)	(6.827)	0
Reversal regarding disposals	0	136	152	0
Depreciation and impairment losses end of the year	**(4.103)**	**(11.615)**	**(55.325)**	**0**
Carrying amount end of year	**15.445**	**17.847**	**29.521**	**6.649**

	Investments in associates DKK'000	Other investments DKK'000	Other receivables DKK'000
11. Fixed asset investments			
Cost beginning of year	125	0	15.596
Exchange rate adjustments	0	0	(106)
Transfers	0	0	(4.280)
Additions	0	32	1.336
Disposals	0	0	(908)
Cost end of year	**125**	**32**	**11.638**
Revaluations beginning of year	290	0	0
Share of profit/loss for the year	(81)	0	0
Dividend	(206)	0	0
Investments with negative equity transferred to provisions	252	0	0
Revaluations end of year	**255**	**0**	**0**
Carrying amount end of year	**380**	**32**	**11.638**

Notes to consolidated financial statements

	Registered in	Equity interest %
12. Associates		
Change - Sønderborg I/S	Sønderborg	50,0
CoS Enterprises ApS	Farum	50,0

	2017/18 DKK'000
13. Deferred tax	
Changes during the year	
Beginning of year	43
Recognised in the income statement	3.270
Recognised directly in equity	(318)
End of year	**2.995**

14. Prepayments

Prepayments mainly comprise expenses prepaid for new collections.

15. Long-term deferred income

Deferred income comprises interest rate swap contracts entered into in connection with the Company's mortgage loans. The contracts will expire in 2027 and 2037, respectively.

	Instalments within 12 months 2017/18 DKK'000	Instalments within 12 months 2016/17 DKK'000	Instalments beyond 12 months 2017/18 DKK'000	Outstanding after 5 years DKK'000
16. Liabilities other than provisions				
Mortgage debts	830	830	10.630	7.309
Finance lease liabilities	7.148	10.418	6.353	0
Debt to other credit institutions	17.786	9.498	84.752	0
Deferred income	0	0	4.725	4.725
	25.764	**20.746**	**106.460**	**12.034**

Notes to consolidated financial statements

	2017/18 DKK'000	2016/17 DKK'000
17. Change in working capital		
Increase/decrease in inventories	1.280	(8.127)
Increase/decrease in receivables	25.311	(6.696)
Increase/decrease in trade payables etc	(4.290)	15.799
	22.301	**976**

18. Financial instruments

Other payables include the value of forward exchange contracts of DKK 4.9 million. The contracts have been entered into to hedge the Group's goods purchased in USD. At 30.06.2018, the Group has entered into forward exchange contracts at a total of DKK 13.7 million which fall due within the next 18 months.

	2017/18 DKK'000	2016/17 DKK'000
19. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	**139.347**	**94.366**

20. Contingent liabilities

The Group participates in a Danish international joint taxation with Asian Import ApS as the administration company and, consequently, according to the Danish Corporation Tax Act, is liable for any income taxes etc for the jointly taxed companies, and for any obligation to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

The Group holds ownership interests in the partnership Change – Sønderborg I/S. Consequently, the Group is liable in accordance with the rules of the Executive Order on the Danish Act on Certain Commercial Undertakings stating that all owners are personally liable without limitation as well as jointly and severally liable for the obligations of the undertaking.

21. Mortgages and securities

Mortgage debt is secured by way of mortgage on properties. The carrying amount of land and buildings is DKK 15,359 thousand at 30.06.2018.

Lease rights attached to the Company's properties have been provided as irrevocable security for bank loans.

Bank guarantees provided by credit institutions for rent and payment guarantees amount to DKK 17,382 thousand at 30.06.2018.

Two company charges of each DKK 60,000 thousand nominal have been provided as security for credit facilities with a credit institutions. The company charge includes inventories, trade receivables and goodwill. The debt from the credit facilities amounts to DKK 93,148 thousand at 30.06.2018.

Notes to consolidated financial statements

22. Group relations
Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Asian Import ApS, Farum Gydevej 73, DK-3520 Farum

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Asian Import ApS, Farum Gydevej 73, DK-3520 Farum

23. Subsidiaries	**Registered in**	**Corpo-rate form**	**Equity inte-rest %**
Change of Scandinavia Holding A/S	Farum	A/S	100,0
Change of Scandinavia A/S	Farum	A/S	100,0
Change of Scandinavia Retail A/S	Farum	A/S	100,0
Change of Scandinavia Sweden AB	Landvetter	AB	100,0
OY Change of Scandinavia Finland AB	Helsinki	AB	75,0
Change of Scandinavia Norway AS	Tranby	AS	75,0
Change of Scandinavia Germany GmbH	Stuttgart	GmbH	100,0
Change of Scandinavia Canada Retail Inc.	Montreal	Inc.	75,0
Change of Scandinavia (Asia) Co., Ltd	China	Ltd.	100,0
Changing Textiles Incorporation Ltd.	Hong Kong	Ltd.	99,0
The Intimate Company A/S	Farum	A/S	100,0
Change of Scandinavia SSC SP. z.o.o.	Lodz	SP. z.o.o.	99,9
Change of Scandinavia Poland SP. z.o.o.	Lodz	SP. z.o.o.	75,0
TiC Lingerie and Sleepware Inc.	Montreal	Inc.	100,0

Parent income statement for 2017/18

	Notes	2017/18 DKK'000	2016/17 DKK'000
Revenue		1.899	1.880
Other external expenses		(215)	(451)
Gross profit/loss		**1.684**	**1.429**
Depreciation, amortisation and impairment losses	1	(375)	(342)
Operating profit/loss		**1.309**	**1.087**
Income from investments in group enterprises		4.098	18.217
Other financial income	2	8	0
Other financial expenses	3	(7.570)	(16.012)
Profit/loss before tax		**(2.155)**	**3.292**
Tax on profit/loss for the year	4	1.310	1.649
Profit/loss for the year	5	**(845)**	**4.941**

Parent income statement for 2017/18

	Notes	2017/18 DKK'000	2016/17 DKK'000
Land and buildings		15.359	15.179
Property, plant and equipment	6	**15.359**	**15.179**
Investments in group enterprises		104.059	103.075
Fixed asset investments	7	**104.059**	**103.075**
Fixed assets		**119.418**	**118.254**
Trade receivables		9	0
Receivables from group enterprises		153	0
Income tax receivable		1.072	1.118
Receivables		**1.234**	**1.118**
Current assets		**1.234**	**1.118**
Assets		**120.652**	**119.372**

Parent balance sheet at 30.06.2018

	Notes	2017/18 DKK'000	2016/17 DKK'000
Contributed capital	8	300	300
Reserve for net revaluation according to the equity method		14.307	13.323
Retained earnings		(23.411)	(18.746)
Equity		**(8.804)**	**(5.123)**
Deferred tax	9	5.316	6.537
Provisions		**5.316**	**6.537**
Mortgage debts		10.630	11.454
Debt to other credit institutions		49.729	50.000
Deferred income	10	4.725	5.078
Non-current liabilities other than provisions	11	**65.084**	**66.532**
Current portion of long-term liabilities other than provisions	11	5.908	830
Trade payables		187	0
Payables to group enterprises		50.320	48.338
Payables to associates		450	0
Other payables		2.191	2.258
Current liabilities other than provisions		**59.056**	**51.426**
Liabilities other than provisions		**124.140**	**117.958**
Equity and liabilities		**120.652**	**119.372**
Contingent liabilities	12		
Mortgages and securities	13		
Related parties with controlling interest	14		

Parent statement of changes in equity for 2017/18

	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	300	13.323	(18.746)	(5.123)
Exchange rate adjustments	0	(70)	0	(70)
Value adjustments	0	1.099	0	1.099
Other equity postings	0	(3.901)	354	(3.547)
Tax of equity postings	0	(241)	(77)	(318)
Profit/loss for the year	0	4.097	(4.942)	(845)
Equity end of year	**300**	**14.307**	**(23.411)**	**(8.804)**

Notes to parent financial statements

	2017/18 DKK'000	2016/17 DKK'000
1. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	375	342
	375	**342**

	2017/18 DKK'000	2016/17 DKK'000
2. Other financial income		
Interest income	8	0
	8	**0**

	2017/18 DKK'000	2016/17 DKK'000
3. Other financial expenses		
Financial expenses from group enterprises	1.838	0
Interest expenses	5.730	16.012
Exchange rate adjustments	2	0
	7.570	**16.012**

	2017/18 DKK'000	2016/17 DKK'000
4. Tax on profit/loss for the year		
Change in deferred tax for the year	(1.298)	(1.828)
Adjustment concerning previous years	(12)	179
	(1.310)	**(1.649)**

	2017/18 DKK'000	2016/17 DKK'000
5. Proposed distribution of profit/loss		
Transferred to reserve for net revaluation according to the equity method	4.097	18.218
Retained earnings	(4.942)	(13.277)
	(845)	**4.941**

Notes to parent financial statements

	Land and buildings DKK'000
6. Property, plant and equipment	
Cost beginning of year	18.850
Additions	554
Cost end of year	**19.404**
Depreciation and impairment losses beginning of the year	(3.670)
Depreciation for the year	(375)
Depreciation and impairment losses end of the year	**(4.045)**
Carrying amount end of year	**15.359**

	Investments in group enterprises DKK'000
7. Fixed asset investments	
Cost beginning of year	89.752
Cost end of year	**89.752**
Revaluations beginning of year	13.323
Exchange rate adjustments	(70)
Adjustments on equity	(3.901)
Amortisation of goodwill	(1.413)
Share of profit/loss for the year	5.511
Fair value adjustments	857
Revaluations end of year	**14.307**
Carrying amount end of year	**104.059**

The carrying amount of investments in group enterprises of DKK 104,059 thousand at 30.06.2018 includes goodwill of DKK 21,201 thousand.

	Number	Nominal value DKK'000
8. Contributed capital		
A shares	1	100
B shares	1	100
C shares	1	100
	3	**300**

Notes to parent financial statements

	2017/18 DKK'000	2016/17 DKK'000
9. Deferred tax		
Property, plant and equipment	(1.065)	1.044
Tax losses carried forward	10.388	(9.068)
Other taxable temporary differences	(4.007)	14.561
	5.316	**6.537**

Changes during the year	
Beginning of year	6.537
Recognised in the income statement	(1.298)
Recognised directly in equity	77
End of year	**5.316**

10. Long-term deferred income

Deferred income comprises interest rate swap contracts entered into in connection with the Company's mortgage loans. The contracts will expire in 2027 and 2037, respectively.

	Instalments within 12 months 2017/18 DKK'000	Instalments within 12 months 2016/17 DKK'000	Instalments beyond 12 months 2017/18 DKK'000	Outstanding after 5 years DKK'000
11. Liabilities other than provisions				
Mortgage debts	830	830	10.630	7.309
Debt to other credit institutions	5.078	0	49.729	0
Deferred income	0	0	4.725	4.725
	5.908	**830**	**65.084**	**12.034**

12. Contingent liabilities

The Company serves as an administration company in a Danish international joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

13. Mortgages and securities

Mortgage debt is secured by way of mortgage on properties. The carrying amount of land and buildings is DKK 15,359 thousand at 30.06.2018.

Notes to parent financial statements

Lease rights attached to the Company's properties have been provided as irrevocable security for bank loans.

The Company's and the subsidiaries' credit facilities are secured by way of mortgage deeds registered to the mortgagor of DKK 7,350 thousand nominal. In addition, the Company has granted a charge on shares in the subsidiary Change of Scandinavia Holding A/S of DKK 59,884 thousand nominal. The carrying amount of mortgaged shares amounts to DKK 82,859 thousand at 30.06.2018.

The Company has undertaken guarantee of payment of the subsidiaries' bank debt and of the credit lines provided to the subsidiaries. The credit facilities amount to DKK 93,148 thousand at 30.06.2018.

14. Related parties with controlling interest

The Entity's related parties include the Board of Directors and the Chief Executive Officer, Claus Walther Jensen, Svanemøllevej 4, st., 2100 Copenhagen Ø, who is the principal shareholder of the Entity.

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 (large).

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. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

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. Minority interests’ proportionate share of profit or loss is presented as a separate item in Management’s proposal for distribution of profit or loss, and their share of subsidiaries’ net assets is presented as a separate item in the group equity.

Accounting policies

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

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered as belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

Derivative financial instruments
On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

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.

Accounting policies

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

Cost of sales
Cost of sales comprises cost of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

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.

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 write-downs 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 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.

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

Other financial income
Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on payables and transactions in foreign currencies, including foreign currency

Accounting policies

financial instruments held to maturity, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on payables and transactions in foreign currencies, including foreign currency financial instruments held to maturity, 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 and Acquired rights comprises takeover of stores and key money and is amortised straight-line over its estimated useful life, which is determined based on the experience gained by Management for each business area. The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises and activities with a strong market position and a long-term earnings profile where the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill and Acquired rights are written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc
Acquired intangible assets comprise software, development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

The basis of amortisation is cost less estimated residual value after the end of useful life. Straight-line amortisation is made on the basis of the following estimated useful lives of the assets:

Software	5-8 years
Completed development projects	5-8 years

Acquired intangible assets are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

Acquired intangible assets are written down to the lower of recoverable amount and carrying amount.

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

Accounting policies

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 assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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	50 years
Other fixtures and fittings, tools and equipment	3-8 years
Leasehold improvements	5-8 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.

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 plus or minus unamortised positive, or negative, goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates
Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus or minus unamortised positive, or negative, goodwill and plus or minus unrealised pro rata internal profits and losses.

Associates with negative equity are measured at DKK 0, and any receivables from these associates are written down by the share of such negative equity if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if there is a legal or constructive obligation to cover the liabilities of the relevant associate.

Accounting policies

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

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

Other investments
Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date an unlisted investments measured at the lower of cost and net realisable value.

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 carryforwards, 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.

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

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Minority interests
Minority interests comprise non-controlling interests' share of equity in subsidiaries not wholly owned by the Parent.

Other provisions
Other provisions comprise provisions for negative investments in group enterprises and associates.

Accounting policies

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

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.

Finance lease liabilities
Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

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.

Income tax receivable or payable
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.

Deferred income
Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

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.

Accounting policies

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 debt.