

POMPdeLUX ApS

Omega 7
8382 Hinnerup
Central Business Registration
No 29622035

Annual report 01.07.2017 - 30.06.2018

The Annual General Meeting adopted the annual report on 27.09.2018

Chairman of the General Meeting

Name: Marianne Hoffmann Dyrbøl

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Entity details

Entity

POMPdeLUX ApS

Omega 7

8382 Hinnerup

Central Business Registration No (CVR): 29622035

Registered in: Favrskov

Financial year: 01.07.2017 - 30.06.2018

Phone: 86787871

Website: www.pompdelux.com

Executive Board

Marianne Hoffmann Dyrbøl

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of POMPdeLUX 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 my opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2018 and of the results of its operations and cash flows for the financial year 01.07.2017 - 30.06.2018.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 27.09.2018

Executive Board

Marianne Hoffmann Dyrbøl

Independent auditor's report

To the shareholders of POMPdeLUX ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of POMPdeLUX ApS for the financial year 01.07.2017 - 30.06.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared 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 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 opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and 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 opinion.

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 Parent'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

Independent auditor's report

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 these 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 Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and 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 Parent'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.

Independent auditor's report

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.

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.

Aarhus, 27.09.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Klaus Tvede-Jensen
State Authorised Public Accountant
Identification No (MNE) mne23304

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					
Gross profit	52.650	64.940	52.298	76.980	66.383
Operating profit/loss	8.550	22.677	11.909	30.722	28.722
Net financials	(943)	(885)	(359)	(1.350)	(6.582)
Profit/loss for the year	5.706	16.728	8.547	22.444	16.421
Total assets	55.383	61.389	75.801	59.151	64.267
Investments in property, plant and equipment	1.583	388	2.088	859	4.147
Equity	23.530	29.361	23.196	34.856	24.315
Ratios					
Return on equity (%)	21,6	63,7	29,4	75,9	50,9
Equity ratio (%)	42,5	47,8	30,6	58,9	37,8

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

Ratios	Calculation formula	Calculation formula reflects
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The primary activities of the Group are design of and trade in childrens wear.

Development in activities and finances

The decline in realised earnings is attributable, among other things, to an increasing US dollar rate and a decline in prices on several export markets. Furthermore, to the launch of a new webshop and, in particular, a challenging spring 2018 due to extreme weather conditions in all markets.

Management considers earnings for the financial year unsatisfactory – however, acceptable – considering the market conditions.

During the implementation of a new webshop, the Company has undergone a number of changed processes, which has naturally cost focus on sales and cost-effective operations. Start-up challenges relating to the new webshop have now been overcome, which is expected to be positively reflected in the coming financial years.

We are continuously working on our CSR, focusing on supplier management and chemical control, etc.

At the end of the financial year, the Company's two units, administration and distribution, have initiated the relocation to a shared domicile in Søften, which is expected to optimise the business.

Outlook

As a result of the ongoing relocation and the implementation of new initiatives, Management has scaled down its expectations for the next financial year to this year's level.

Particular risks

The Group is exposed particularly to fluctuations in foreign currencies. Management is aware of the exposure and follows developments in foreign exchange rates on an ongoing basis.

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

	<u>Notes</u>	<u>2017/18 DKK</u>	<u>2016/17 DKK</u>
Gross profit		52.649.522	64.940.259
Staff costs	1	(38.814.061)	(38.639.216)
Depreciation, amortisation and impairment losses	2	(5.285.711)	(3.624.226)
Operating profit/loss		8.549.750	22.676.817
Other financial income		1.137.145	406.772
Other financial expenses	3	(2.079.894)	(1.291.428)
Profit/loss before tax		7.607.001	21.792.161
Tax on profit/loss for the year	4	(1.901.132)	(5.063.960)
Profit/loss for the year	5	5.705.869	16.728.201

Consolidated balance sheet at 30.06.2018

	<u>Notes</u>	<u>2017/18 DKK</u>	<u>2016/17 DKK</u>
Acquired rights		6.091.794	6.089.948
Intangible assets	6	6.091.794	6.089.948
Other fixtures and fittings, tools and equipment		1.978.379	1.657.831
Leasehold improvements		133.789	1.488.220
Property, plant and equipment	7	2.112.168	3.146.051
Other receivables		1.825.799	8.799
Fixed asset investments	8	1.825.799	8.799
Fixed assets		10.029.761	9.244.798
Manufactured goods and goods for resale		25.802.397	19.254.066
Inventories		25.802.397	19.254.066
Trade receivables		7.103.856	4.294.964
Other receivables		211.941	263.809
Prepayments	9	1.656.870	1.924.287
Receivables		8.972.667	6.483.060
Cash		10.578.075	26.407.084
Current assets		45.353.139	52.144.210
Assets		55.382.900	61.389.008

Consolidated balance sheet at 30.06.2018

	<u>Notes</u>	<u>2017/18 DKK</u>	<u>2016/17 DKK</u>
Contributed capital		125.000	125.000
Retained earnings		23.405.195	29.236.441
Equity		23.530.195	29.361.441
Deferred tax	10	1.248.305	1.319.726
Provisions		1.248.305	1.319.726
Bank loans		5.602.794	0
Trade payables		11.221.371	13.915.308
Payables to group enterprises		3.051.208	1.622.276
Income tax payable		705.473	1.110.728
Joint taxation contribution payable		630.571	2.621.170
Other payables		9.392.983	10.676.926
Deferred income	11	0	761.433
Current liabilities other than provisions		30.604.400	30.707.841
Liabilities other than provisions		30.604.400	30.707.841
Equity and liabilities		55.382.900	61.389.008
Unrecognised rental and lease commitments	13		
Assets charged and collateral	14		
Transactions with related parties	15		
Group relations	16		
Subsidiaries	17		

Consolidated statement of changes in equity for 2017/18

	Contributed capital DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Total DKK
Equity beginning of year	125.000	29.236.441	0	29.361.441
Extraordinary dividend paid	0	0	(11.500.000)	(11.500.000)
Exchange rate adjustments	0	(427.075)	0	(427.075)
Other entries on equity	0	499.949	0	499.949
Tax of entries on equity	0	(109.989)	0	(109.989)
Profit/loss for the year	0	(5.794.131)	11.500.000	5.705.869
Equity end of year	125.000	23.405.195	0	23.530.195

Consolidated cash flow statement for 2017/18

	<u>Notes</u>	<u>2017/18 DKK</u>	<u>2016/17 DKK</u>
Operating profit/loss		8.549.750	22.676.817
Amortisation, depreciation and impairment losses		5.285.711	3.624.226
Working capital changes	12	(11.848.370)	10.627.861
Other adjustments		(427.075)	(172.733)
Cash flow from ordinary operating activities		1.560.016	36.756.171
Financial income received		1.137.145	406.772
Financial expenses paid		(2.079.894)	(1.291.428)
Income taxes refunded/(paid)		(4.478.396)	(1.054.109)
Cash flows from operating activities		(3.861.129)	34.817.406
Acquisition etc of intangible assets		(2.972.287)	(6.243.192)
Acquisition etc of property, plant and equipment		(1.583.387)	(388.289)
Sale of property, plant and equipment		302.000	0
Acquisition of fixed asset investments		(1.817.000)	(8.799)
Sale of fixed asset investments		0	499.263
Cash flows from investing activities		(6.070.674)	(6.141.017)
Dividend paid		(11.500.000)	(10.000.000)
Cash flows from financing activities		(11.500.000)	(10.000.000)
Increase/decrease in cash and cash equivalents		(21.431.803)	18.676.389
Cash and cash equivalents beginning of year		26.407.084	7.730.695
Cash and cash equivalents end of year		4.975.281	26.407.084
Cash and cash equivalents at year-end are composed of:			
Cash		10.578.075	26.407.084
Short-term debt to banks		(5.602.794)	0
Cash and cash equivalents end of year		4.975.281	26.407.084

Notes to consolidated financial statements

	2017/18 DKK	2016/17 DKK
1. Staff costs		
Wages and salaries	34.392.510	34.272.660
Pension costs	3.774.792	3.676.950
Other social security costs	646.759	689.606
	38.814.061	38.639.216
Average number of employees	85	81
Referring to § 98b of the Danish Financial Statement Act, disclosures on managements remuneration have been omitted.		
	2017/18 DKK	2016/17 DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	2.970.441	1.725.746
Depreciation of property, plant and equipment	2.147.488	1.898.480
Profit/loss from sale of intangible assets and property, plant and equipment	167.782	0
	5.285.711	3.624.226
	2017/18 DKK	2016/17 DKK
3. Other financial expenses		
Financial expenses from group enterprises	23.088	187.307
Other interest expenses	2.056.806	1.104.121
	2.079.894	1.291.428
	2017/18 DKK	2016/17 DKK
4. Tax on profit/loss for the year		
Current tax	1.972.553	4.124.692
Change in deferred tax	(71.421)	969.997
Adjustment concerning previous years	0	(30.729)
	1.901.132	5.063.960
	2017/18 DKK	2016/17 DKK
5. Proposed distribution of profit/loss		
Extraordinary dividend distributed in the financial year	11.500.000	0
Retained earnings	(5.794.131)	16.728.201
	5.705.869	16.728.201

Notes to consolidated financial statements

		Acquired rights DKK
6. Intangible assets		
Cost beginning of year		22.436.444
Additions		2.972.287
Cost end of year		25.408.731
Amortisation and impairment losses beginning of year		(16.346.496)
Amortisation for the year		(2.970.441)
Amortisation and impairment losses end of year		(19.316.937)
Carrying amount end of year		6.091.794
	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
7. Property, plant and equipment		
Cost beginning of year	6.555.667	3.080.101
Additions	1.447.330	136.057
Disposals	(1.148.930)	(3.080.101)
Cost end of year	6.854.067	136.057
Depreciation and impairment losses beginning of year	(4.897.836)	(1.591.881)
Depreciation for the year	(911.080)	(1.236.408)
Reversal regarding disposals	933.228	2.826.021
Depreciation and impairment losses end of year	(4.875.688)	(2.268)
Carrying amount end of year	1.978.379	133.789
		Other receivables DKK
8. Fixed asset investments		
Cost beginning of year		8.799
Additions		1.817.000
Cost end of year		1.825.799
Carrying amount end of year		1.825.799

Notes to consolidated financial statements

9. Prepayments

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

	2017/18 DKK	2016/17 DKK
10. Deferred tax		
Intangible assets	1.320.000	1.340.000
Property, plant and equipment	(71.695)	(20.274)
	1.248.305	1.319.726
Changes during the year		
Beginning of year	1.319.726	
Recognised in the income statement	(71.421)	
End of year	1.248.305	

11. Short-term deferred income

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

	2017/18 DKK	2016/17 DKK
12. Change in working capital		
Increase/decrease in inventories	(6.548.331)	6.869.403
Increase/decrease in receivables	(2.489.607)	2.492.807
Increase/decrease in trade payables etc	(2.810.432)	1.265.651
	(11.848.370)	10.627.861

	2017/18 DKK	2016/17 DKK
13. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	30.764.997	5.197.815

Of the total unrecognised rental and lease commitments rental agreements amounts to DKK 30,147k (2016/17: DKK 4,789k) and lease agreements amounts to DKK 618k (2016/17: DKK 409k).

14. Assets charged and collateral

The Company has provided a floating charge to Nordea Bank Danmark A/S of DKK 15,000k. The floating charge is granted on unsecured claims arising from sale of goods and services, inventories, operating equipment as well as intellectual property rights.

The carrying amount is per 30.06.2018 DKK 33,683k.

Notes to consolidated financial statements

POMPdeLUX Outlet ApS has provided a guarantee to Ringsted Outlet Center P/S of DKK 181k and POMPdeLUX ApS has provided a guarantee to Strålfors Information Logistics of DKK 1,078k.

15. Transactions with related parties

Only transactions with related parties that are not carried out at market terms are disclosed in the annual report. No such transactions have been performed in the financial year.

16. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group: MH Holding Sabro ApS, Aarhus.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: MH Holding Sabro ApS, Aarhus.

	Registered in	Corpo- rate form	Equity inte- rest %
17. Subsidiaries			
POMPdeLUX NO AS	Oslo	AS	100,0
POMPdeLUX Sverige AB	Malmö	AB	100,0
POMPdeLUX FI Oy	Helsinki	Oy	100,0
POMPdeLUX NL B.V	Eindhoven	B.V	100,0
POPMPdeLUX DE GmbH	Hamburg	GmbH	100,0
POMPdeLUX A GmbH	Wien	GmbH	100,0
POMPdeLUX CH GmbH	Zürich	GmbH	100,0
POMPdeLUX Outlet ApS	Favrskov	ApS	100,0

Parent income statement for 2017/18

	<u>Notes</u>	<u>2017/18 DKK</u>	<u>2016/17 DKK</u>
Gross profit		43.472.372	53.773.895
Staff costs	1	(36.292.255)	(36.007.823)
Depreciation, amortisation and impairment losses	2	(5.285.711)	(3.624.226)
Operating profit/loss		1.894.406	14.141.846
Income from investments in group enterprises		5.833.519	7.016.924
Other financial income	3	98.644	21.917
Other financial expenses	4	(1.914.439)	(1.490.428)
Profit/loss before tax		5.912.130	19.690.259
Tax on profit/loss for the year	5	(206.261)	(2.962.058)
Profit/loss for the year	6	5.705.869	16.728.201

Parent balance sheet at 30.06.2018

	<u>Notes</u>	<u>2017/18 DKK</u>	<u>2016/17 DKK</u>
Acquired rights		6.091.794	6.089.948
Intangible assets	7	6.091.794	6.089.948
Other fixtures and fittings, tools and equipment		1.978.379	1.657.831
Leasehold improvements		133.789	1.488.220
Property, plant and equipment	8	2.112.168	3.146.051
Investments in group enterprises		13.209.559	16.054.003
Other receivables		1.817.000	0
Fixed asset investments	9	15.026.559	16.054.003
Fixed assets		23.230.521	25.290.002
Manufactured goods and goods for resale		25.225.397	18.103.301
Inventories		25.225.397	18.103.301
Trade receivables		1.144.553	552.448
Receivables from group enterprises		1.710.980	2.041.534
Other receivables		143.235	263.809
Prepayments	10	1.530.536	1.906.354
Receivables		4.529.304	4.764.145
Cash		345.504	9.250.752
Current assets		30.100.205	32.118.198
Assets		53.330.726	57.408.200

Parent balance sheet at 30.06.2018

	<u>Notes</u>	<u>2017/18 DKK</u>	<u>2016/17 DKK</u>
Contributed capital		125.000	125.000
Reserve for net revaluation according to the equity method		12.451.702	15.296.146
Retained earnings		10.953.493	13.940.295
Equity		23.530.195	29.361.441
Deferred tax	11	1.250.000	1.320.000
Provisions		1.250.000	1.320.000
Bank loans		5.602.794	0
Trade payables		9.449.294	11.828.245
Payables to group enterprises		7.910.894	5.693.911
Joint taxation contribution payable		276.261	2.017.798
Other payables		5.311.288	6.425.372
Deferred income	12	0	761.433
Current liabilities other than provisions		28.550.531	26.726.759
Liabilities other than provisions		28.550.531	26.726.759
Equity and liabilities		53.330.726	57.408.200
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		
Related parties with controlling interest	16		
Transactions with related parties	17		

Parent statement of changes in equity for 2017/18

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed extraordinary dividend DKK
Equity beginning of year	125.000	15.296.146	13.940.295	0
Extraordinary dividend paid	0	0	0	(11.500.000)
Exchange rate adjustments	0	(427.075)	0	0
Other entries on equity	0	0	499.949	0
Tax of entries on equity	0	0	(109.989)	0
Profit/loss for the year	0	(2.417.369)	(3.376.762)	11.500.000
Equity end of year	125.000	12.451.702	10.953.493	0
				Total DKK
Equity beginning of year				29.361.441
Extraordinary dividend paid				(11.500.000)
Exchange rate adjustments				(427.075)
Other entries on equity				499.949
Tax of entries on equity				(109.989)
Profit/loss for the year				5.705.869
Equity end of year				23.530.195

Notes to parent financial statements

	2017/18 DKK	2016/17 DKK
1. Staff costs		
Wages and salaries	32.252.692	32.003.636
Pension costs	3.424.190	3.345.360
Other social security costs	615.373	658.827
	36.292.255	36.007.823
Average number of employees	77	75
Referring to § 98b of the Danish Financial Statement Act, disclosures on managements remuneration have been omitted.		
	2017/18 DKK	2016/17 DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	2.970.441	1.725.746
Depreciation of property, plant and equipment	2.147.488	1.898.480
Profit/loss from sale of intangible assets and property, plant and equipment	167.782	0
	5.285.711	3.624.226
	2017/18 DKK	2016/17 DKK
3. Other financial income		
Financial income arising from group enterprises	93.253	21.847
Other interest income	5.391	70
	98.644	21.917
	2017/18 DKK	2016/17 DKK
4. Other financial expenses		
Financial expenses from group enterprises	447.533	588.555
Other interest expenses	412.808	302.801
Exchange rate adjustments	1.040.621	585.595
Other financial expenses	13.477	13.477
	1.914.439	1.490.428

Notes to parent financial statements

	2017/18 DKK	2016/17 DKK
5. Tax on profit/loss for the year		
Current tax	276.261	2.127.787
Change in deferred tax	(70.000)	865.000
Adjustment concerning previous years	0	(30.729)
	206.261	2.962.058
	2017/18 DKK	2016/17 DKK
6. Proposed distribution of profit/loss		
Extraordinary dividend distributed in the financial year	11.500.000	0
Retained earnings	(5.794.131)	16.728.201
	5.705.869	16.728.201
		Acquired rights DKK
7. Intangible assets		
Cost beginning of year		22.436.444
Additions		2.972.287
Cost end of year		25.408.731
Amortisation and impairment losses beginning of year		(16.346.496)
Amortisation for the year		(2.970.441)
Amortisation and impairment losses end of year		(19.316.937)
Carrying amount end of year		6.091.794

Notes to parent financial statements

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
8. Property, plant and equipment		
Cost beginning of year	6.555.667	3.080.101
Additions	1.447.330	136.057
Disposals	(1.148.930)	(3.080.101)
Cost end of year	6.854.067	136.057
Depreciation and impairment losses beginning of year	(4.897.836)	(1.591.881)
Depreciation for the year	(911.080)	(1.236.408)
Reversal regarding disposals	933.228	2.826.021
Depreciation and impairment losses end of year	(4.875.688)	(2.268)
Carrying amount end of year	1.978.379	133.789
	Invest- ments in group enterprises DKK	Other receivables DKK
9. Fixed asset investments		
Cost beginning of year	757.857	0
Additions	0	1.817.000
Cost end of year	757.857	1.817.000
Revaluations beginning of year	15.296.146	0
Exchange rate adjustments	(427.075)	0
Share of profit/loss for the year	5.635.205	0
Dividend	(8.250.887)	0
Other adjustments	198.313	0
Revaluations end of year	12.451.702	0
Carrying amount end of year	13.209.559	1.817.000

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

10. Prepayments

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

Notes to parent financial statements

	2017/18 DKK	2016/17 DKK
11. Deferred tax		
Intangible assets	1.340.000	1.340.000
Property, plant and equipment	(90.000)	(20.000)
	1.250.000	1.320.000
Changes during the year		
Beginning of year	1.320.000	
Recognised in the income statement	(70.000)	
End of year	1.250.000	

12. Deferred income

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

	2017/18 DKK	2016/17 DKK
13. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	30.464.463	4.645.088

Of the total unrecognised rental and lease commitments rental agreements amounts to DKK 29,846k (2016/17: DKK: 4,236k) and lease agreements amounts to DKK 618k (2016/17: DKK 409k).

14. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where MH Holding Sabro ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

15. Assets charged and collateral

The Company has provided a floating charge to Nordea Bank Danmark A/S of DKK 15,000k. The floating charge is granted on unsecured claims arising from sale of goods and services, inventories, operating equipment as well as intellectual property rights.

The carrying amount is per 30.06.2018 DKK 33,683k.

POMPdeLUX ApS has provided a guarantee to Strålfors Information Logistics of DKK 1,078k.

Notes to parent financial statements

16. Related parties with controlling interest

Marianne Hoffmann Dyrbøl, Risskov, owns all shares in the company and thus has a controlling interest on this.

17. Transactions with related parties

Only transactions with related parties that are not carried out at market terms are disclosed in the annual report. No such transactions have been performed in the financial year.

Accounting policies

Reporting class

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

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

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

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

Basis of consolidation

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

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

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

Accounting policies

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 rate 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.

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. 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.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of raw materials and consumables and external expenses.

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.

Costs of raw materials and consumables

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

Other external expenses

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

Accounting policies

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

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

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

Other financial income

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

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the Parent and all the Parents other Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

The cost of acquired intellectual rights comprises cost, including external fees that are directly and indirectly attributable to the intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Straight-line-amortisation is made on the basis of the estimated useful lives of each asset which are 3 – 5 years.

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

Accounting policies

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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.

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:

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

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

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

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

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

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.

Receivables

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

Accounting policies

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.

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.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

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.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

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 receivable or payable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions receivable or payable

Current joint taxation contributions receivable or joint taxation payable is recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Accounting policies

Deferred income

Deferred income comprises income received 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.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as payment of dividend.

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

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Klaus Tvede-Jensen

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Marianne Hoffmann Dyrbøl

Adm. direktør

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Marianne Hoffmann Dyrbøl

Dirigent

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