



BTX GROUP A/S

Nordlundvej 1
DK-7330 Brande
Reg. no. 34 28 17 18

Annual Report for 2018

(48th Financial Year)

Fremlagt og godkendt på selskabets
generalforsamling 12/6 2019
Som dirigent:


(underskrift)

CEO, JESPER RØE
(stilling - navn)

NORDLUNDVEJ 1, 7330 BRANDE
(adresse)

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STATEMENT BY THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

The Board of Directors and the Executive Board have today discussed and approved the annual report of BTX Group A/S for the financial year 1 January - 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2018 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 January - 31 December 2018.


Furthermore, in our opinion, Management's review includes a fair review of the development in the Group's and the Company's operations and financial circumstances, of the results for the year and of the financial position of the Group and the Company.

We recommend that the annual report be approved at the annual general meeting.

Brande, 12 June 2019

EXECUTIVE BOARD

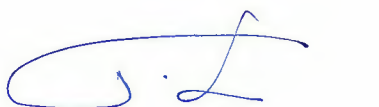
Jesper Roe

BOARD OF DIRECTORS

Karina Nørgaard
(Chairman)



Jesper Roe



Tim Lund Larsen

INDEPENDENT AUDITOR'S REPORT

To the shareholders of BTX Group A/S

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of BTX Group A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared under the Danish Financial Statements Act

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018, and of the results of the Group and Parent Company operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 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 Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to Going Concern

We point out that there is uncertainty that can raise doubts about the company's ability to continue operations. We refer to the note "Continuing operations" in the annual report, which states that the group is in the final phase of an exit process, where management expects that a new owner will ensure the right level of credit lines to support the business. At the time of presentation of accounts, the results of the final negotiations have not been completed, but it is the assessment of the management, that they will turn out positively. Management has chosen to present the accounts on the assumption of going concern. Our conclusion is not modified regarding this matter.

INDEPENDENT AUDITOR'S REPORT (continued)

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company 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 Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 Company Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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 Company's internal control.

INDEPENDENT AUDITOR'S REPORT (continued)

- 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 Company 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 Company'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 Company 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Consolidated Financial Statements or the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR'S REPORT (continued)

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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 Management's Review.

Vejle, 12 June 2019

BDO

Statsautoriseret revisionsaktieselskab

Reg. no. 20 22 26 70



Allan Lund

State Authorised Public Accountant

MNE no. mne10093

COMPANY DETAILS

The Company:

BTX GROUP A/S

Nordlundvej 1

DK-7330 Brande

Phone: +45 96 42 42 42

Fax: +45 97 18 18 98

Website: www.btxgroup.dk

Email: info@btx.dk

Board of Directors:

Karina Nørgaard (Chairman)

Jesper Roe

Tim Lund Larsen

Executive Board:

Jesper Roe

Shareholders according to the Danish Companies Act:

Holdingselskabet af 26. februar 2006 A/S (CVR no. 28 51 48 40)

Nordlundvej 1

DK-7330 Brande

Group relations:

The company is part of a Group having Watermill ApS (CVR no. 35 02 42 71) as its ultimate parent company in the Danish Group.

The registered office of Watermill ApS is the Municipality of Ikast-Brande.

Auditors:

BDO Statsautoriseret revisionsaktieselskab

Roms Hule 4, 1st floor

DK-7100 Vejle

Bankers:

Sydbank

Consolidated financial highlights

	2018	2017	2016	2015	2014
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Key figures

Income statement in DKKm					
Revenues	387	418	446	488	498
Gross profit	89	102	110	131	132
Operating profit/loss before exceptional items	-5	13	32	51	51
Profit from financial income and expenses	-6	-10	-5	-5	-4
Operation profit/loss before financial income and tax (EBIT)	-5	12	33	59	48
Profit/loss	-8	1	21	43	31

Balance sheet in DKKm					
Total assets	187	168	206	223	219
Hereof for investment in property, plant and equipment	5	5	1	2	4
Equity	35	32	64	92	89
Working capital ¹⁾	31	44	33	30	47
Net interest-bearing debt	32	26	5	-37	-20

Ratios					
Gross margin ratio	23.1%	24.4%	24.8%	26.9%	26.4%
EBIT margin	-1.4%	2.8%	7.4%	12.1%	9.6%
Equity ratio	18.7%	19.1%	31.2%	41.2%	40.6%
Return on invested capital	-3.0%	6.8%	15.1%	23.3%	21.1%

1) Hedging transactions are not included in working capital.

The financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines.

MANAGEMENT'S REVIEW

THE GROUP

Consolidated

The consolidated financial statements comprise the operating company BTX Group A/S and its subsidiaries,

Principal activities of the Group

The principal activities are design, purchase and sale of garments. The products are purchased in the Far East as well as in Europe and are sold primarily in the European markets. The Company sells fashion for women.

Development in activities and financial position

Weather conditions were unfavourable for apparel business in 2018, where Europe broke a more than 100 years old heat record and the Danish summer hit the heat record from 1874. Together with an increased share of business going online, we experienced customers going out of business. An unfavourable trend in sales currencies impacted revenue negatively, which ended at DKK 387 million compared to DKK 418 million in 2017.

In response to the market challenges we initiated actions to benefit our long term business among other things we terminated a brand, progressed our retail concept etc. Costs for these programs are included in 2018 and lowered earnings significantly. We will continue our journey and deliver on our strategic initiatives in 2019, albeit we do not expect the market to recover shortly.

The matters mentioned above resulted in a lower gross profit as well as operating profit. Operating profit amounted to DKK -5 million compared to DKK 12 million in 2017.

The result for the year ended at DKK -8 million. The result is considered unsatisfactory.

The market conditions in 2018 were still challenging and are also expected to be so in 2019. Investments in market-oriented activities will continue in 2018, just as continued focus on efficient operations will have a high priority.

At the end of 2018, the Group had 174 employees which is an increase of 3 compared to the end of 2017.

Structure

There have been no structural changes in 2018 besides aforementioned closure of one brand.

MANAGEMENT'S REVIEW (Continued)

The Group's capital structure

Funds tied up as working capital amounted to DKK 31 million (8% of revenues) as opposed to DKK 44 million (10% of revenues) in 2017. The positive change in working capital was due to a lower activity level as well as an increased focus on elements within working capital.

In 2018, cash flows from operating activities amounted to DKK -1 million compared to DKK 16 million in 2017. Consolidated interest-bearing debt was DKK 32 million in 2018 compared to DKK 26 million in 2017.

BTX is currently in the final stage of an exit process, and we would expect a new owner to ensure the right level of credit lines to support the business during the next 12 months to ensure our going concern. At the time of presentation of accounts, the results of the final negotiations have not been completed, but it is the assessment of the management, that they will turn out positively. The Groups bank engagement has a number of covenants, which must be continuously fulfilled. There could be a risk of a covenant breach in the course of 2019.

Management has chosen to present the accounts on the assumption of going concern.

Knowledge resources

It is the objective of the Group to continue being an attractive place to work and thereby be able to attract and retain highly qualified employees. Through education, training, delegation of duties, clear distribution of responsibilities and targeted efforts, the Group intends to further develop the skills and competencies of its staff on a continuous basis.

Particular risks

The Group is exposed to currency fluctuations with respect to both purchases and sales, particularly fluctuations in USD, NOK and SEK. Other than this, it is management's opinion that the Group is not influenced by any particular risks apart from those characteristic for the industry. The Group operates in a segment that is sensitive to market fluctuations; the financial conditions caused by recession in the macro economies in Europe and changed purchasing conditions in the Far East are particularly hard to predict.

Research and development activities

The Group's collections are continuously developed throughout the year.

Important events after the end of the financial year

No important events have occurred after the closing of the financial year that will affect the financial statements for 2018.

MANAGEMENT'S REVIEW (Continued)

Outlook

Management expects current market conditions to continue into 2019 and expect not to see improvements before 2020.

Corporate Social Responsibility

This statutory statement of the BTX Group A/S' corporate social responsibility covers the financial year 1 January - 31 December 2018 and relates to the annual report 2018. The statement includes the auditors' opinion on management's review included in the annual report for the Group.

Social responsibility is a focus area for the Group as it works continuously with standards and processes that are evaluated annually by the Board of Directors.

So far the Group has aimed and will continue to aim at recruiting the most suitable managers and other employees regardless of gender, race and religion. The management of the Group are composed in view of the long-term strategy of the Group and recruitment is made with this in mind. The Board of Directors of BTX Group may consist of up to seven members and currently consists of three. In view of the Group's ambition about recruiting the most suitable candidates and in the event where the Board of Directors consists of five members or less, it is the objective that at least 20% of the Board of Directors and at least 30% in other management positions should be women. Other management position consists of Executive Management, directors as well as middle management. At the signing of the financial statements, women accounted for 33% in Board of Directors and 62% for all management positions.

The Group is developing its code of conduct and related follow-up processes, which are to ensure, among other things, that suppliers live up to the Group's requirements concerning human rights, social and environmental conditions, etc. The group's code of conduct can be downloaded at <http://www.btx-group.com>.

ACCOUNTING POLICIES

The annual report of the BTX Group A/S for 2018 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies of BTX Group A/S are unchanged compared to last year.

Consolidated financial statements

The consolidated financial statements comprise the parent company, BTX Group A/S, and subsidiaries in which BTX Group A/S directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

Business combinations

Enterprises acquired or formed are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Gains or losses on disposal of subsidiaries are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated disposal costs.

Acquisitions of enterprises are accounted for using the purchase method, according to which identifiable assets and liabilities of the acquired enterprises are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise in connection with the acquisition. Allowance is made for the tax effect of revaluations made.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, not exceeding 20 years. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (negative goodwill), representing an anticipated adverse development in the acquired enterprises, is recognised in the balance sheet as deferred income and recognised in the income statement as the adverse development is realised. Negative goodwill not related to any anticipated adverse development is recognised in the balance sheet at an

ACCOUNTING POLICIES (continued)

amount corresponding to the fair value of non-monetary assets. The amount is subsequently recognised in the income statement over the average useful lives of the non-monetary assets.

Goodwill and negative goodwill arising on acquisition can be adjusted until the end of the year after the acquisition.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or liability arose or was recognised in the latest annual report is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries are considered separate entities. The income statements are translated at average exchange rates for the months, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of intra-group balances with independent foreign subsidiaries which are considered part of the investment in the subsidiary are recognised directly in equity. Foreign exchange gains and losses on the portion of loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

On recognition of foreign subsidiaries, which are integral entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

ACCOUNTING POLICIES (continued)

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with any changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised as other receivables or other payables and in equity until the hedged transaction is realised. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects profit or loss.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement as financial income and expenses.

Changes in the fair value of derivative financial instruments used to hedge net investments in independent foreign subsidiaries are recognised directly in equity.

Income statement

Revenue

Revenue from the sale of goods is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex VAT less returned goods, bonuses and discounts in relation to the sale.

Cost of sales

Cost of sales includes costs incurred in generating the revenue for the year. It also includes direct and indirect costs of raw materials and consumables.

Other external costs

Other external expenses comprise costs of sale, advertising, administration, premises, bad debts, costs of operating leases, etc.

ACCOUNTING POLICIES (continued)

Staff costs

Staff costs include wages and salaries, including holiday pay and pensions as well as other social security costs etc. for the Group's and the Company's employees. Staff costs are stated less reimbursements received from public authorities.

Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on sale of intangible assets and property, plant and equipment.

Other operating costs

Other operating costs comprise items secondary to the activities of the Group and the Company, including loss on sale of intangible assets and property, plant and equipment.

Exceptional items

Exceptional items comprise significant non-recurring income and expenses. These items are presented separately to ensure comparability in the income statement and to provide a better view of the operating results.

Financial income and expenses

Financial income and expenses include interest income and expense, financial costs incurred on finance leases, realised and unrealised gains and losses on securities, debt and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Financial income and expense are recognised at the amounts relating to the financial year.

Tax on profit/loss for the year

BTX Group A/S is jointly taxed with all wholly-owned Danish subsidiaries. The current Danish corporation tax is allocated in connection with the settlement of joint tax contributions between the jointly taxed Danish companies in proportion to their taxable income (full distribution of tax with refunds for tax losses). The jointly taxed companies are taxed under the on-account tax scheme.

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to changes directly recognised in equity is recognised directly in equity.

ACCOUNTING POLICIES (continued)

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised over its estimated useful life determined on the basis of Management's experience of the specific business areas. Goodwill is amortised on a straight-line basis over the amortisation period which is 3-5 years. The amortisation period is determined based on the expected repayment period and is longest for strategically acquired enterprises with strong market positions and long-term earnings profiles.

Acquired intellectual property rights

Acquired intellectual property rights are measured at cost less accumulated amortisation and impairment.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries.

Intangible assets are amortised on a straight-line basis over the expected useful lives of the assets.

Acquired intellectual property rights	3-5 years
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Property, plant and equipment

Fixtures and fittings, other plant and equipment are measured at cost less accumulated depreciation and impairment.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the assets.

Fixtures and fittings, other plant and equipment	3-5 years
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Leases

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Group are initially recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. For the calculation of the net present value, the interest rate implicit in the lease or the Group's alternative borrowing rate is used as discount rate. Assets held under finance leases are subsequently depreciated as the Group's other non-current assets.

ACCOUNTING POLICIES (continued)

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are classified as operating leases. Services related to operating leases and other lease contracts are recognised in the income statement over the term of the contract. The Group's total liabilities regarding operating leases and lease agreements are disclosed as contingent liabilities, etc.

Investments in subsidiaries

Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group profits and losses plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.

Investments in subsidiaries with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If BTX Group A/S has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of BTX Group A/S are not recognised in the reserve for net revaluation.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

ACCOUNTING POLICIES (continued)

The cost of goods and goods for resale comprise the cost of raw materials, consumables, external production costs and delivery costs.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Group's credit risk management policy. The objective indicators used in relation to portfolios are based on historical loss experience.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Payable and receivable joint tax contributions are recognised in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

ACCOUNTING POLICIES (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Provisions

Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. During subsequent periods, financial liabilities are measured at amortised cost.

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises payments received concerning income in subsequent years and is measured at amortised cost.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognised up until the date of disposal.

Cash flows from operating activities are calculated using the indirect method as profit/loss before tax adjusted for non-cash operating items, changes in working capital, interest received and paid, dividends received as well as corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities, intangible assets, property, plant and equipment and investments.

ACCOUNTING POLICIES (continued)

Entering of finance leases are considered non-cash transactions.

Cash flows from financing activities comprise changes in the size or composition of share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividends to shareholders.

Cash flows relating to assets held under finance lease are recognised as payment of interest and repayment of debt.

Cash and cash equivalents comprise cash as well as securities with less than three months to maturity, which can readily be converted into cash and cash equivalents and which only carry an insignificant risk of changes in value.

Segment information

Information on business segments and geographical markets has not been disclosed, as such information in Management's opinion may cause substantial damage to BTX Group A/S.

INCOME STATEMENT
1 January - 31 December 2018
DKK'000

	Notes	Consolidated	
		2018	2017
Revenue		387,201	417,792
Cost of sales		-206,464	-211,839
Other external costs		<u>-91,472</u>	<u>-103,874</u>
Gross profit		89,265	102,079
Staff costs	1	-74,779	-70,759
Depreciation, amortisation and impairment, intangible assets and prop., plant and equip.		-8,348	-7,003
Other operating income		325	2,089
Other operating expenses		<u>-11,710</u>	<u>-13,755</u>
Operating profit/loss before exceptional items		-5,247	12,651
Exceptional items	2	<u>0</u>	<u>-904</u>
Operating profit/loss		-5,247	11,747
Other financial income	3	606	915
Other financial expenses	3	<u>-6,240</u>	<u>-10,974</u>
Profit/loss before tax		-10,881	1,688
Tax on profit/loss for the year	4	<u>2,903</u>	<u>-561</u>
PROFIT/LOSS FOR THE YEAR	5	<u>-7,978</u>	<u>1,127</u>

BALANCE SHEET at 31 December 2018

DKK'000

ASSETS

		Consolidated	
	Notes	2018	2017
NON-CURRENT ASSETS			
Intangible assets	6		
Intellectual property rights acquired		9,220	11,161
Goodwill		6,158	3,755
Intangible assets under construction and prepayments		<u>170</u>	<u>0</u>
		<u>15,548</u>	<u>14,916</u>
Property, plant and equipment	7		
Fixtures and fittings, other plant and equipment		9,406	8,400
Assets under construction and prepayments		<u>161</u>	<u>0</u>
		<u>9,567</u>	<u>8,400</u>
Investments			
Other receivables	8	<u>3,549</u>	<u>2,869</u>
		<u>3,549</u>	<u>2,869</u>
TOTAL NON-CURRENT ASSETS		<u>28,664</u>	<u>26,185</u>
CURRENT ASSETS			
Inventories			
Finished goods and goods for resale		<u>47,926</u>	<u>57,484</u>
		<u>47,926</u>	<u>57,484</u>
Receivables	9		
Trade receivables		34,706	47,336
Amounts owed by group enterprises		8,219	0
Corporation tax receivable		428	989
Deferred tax assets	10	1,385	1,721
Other receivables		9,920	2,679
Prepayments		<u>7,889</u>	<u>4,559</u>
		<u>62,547</u>	<u>57,284</u>
Cash at bank and in hand		<u>47,903</u>	<u>26,741</u>
TOTAL CURRENT ASSETS		<u>158,376</u>	<u>141,509</u>
TOTAL ASSETS		<u>187,040</u>	<u>167,694</u>

BALANCE SHEET at 31 December 2018

DKK'000

EQUITY AND LIABILITIES

		Consolidated	
	Notes	2018	2017
EQUITY			
Share capital		36,002	36,002
Retained earnings		-989	-3,945
TOTAL EQUITY		35,013	32,057
LIABILITIES			
Long-term liabilities	11		
Capitalised lease payments		551	1,261
		551	1,261
Short-term liabilities	9		
Short-term portion of capitalised lease payments		710	1,137
Bank loans and overdrafts		77,013	38,375
Trade payables		44,311	44,399
Amounts owed to group enterprises		9,572	12,430
Corporation tax		232	916
Other payables		19,601	37,089
Deferred income		37	30
		151,476	134,376
TOTAL LIABILITIES		152,027	135,637
TOTAL EQUITY AND LIABILITIES		187,040	167,694
Fee for auditors appointed at the annual general meeting	12		
Contractual obligations and contingent liabilities	13		
Mortgages and securities	14		
Continued operations	15		
Currency and interest risks as well as use of derived financial instruments	16		
Related party transactions	17		
Group chart	18		

STATEMENT OF CHANGES IN EQUITY

The Company's share capital comprises 36,002 shares of DKK 1,000 each. None of the shares carry any special rights. Changes in equity can be specified as follows:

DKK'000	Share capital	Retained earnings	Total equity
Equity at 1 January 2018	36,002	-3,945	32,057
Transferred through distribution of profit/loss	-	-7,978	-7,978
Exchange rate adjustments on translation of foreign entities	-	-17	-17
Adjustment of hedging instruments	-	10,951	10,951
EQUITY AT 31 DECEMBER 2018	<u>36,002</u>	<u>-989</u>	<u>35,013</u>

The share capital has not been changed for the past five years.

CONSOLIDATED CASH FLOW STATEMENT for 2018
DKK'000

	Notes	Consolidated 2018	2017
Profit before financial income and expenses		-5,247	11,747
Depreciation, amortisation and impairment		8,348	7,003
Profit/loss from sale of property, plant and equipment		89	52
Provisions, exchange rate adjustments, etc.		-4,028	-2,983
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		-838	15,819
Changes in inventories		9,558	-1,263
Changes in trade receivables, other receivables and prepayments (ex. gains/losses on forward exchange contracts)		20,816	-573
Changes in trade payables		-805	-3,196
Changes in intra-group account with parent company		-11,077	19,596
Changes in other short-term liabilities (ex. gains/losses on forward exchange contracts)		-17,481	2,089
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE TAX		172	32,472
Interest income, received		606	915
Interest expenses, paid		-6,240	-6,974
Corporation tax paid		27	-4,534
CASH FLOWS FROM OPERATING ACTIVITIES AFTER TAX		-5,435	21,879
Acquisition of intangible assets		-5,224	-4,357
Sale of intangible assets		0	41
Acquisition of property, plant and equipment (ex. assets held under finance leases)		-5,089	-5,074
Sale of property, plant and equipment (ex. assets held under finance leases)		89	0
Acquisition of other fixed asset investments		-807	-2,627
Sale of other fixed asset investments		127	9,029
CASH FLOWS FROM INVESTING ACTIVITIES		-10,904	-2,988
Distributed dividends		0	-20,000
Repayment of loan		0	-32,079
Changes regarding finance leases		-1,137	-1,238
CASH FLOWS FROM FINANCING ACTIVITIES		-1,137	-53,317
CASH FLOWS FOR THE YEAR		-17,476	-34,426
Cash and cash equivalents at the beginning of the year		-11,634	22,792
Cash flows for the year		-17,476	-34,426
CASH AND CASH EQUIVALENTS AT YEAR END		-29,110	-11,634
CASH AND CASH EQUIVALENTS AT YEAR END COMPRISE:			
Cash at bank and in hand		47,903	26,741
Bank loans and overdrafts		-77,013	-38,375
		-29,110	-11,634

NOTES
DKK'000

		Consolidated	
		<u>2018</u>	<u>2017</u>
1	STAFF COSTS		
	Wages and salaries	65,716	62,577
	Pensions	4,981	4,887
	Other social security costs	4,824	4,559
	Refunds	<u>-742</u>	<u>-1,264</u>
		<u>74,779</u>	<u>70,759</u>
Remuneration and fees for the Executive Board and the Board of Directors are not disclosed with reference to Section 98b (3) of the Danish Financial Statements Act.			
	Average number of employees	<u>174</u>	<u>171</u>
2	EXCEPTIONAL ITEMS		
	Adjustment, loss on leases	<u>0</u>	<u>904</u>
	TOTAL EXCEPTIONAL ITEMS	<u>0</u>	<u>904</u>
3	FINANCIAL INCOME AND EXPENSES		
	Interest income from group enterprises	<u>31</u>	<u>34</u>
	Interest payable to group enterprises	<u>93</u>	<u>17</u>
4	TAX ON PROFIT FOR THE YEAR		
	Tax on profit for the year is computed as follows:		
	Current tax for the year	462	1,067
	Adjustment of deferred tax for the year	-2,756	-418
	Adjustment regarding previous years	<u>-609</u>	<u>-88</u>
	TOTAL TAX ON PROFIT FOR THE YEAR	<u>-2,903</u>	<u>561</u>
5	PROPOSED DISTRIBUTION OF PROFIT/LOSS		
	Retained earnings	<u>-7,978</u>	<u>1,127</u>
		<u>-7,978</u>	<u>1,127</u>

NOTES
DKK'000

6 INTANGIBLE ASSETS

	Intellectual property rights acquired	Goodwill	Intangible assets under con- struction and prepayments
Cost at 1 January 2018	16,379	4,664	0
Exchange rate adjustment	0	-31	0
Additions during the year	1,097	3,957	170
Disposals during the year	-100	0	0
Cost at 31 December 2018	17,376	8,590	170
Amortisation and impairment at 1 January 2018	5,218	909	0
Exchange rate adjustment	0	-37	0
Amortisation and impairment for the year	3,038	1,560	0
Amortisation and impairment on assets sold	-100	0	0
Amortisation and impairment at 31 December 2018	8,156	2,432	0
CARRYING AMOUNT AT 31 DECEMBER 2018	9,220	6,158	170

7 PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings, other plant and equipment	Assets under construction and pre- payments
Cost at 1 January 2018	34,620	0
Exchange rate adjustment	4	0
Additions during the year	4,928	161
Disposals during the year	-4,668	0
Cost at 31 December 2018	34,884	161
Depreciation and impairment at 1 January 2018	26,220	0
Exchange rate adjustment	-2	0
Depreciation and impairment for the year	3,750	0
Depreciation and impairment on assets sold	-4,490	0
Depreciation and impairment at 31 December 2018	25,478	0
CARRYING AMOUNT AT 31 DECEMBER 2018	9,406	161
Carrying amount of leased assets	1,306	

NOTES
DKK'000

	Consolidated	
	2018	2017
8 OTHER RECEIVABLES		
Cost at 1 January	2,869	9,275
Exchange rate adjustment	0	-4
Additions during the year	807	2,627
Disposals during the year	-127	-9,029
CARRYING AMOUNT AT 31 DECEMBER	3,549	2,869
9 RECEIVABLES/LIABILITIES		
Receivables falling due for payment more than one year after the end of the financial year	62	98
The fair value of forward exchange contracts regarding hedging of future purchase and sale in foreign currencies is included in other receivables at 31 December 2018 at an amount of DKK 7 million and in other payables at 31 December 2017 at an amount of DKK 12 million.		
10 DEFERRED TAX		
Balance at 1 January	1,721	-2,180
Adjustments beginning of the year	0	-187
Adjustments for the year, income statement	2,756	418
Adjustments for the year, equity	-3,089	3,673
Exchange rate adjustments	-3	-3
BALANCE AT 31 DECEMBER	1,385	1,721
Deferred tax relates to:		
Intangible assets	-1,508	-2,461
Property, plant and equipment	2,121	774
Current assets	-3,250	-271
Liabilities	277	2,955
Tax losses carryforwards	3,745	724
	1,385	1,721
11 LONG-TERM LIABILITIES		
Long-term liabilities falling due after five years as from the end of the financial year	0	0

NOTES
DKK'000

Consolidated	
<u>2018</u>	<u>2017</u>
12 FEE FOR AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING	
Total fee for the auditors appointed at the annual general meeting:	
Statutory audit	282 252
Other assurance engagements	0 0
Tax consultancy	116 122
Non-audit services	<u>20 11</u>
TOTAL FEE FOR AUDITORS APPOINTED AT THE GENERAL MEETING	<u>418 385</u>

13 CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

Contingent liabilities

The Group's total commitments under letters of credit amount to DKK 15 million (2017: DKK 20 million).

Customs guarantees have been provided in the amount of DKK 3 million (2017: DKK 3 million).

Contingent liabilities and warranties other than those above do not exceed DKK 2 million (2017: DKK 2 million).

Operating lease commitments

The Group leases properties and operating equipment under operating leases. The Group's domicile properties are leased on contracts that are interminable both by the Group and the lessor for 1 to 4 years. The leasing period for other assets is typically between 1 and 4 years with the possibility of renewal.

Total non-provided discounted rent liabilities of the Group amount to approx. DKK 19 million (2017: DKK 20 million)

Total lease commitments of the Group regarding other operating leases amount to approx. DKK 5 million. (2017: approx. 5 million).

14 MORTGAGES AND SECURITY

As security for the Company's and the Group's bank loan and overdraft, a floating charge has been granted in receivables, fixtures and fittings, tools and equipment, inventories and intellectual property rights of DKK 109 million. (2017: DKK 109 million). The carrying amount of assets used as security amounts to DKK 90 million (2017: DKK 110 million).

The Group's bank loan amount to DKK 56 million.

15 CONTINUED OPERATIONS

BTX is currently in the final stage of an exit process, and we would expect a new owner to ensure the right level of credit lines to support the business during the next 12 months to ensure our going concern. At the time of presentation of accounts, the results of the final negotiations have not been completed, but it is the assessment of the management, that they will turn out positively. The Groups bank engagement has a number of covenants, which must be continuously fulfilled. There could be a risk of a covenant breach in the course of 2019.

Management has chosen to present the accounts on the assumption of going concern.

NOTES

16 CURRENCY RISKS AS WELL AS USE OF DERIVED FINANCIAL INSTRUMENTS

The Group uses forward exchange contracts to cover the Group's risks related to variability in cash flows due to fluctuations in exchange rates.

The Group has entered forward exchange contracts at 31 December 2018 to hedge future purchases of currency totalling DKK 154 million (2017: DKK 241 million) and sale of currency totalling DKK 72 million (2017: DKK 107 million).

17 RELATED PARTY TRANSACTIONS

Related parties with significant influence include group companies and Boards of Directors and the Executive Boards of the companies. Related party transactions are conducted under normal market conditions.

18 GROUP CHART

<i>Company</i>	<i>Reg. office</i>	<i>Country</i>
BTX Group A/S	Brande	Denmark
Group enterprises, wholly-owned		
BTX Apparel Ltd.	Thornaby	England
BTX Norge AS	Oslo	Norway
BTX China Ltd	Shanghai	China
BTX Netherlands B.V.	Almere	The Netherlands

INCOME STATEMENT
1 January - 31 December 2018
DKK'000

		Parent company	
	<u>Notes</u>	<u>2018</u>	<u>2017</u>
Revenue		340,885	353,023
Cost of sales		-185,511	-181,625
Other external costs		<u>-80,129</u>	<u>-89,272</u>
Gross profit		75,245	82,126
Staff costs	1	-66,057	-61,652
Depreciation, amortisation and impairment, intangible assets and prop., plant and equip.		-6,958	-6,153
Other operating income	2	12,173	15,985
Other operating expenses		<u>-21,046</u>	<u>-20,214</u>
Operating profit/loss before exceptional items		-6,643	10,092
Exceptional items	3	<u>0</u>	<u>-904</u>
Operating profit/loss		-6,643	9,188
Profit from investments after tax in group enterprises		286	1,355
Other financial income	4	649	915
Other financial expenses	4	<u>-5,279</u>	<u>-10,283</u>
Profit/loss before tax		-10,987	1,175
Tax on profit/loss for the year	5	<u>3,009</u>	<u>-48</u>
PROFIT/LOSS FOR THE YEAR	6	<u>-7,978</u>	<u>1,127</u>

BALANCE SHEET at 31 December 2018

DKK'000

ASSETS

		Parent company	
	Notes	2018	2017
NON-CURRENT ASSETS			
Intangible assets	7		
Intellectual property rights acquired		9,220	11,161
Goodwill		4,625	1,372
Intangible assets under construction and prepayments		<u>170</u>	<u>0</u>
		<u>14,015</u>	<u>12,533</u>
Property, plant and equipment	8		
Fixtures and fittings, other plant and equipment		7,921	7,444
Assets under construction and prepayments		<u>161</u>	<u>0</u>
		<u>8,082</u>	<u>7,444</u>
Investments	9		
Investments in group enterprises		3,338	4,032
Other receivables		<u>3,396</u>	<u>2,806</u>
		<u>6,734</u>	<u>6,838</u>
TOTAL NON-CURRENT ASSETS		<u>28,831</u>	<u>26,815</u>
CURRENT ASSETS			
Inventories			
Finished goods and goods for resale		<u>44,046</u>	<u>52,896</u>
		<u>44,046</u>	<u>52,896</u>
Receivables	10		
Trade receivables		29,865	40,892
Amounts owed by group enterprises		13,008	5,893
Corporation tax receivable		428	989
Deferred tax asset	11	1,120	1,572
Other receivables		9,169	2,315
Prepayments		<u>7,888</u>	<u>4,559</u>
		<u>61,478</u>	<u>56,220</u>
Cash at bank and in hand		<u>46,137</u>	<u>25,890</u>
TOTAL CURRENT ASSETS		<u>151,661</u>	<u>135,006</u>
TOTAL ASSETS		<u>180,492</u>	<u>161,821</u>

BALANCE SHEET at 31 December 2018

DKK'000

EQUITY AND LIABILITIES

		Parent company	
	<u>Notes</u>	<u>2018</u>	<u>2017</u>
EQUITY			
Share capital		36,002	36,002
Retained earnings		<u>-989</u>	<u>-3,945</u>
TOTAL EQUITY		<u>35,013</u>	<u>32,057</u>
LIABILITIES			
Long-term liabilities	12		
Capitalised lease payments		<u>551</u>	<u>1,261</u>
		<u>551</u>	<u>1,261</u>
Short-term liabilities			
Short-term portion of long-term capitalised lease payments		710	1,137
Bank loans and overdrafts		77,013	38,375
Trade payables		41,555	42,377
Amounts owed to group enterprises		10,242	13,064
Corporation tax		11	611
Other payables		15,360	32,909
Deferred income		<u>37</u>	<u>30</u>
		<u>144,928</u>	<u>128,503</u>
TOTAL LIABILITIES		<u>145,479</u>	<u>129,764</u>
TOTAL EQUITY AND LIABILITIES		<u>180,492</u>	<u>161,821</u>
Contractual obligations and contingent liabilities, etc.	13		
Mortgages and security	14		
Continued operations	15		
Currency and interest risks as well as use of derived financial instruments	16		
Related party transactions	17		
Cash flow statement	18		

STATEMENT OF CHANGES IN EQUITY

The company's share capital comprises 36,002 shares of DKK 1,000 each. None of the shares carry special rights. Changes in equity can be specified as follows:

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2018	36,002	-3,945	32,057
Transferred through distribution of profit/loss	-	-7,978	-7,978
Exchange rate adjustments on translation of foreign entities	-	-17	-17
Adjustment of hedging instruments sikringsinstrumenter	-	10,951	10,951
EQUITY AT 31 DECEMBER 2018	36,002	-989	35,013

NOTES
DKK'000

	Parent company	
	2018	2017
	<u> </u>	<u> </u>
1 STAFF COSTS		
Wages and salaries	59,064	55,436
Pensions	4,561	4,276
Other social security costs	3,130	3,205
Refunds	<u>-698</u>	<u>-1,265</u>
	<u>66,057</u>	<u>61,652</u>
 Average number of employees	 <u>150</u>	 <u>137</u>
 Remuneration and fees for the Executive Board and the Board of Directors are not disclosed with reference to Section 98b (3) of the Danish Financial Statements Act.		
2 OTHER OPERATING INCOME		
The item primarily comprises management fee etc. from group companies in 2018 of DKK 12 million (2017: DKK 16 million).		
3 EXCEPTIONAL ITEMS		
Adjustment, loss on leases	<u>0</u>	<u>904</u>
TOTAL EXCEPTIONAL ITEMS	<u>0</u>	<u>904</u>
4 FINANCIAL INCOME AND EXPENSES		
Interest income from group enterprises	<u>104</u>	<u>206</u>
Interest payable to group enterprises	<u>93</u>	<u>17</u>
5 TAX ON PROFIT FOR THE YEAR		
Tax on profit for the year is computed as follows:		
Current tax for the year	215	725
Adjustment of deferred tax for the year	-2,637	-583
Adjustment regarding previous years	<u>-587</u>	<u>-94</u>
TOTAL TAX ON PROFIT FOR THE YEAR	<u>-3,009</u>	<u>48</u>
6 PROPOSED PROFIT APPROPRIATION		
Retained earnings	<u>-7,978</u>	<u>1,127</u>
	<u>-7,978</u>	<u>1,127</u>

NOTES
DKK'000

7 INTANGIBLE ASSETS

	Intellectual property rights acquired	Goodwill	Intangible assets under con- struction and prepayments
Cost at 1 January 2018	16,379	1,693	0
Additions during the year	1,097	3,957	170
Disposals during the year	-100	0	0
Cost at 31 December 2018	17,376	5,650	170
Amortisation and impairment at 1 January 2018	5,218	321	0
Amortisation and impairment for the year	3,038	704	0
Amortisation and impairment on assets sold	-100	0	0
Amortisation and impairment at 31 December 2018	8,156	1,025	0
CARRYING AMOUNT AT 31 DECEMBER 2018	9,220	4,625	170

8 PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings, other plant and equipment	Property, plant and equip. under construction and pre- payments
Cost at 1 January 2018	32,998	0
Additions during the year	3,791	161
Disposals during the year	-4,169	0
Cost at 31 December 2018	32,620	161
Depreciation and impairment at 1 January 2018	25,554	0
Depreciation and impairment for the year	3,216	0
Depreciation and impairment on assets sold	-4,071	0
Depreciation and impairment at 31 December 2018	24,699	0
CARRYING AMOUNT AT 31 DECEMBER 2018	7,921	161
Carrying amount of leased assets	1,306	

NOTES
DKK'000

9 INVESTMENTS

	Investments in group enter- prises	Other receivables
Cost at 1 January 2018	781	2,806
Additions during the year	0	654
Disposals during the year	0	-64
Cost at 31 December 2018	781	3,396
Adjustments at 1 January 2018	2,961	0
Exchange rate adjustments on translation of foreign entities	-17	0
Share of profit for the year	286	0
Distributed dividends	-933	0
Adjustments at 31 December 2018	2,297	0
CARRYING AMOUNT AT 31 DECEMBER 2018	3,078	3,396

Investments in group enterprises are recognised in the balance sheet in the following items:

Investments in group enterprises recognised in investments	3,338
Set off against intra-group accounts with group enterprises in receivables	-260
	<u>3,078</u>

Name and reg. office	Voting rights and equity interest	Result	Equity
BTX Norge AS, Norge	100%	393	2,719
BTX Apparel Ltd., England	100%	0	0
BTX China Ltd., Kina	100%	-136	619
BTX Netherlands B.V., Holland	100%	29	-260

NOTES
DKK'000

Parent company	
<u>2018</u>	<u>2017</u>

10 RECEIVABLES

Receivables falling due for payment more than one year after the end of the financial year	<u>62</u>	<u>98</u>
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The fair value of forward exchange contracts regarding hedging of future purchase and sale in foreign currencies is included in other receivables at 31 December 2018 at an amount of DKK 6 million and in other payables at 31 December 2017 at an amount of DKK 12 million.

11 DEFERRED TAX ASSETS

Balance at 1 January	1,572	-2,568
Adjustments beginning of the year	0	-117
Adjustments for the year, income statement	2,637	583
Adjustments for the year, equity	<u>-3,089</u>	<u>3,674</u>
BALANCE AT 31 DECEMBER	<u>1,120</u>	<u>1,572</u>

12 LONG-TERM LIABILITIES

Long-term liabilities falling due after five years as from the end of the financial year	<u>0</u>	<u>0</u>
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13 CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES**Contingent liabilities**

The Group's total commitments under letters of credit amount to DKK 15 million (2017: DKK 20 million).

The parent company has provided customs guarantees in the amount of DKK 3 million (2017: DKK 3 million).

Contingent liabilities and warranties other than those above do not exceed DKK 1 million (2017: DKK 2 million)

The parent company is jointly taxed with the other group companies within BTX Group A/S and has joint and several liability for the taxes relating to the joint taxation.

Operating lease commitments

The total non-provided rent liabilities of the parent company amount to DKK 17 million (2017: approx. DKK 18 million).

Total lease commitments of the parent company amount to approx. DKK 5 million (2017: DKK 4 million).

14 MORTGAGES AND SECURITY

Shares have been provided as security for the Group's bank loan and overdrafts.

As security for the company's and the Group's bank loan and overdraft, a floating charge has been granted in receivables, fixtures and fittings, tools and equipment, inventories and intellectual property rights of DKK 109 million (2017: DKK 109 million). The carrying amount of assets used as security amounts to DKK 90 million (2017: DKK 112 million).

The Group's bank loan amount to DKK 56 million.

NOTES

15 CONTINUED OPERATIONS

BTX is currently in the final stage of an exit process, and we would expect a new owner to ensure the right level of credit lines to support the business during the next 12 months to ensure our going concern. At the time of presentation of accounts, the results of the final negotiations have not been completed, but it is the assessment of the management, that they will turn out positively. The Groups bank engagement has a number of covenants, which must be continuously fulfilled. There could be a risk of a covenant breach in the course of 2019.

Management has chosen to present the accounts on the assumption of going concern.

16 CURRENCY RISKS AS WELL AS USE OF DERIVED FINANCIAL INSTRUMENTS

The parent company has entered forward exchange contracts at 31 December 2018 to hedge future purchases of currency totalling DKK 154 million (2017: DKK 241 million) and sale of currency totalling DKK 72 million (2017: DKK 107 million).

17 RELATED PARTY TRANSACTIONS

BTX Group A/S has registered the following shareholders holding 5% or more of the share capital:

Holdingselskabet af 24. februar 2006 A/S, Nordlundvej 1, DK-7330 Brande, CVR no. 28 51 48 40.

Related parties with significant influence include group companies and Boards of Directors and the Executive Boards of the companies. Related party transactions are conducted under normal market conditions.

18 CASH FLOW STATEMENT

For information on cash flows please see the consolidated financial statements.