



**BTX GROUP A/S**

Nordlundvej 1

DK-7330 Brande

Reg. no. 34 28 17 18

**Annual Report for 2019**

(49th Financial Year)

Fremlagt og godkendt på selskabets  
generalforsamling 31 / 8 2020  
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 2019.

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 2019 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 2019.

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, 31 August 2020

### EXECUTIVE BOARD



Jesper Roe

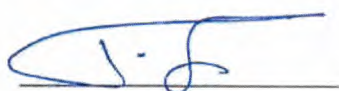
### BOARD OF DIRECTORS



Arvind Kumar Vij  
(Chairman)



Jesper Roe



Tim Lund Larsen

## INDEPENDENT AUDITOR'S REPORT

**To the shareholder of BTX Group A/S**

### **Qualified 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 2019, 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 in accordance with the Danish Financial Statements Act.

Except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, it is our opinion that the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2019 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

### **Basis for Qualified Opinion**

Receivables from group enterprises of 53,187 DKK '000 are recognized in the annual report at a rate of 100. The valuation hereof is uncertain due to the uncertainty of how much of the receivable is expected to be repaid in the following years.

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. In our opinion, the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified conclusion.

### **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 the 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,

## **INDEPENDENT AUDITOR'S REPORT (continued)**

Financial Statements and the 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 Audit of 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 the 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.



**INDEPENDENT AUDITOR'S REPORT (continued)**

- 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 Parent 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 and the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

**INDEPENDENT AUDITOR'S REPORT (continued)**

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, 31 August 2020

**BDO**

Statsautoriseret revisionsaktieselskab

Reg. no. 20 22 26 70

A handwritten signature in black ink, appearing to read 'Allan Lund', is written over a horizontal line.

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](http://www.btxgroup.dk)

Email: [info@btx.dk](mailto:info@btx.dk)

**Board of Directors:**

Arvind Kumar Vij (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

	2019	2018	2017	2016	2015
<b>Key figures</b>					
<b>Income statement in DKKm</b>					
Revenues	335	387	418	446	488
Gross profit	84	89	102	110	131
Operating profit/loss before exceptional items	-6	-5	13	32	51
Profit from financial income and expenses	-3	-6	-10	-5	-5
Operation profit/loss before financial income and tax (EBIT)	-6	-5	12	33	59
Profit/loss	-7	-8	1	21	43
<b>Balance sheet in DKKm</b>					
Total assets	173	187	168	206	223
Hereof for investment in property, plant and equipment	2	5	5	1	2
Equity	25	35	32	64	92
Working capital <sup>1)</sup>	31	31	44	33	30
Net interest-bearing debt	32	32	26	5	-37
<b>Ratios</b>					
Gross margin ratio	25,0%	23,1%	24,4%	24,8%	26,9%
EBIT margin	-1,7%	-1,4%	2,8%	7,4%	12,1%
Equity ratio	14,5%	18,7%	19,1%	31,2%	41,2%
Return on invested capital	-3,2%	-3,0%	6,8%	15,1%	23,3%

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

Market conditions continued to be challenging in 2019 with customers going out of business and an increased share of business going online. Furthermore closing of unprofitable own stores impacted revenue negatively, which ended at DKK 335 million compared to DKK 387 million in 2018.

In response to the market challenges we initiated actions to benefit our long term business among other things we closed unprofitable stores, restructured our organisation, renegotiated terms on leaseholds etc.. A transformation plan to secure efficient processes and lean cost base was launched in second half year and will continue into 2020, where the impact will benefit the earnings. Costs for these programs are included in 2019 and lowered earnings significantly.

The actions mentioned above resulted, despite a drop in revenue of DKK 52 million, in an operating profit at DKK -6 million, close to 2018 at DKK -5 million, as higher gross margin as well as lower costs set off the impact from lower sales.

The result for the year ended at DKK -7 million. The result is considered unsatisfactory.

The challenging market conditions in 2019 are expected to continue in 2020. Investments in market-oriented activities will continue in 2020, just as the current transformation plan will have a high priority. We had a strong start of 2020, where action plans started to pay off, but COVID-19 caused action plans to be put on hold and management to focus differently, consequently a delay in improvement plans is expected on the account of COVID-19.

At the end of 2019, the Group had 165 employees which is a decrease of 9 compared to the end of 2018.

## **MANAGEMENT'S REVIEW (Continued)**

### **Structure**

In July 2019 a change of ownership was completed as Sun Capital Partners divested BTX Group A/S to Grow Capital Global Holdings Pte. Limited.

### **The Group's capital structure**

Funds tied up as working capital amounted to DKK 31 million (9% of revenues) as opposed to DKK 31 million (8% of revenues) in 2018.

In 2019, cash flows from operating activities amounted to DKK 5 million compared to DKK -1 million in 2018. Consolidated interest-bearing debt was DKK 32 million in 2019 compared to DKK 32 million in 2018.

As a consequence of the change of ownership BTX was refinanced. Refinancing included a new committed bank facility. The bank agreement has a number of covenants, which must be continuously fulfilled.

The expected effect of the coronavirus outbreak has been addressed in the new bank facility agreement and incorporated in the covenants. Furthermore the EKF has granted a loan of DKK 35 million in 2020 so the overall bank facility is ensured throughout the year. No breach of covenant is expected in 2020.

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.

## **MANAGEMENT'S REVIEW (Continued)**

### **Important events after the end of the financial year**

The outcome and potential impact on the Company's activity and financial impact on the business due to coronavirus outbreak is as of the date of the approval of the annual report uncertain given the rapid day-to-day development. Management currently expects the coronavirus outbreak to have a negative impact of DKK 20-25 million on the 2020 financial performance. As of the date of the approval of the annual report BTX Group A/S continues to work with its clients and the financial short-term impact has been limited. The Board of Directors and Executive Board follows the situation closely.

There are no other events after the reporting period to be disclosed.

### **Outlook**

Especially in the light of COVID-19 management expects no improvement in market conditions and we see 2020 to be a challenging year, hence we expect not to see improvements in earnings before 2021.

### **Corporate Social Responsibility**

This statutory statement of the BTX Group A/S' corporate social responsibility covers the financial year 1 January - 31 December 2019 and relates to the annual report 2019. 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 the underrepresented gender should be at least 20% of the Board of Directors and at least 30% in other management positions. Other management position consists of Executive Management, directors as well as middle management. At the signing of the financial statements, no women were in Board of Directors and men accounted for 30% of 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 2019 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.

### 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 2019**  
DKK'000

		<b>Consolidated</b>	
	Notes	2019	2018
Revenue		334,728	387,201
Cost of sales		-167,805	-206,464
Other external costs		-83,180	-91,472
<b>Gross profit</b>		83,743	89,265
Staff costs	I	-69,930	-74,779
Depreciation, amortisation and impairment, intangible assets and prop., plant and equip.		-9,147	-8,348
Other operating income		0	325
Other operating expenses		-10,518	-11,710
<b>Operating profit/loss</b>		-5,852	-5,247
Other financial income	2	3,358	606
Other financial expenses	2	-6,032	-6,240
<b>Profit/loss before tax</b>		-8,526	-10,881
Tax on profit/loss for the year	3	1,686	2,903
<b>PROFIT/LOSS FOR THE YEAR</b>	4	<b>-6,840</b>	<b>-7,978</b>

## BALANCE SHEET at 31 December 2019

DKK'000

## ASSETS

		Consolidated	
	Notes	2019	2018
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>	5		
Intellectual property rights acquired		7,066	9,220
Goodwill		3,644	6,158
Intangible assets under construction and prepayments		0	170
		<u>10,710</u>	<u>15,548</u>
<b>Property, plant and equipment</b>	6		
Fixtures and fittings, other plant and equipment		7,813	9,406
Assets under construction and prepayments		0	161
		<u>7,813</u>	<u>9,567</u>
<b>Investments</b>			
Other receivables	7	3,548	3,549
		<u>3,548</u>	<u>3,549</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>22,071</u>	<u>28,664</u>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>			
Finished goods and goods for resale		45,595	47,926
		<u>45,595</u>	<u>47,926</u>
<b>Receivables</b>	8		
Trade receivables		22,228	34,706
Amounts owed by group enterprises		53,187	8,219
Corporation tax receivable		716	428
Deferred tax assets	9	4,759	1,385
Other receivables		9,581	9,920
Prepayments		6,715	7,889
		<u>97,186</u>	<u>62,547</u>
<b>Cash at bank and in hand</b>		<u>8,385</u>	<u>47,903</u>
<b>TOTAL CURRENT ASSETS</b>		<u>151,166</u>	<u>158,376</u>
<b>TOTAL ASSETS</b>		<u>173,237</u>	<u>187,040</u>

**BALANCE SHEET at 31 December 2019**

DKK'000

**EQUITY AND LIABILITIES**

		<b>Consolidated</b>	
	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>EQUITY</b>			
Share capital		36,002	36,002
Retained earnings		<u>-10,872</u>	<u>-989</u>
<b>TOTAL EQUITY</b>		<b><u>25,130</u></b>	<b><u>35,013</u></b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>	10		
Capitalised lease payments		0	551
Other long-term liabilities		<u>1,851</u>	<u>0</u>
		<u>1,851</u>	<u>551</u>
<b>Short-term liabilities</b>			
Short-term portion of capitalised lease payments		551	710
Bank loans and overdrafts		83,205	77,013
Trade payables		40,583	44,311
Amounts owed to group enterprises		7,765	9,572
Corporation tax payable		423	232
Other payables		13,649	19,601
Deferred income		<u>80</u>	<u>37</u>
		<u>146,256</u>	<u>151,476</u>
<b>TOTAL LIABILITIES</b>		<b><u>148,107</u></b>	<b><u>152,027</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>173,237</u></b>	<b><u>187,040</u></b>
Fee for auditors appointed at the annual general meeting	11		
Contractual obligations and contingent liabilities	12		
Mortgages and securities	13		
Continued operations	14		
Currency and interest risks as well as use of derived financial instruments	15		
Related party transactions	16		
Group chart	17		

### 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 2019	36,002	-989	35,013
Transferred through distribution of profit/loss	-	-6,840	-6,840
Exchange rate adjustments on translation of foreign entities	-	41	41
Adjustment of hedging instruments	-	-3,084	-3,084
<b>EQUITY AT 31 DECEMBER 2019</b>	<b>36,002</b>	<b>-10,872</b>	<b>25,130</b>

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

**CONSOLIDATED CASH FLOW STATEMENT for 2019**  
DKK'000

	Notes	Consolidated 2019	2018
Profit before financial income and expenses		-5,852	-5,247
Depreciation, amortisation and impairment		9,147	8,348
Profit/loss from sale of intangible assets		383	0
Profit/loss from sale of property, plant and equipment		235	89
Provisions, exchange rate adjustments, etc.		889	-4,028
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>		4,802	-838
Changes in inventories		2,331	9,558
Changes in trade receivables, other receivables and prepayments (ex. gains/losses on forward exchange contracts)		11,838	20,816
Changes in trade payables		-5,530	-805
Changes in intra-group account with parent company		-15,091	-11,077
Changes in other short-term liabilities (ex. gains/losses on forward exchange contracts)		-5,909	-17,481
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE TAX</b>		-7,558	172
Interest income, received		3,358	606
Interest expenses, paid		-6,032	-6,240
Corporation tax paid		-1,785	27
<b>CASH FLOWS FROM OPERATING ACTIVITIES AFTER TAX</b>		-12,017	-5,435
Acquisition of intangible assets		-977	-5,224
Acquisition of property, plant and equipment (ex. assets held under finance leases)		-2,173	-5,089
Sale of property, plant and equipment (ex. assets held under finance leases)		0	89
Acquisition of other fixed asset investments		-62	-807
Sale of other fixed asset investments		62	127
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		-3,150	-10,904
Loan from the Fund of Tilgodehavende Feriemidler		1,851	0
Changes in bank loans and overdrafts, net		-31,684	0
Changes regarding finance leases		-710	-1,137
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		-30,543	-1,137
<b>CASH FLOWS FOR THE YEAR</b>		-45,710	-17,476
Cash and cash equivalents at the beginning of the year		-29,110	-11,634
Cash flows for the year		-45,710	-17,476
<b>CASH AND CASH EQUIVALENTS AT YEAR END</b>		-74,820	-29,110
<b>CASH AND CASH EQUIVALENTS AT YEAR END COMPRISE:</b>			
Cash at bank and in hand		8,385	47,903
Overdrafts		-83,205	-77,013
		-74,820	-29,110



**NOTES**  
DKK'000

		<b>Consolidated</b>	
		<u>2019</u>	<u>2018</u>
<b>1</b>	<b>STAFF COSTS</b>		
	Wages and salaries	62,103	65,716
	Pensions	4,923	4,981
	Other social security costs	3,984	4,824
	Refunds	<u>-1,080</u>	<u>-742</u>
		<u>69,930</u>	<u>74,779</u>
<p>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.</p>			
	Average number of employees	<u>165</u>	<u>174</u>
<b>2</b>	<b>FINANCIAL INCOME AND EXPENSES</b>		
	Interest income from group enterprises	<u>412</u>	<u>31</u>
	Interest payable to group enterprises	<u>114</u>	<u>93</u>
<b>3</b>	<b>TAX ON PROFIT FOR THE YEAR</b>		
	Tax on profit for the year is computed as follows:		
	Current tax for the year	809	462
	Adjustment of deferred tax for the year	-2,503	-2,756
	Adjustment regarding previous years	<u>8</u>	<u>-609</u>
	<b>TOTAL TAX ON PROFIT FOR THE YEAR</b>	<u>-1,686</u>	<u>-2,903</u>
<b>4</b>	<b>PROPOSED DISTRIBUTION OF PROFIT/LOSS</b>		
	Retained earnings	<u>-6,840</u>	<u>-7,978</u>
		<u>-6,840</u>	<u>-7,978</u>

## NOTES

DKK'000

## 5 INTANGIBLE ASSETS

	Intellectual property rights acquired	Goodwill	Intangible assets under con- struction and prepayments
Cost at 1 January 2019	17,376	8,590	170
Exchange rate adjustment	0	39	0
Additions during the year	977	0	0
Transfer between groups of assets	170	0	-170
Disposals during the year	-939	-566	0
<b>Cost at 31 December 2019</b>	<b>17,584</b>	<b>8,063</b>	<b>0</b>
Amortisation and impairment at 1 January 2019	8,156	2,432	0
Exchange rate adjustment	0	20	0
Amortisation and impairment for the year	3,301	2,150	0
Amortisation and impairment on assets sold	-939	-183	0
<b>Amortisation and impairment at 31 December 2019</b>	<b>10,518</b>	<b>4,419</b>	<b>0</b>
<b>CARRYING AMOUNT AT 31 DECEMBER 2019</b>	<b>7,066</b>	<b>3,644</b>	<b>0</b>

## 6 PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings, other plant and equipment	Assets under construction and pre- payments
Cost at 1 January 2019	34,884	161
Exchange rate adjustment	11	0
Additions during the year	121	2,052
Transfer between groups of assets	2,213	-2,213
Disposals during the year	-2,026	0
<b>Cost at 31 December 2019</b>	<b>35,203</b>	<b>0</b>
Depreciation and impairment at 1 January 2019	25,478	0
Exchange rate adjustment	7	0
Depreciation and impairment for the year	3,696	0
Depreciation and impairment on assets sold	-1,791	0
<b>Depreciation and impairment at 31 December 2019</b>	<b>27,390</b>	<b>0</b>
<b>CARRYING AMOUNT AT 31 DECEMBER 2019</b>	<b>7,813</b>	<b>0</b>
Carrying amount of leased assets	725	

**NOTES**  
DKK'000

	<b>Consolidated</b>	
	<u>2019</u>	<u>2018</u>
<b>7 OTHER RECEIVABLES</b>		
Cost at 1 January	3,549	2,869
Exchange rate adjustment	-1	0
Additions during the year	62	807
Disposals during the year	<u>-62</u>	<u>-127</u>
<b>CARRYING AMOUNT AT 31 DECEMBER</b>	<u><b>3,548</b></u>	<u><b>3,549</b></u>
<b>8 RECEIVABLES</b>		
Receivables falling due for payment more than one year after the end of the financial year	<u>93</u>	<u>62</u>
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 2019 at an amount of DKK 4 million and at 31 December 2018 at an amount of DKK 7 million.		
<b>9 DEFERRED TAX ASSETS</b>		
Balance at 1 January	1,385	1,721
Adjustments for the year, income statement	2,503	2,756
Adjustments for the year, equity	870	-3,089
Exchange rate adjustments	<u>1</u>	<u>-3</u>
<b>BALANCE AT 31 DECEMBER</b>	<u><b>4,759</b></u>	<u><b>1,385</b></u>
Deferred tax relates to:		
Intangible assets	-779	-1,508
Property, plant and equipment	2,317	2,121
Current assets	-1,362	-3,250
Liabilities	121	277
Tax losses carryforwards	<u>4,462</u>	<u>3,745</u>
	<u><b>4,759</b></u>	<u><b>1,385</b></u>
<b>10 LONG-TERM LIABILITIES</b>		
Long-term liabilities falling due after five years as from the end of the financial year	<u>0</u>	<u>0</u>

**NOTES**  
DKK'000

**Consolidated**

2019      2018

**11 FEE FOR AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING**

Total fee for the auditors appointed at the annual general meeting:

Statutory audit	294	282
Other assurance engagements	0	0
Tax consultancy	369	116
Non-audit services	134	20
<b>TOTAL FEE FOR AUDITORS APPOINTED AT THE GENERAL MEETING</b>	<b>797</b>	<b>418</b>

**12 CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES**

**Contingent liabilities**

The Group's total commitments under letters of credit amount to DKK 11 million (2018: DKK 15 million).

Customs guarantees have been provided in the amount of DKK 3 million (2018: DKK 3 million).

Contingent liabilities and warranties other than those above do not exceed DKK 2 million (2018: 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 5 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 24 million (2018: DKK 19 million)

Total lease commitments of the Group regarding other operating leases amount to approx. DKK 5 million. (2018: approx. 5 million).

**13 MORTGAGES AND SECURITY**

As security for the Company's and the Group's overdraft, a floating charge has been granted in receivables, fixtures and fittings, tools and equipment, inventories and intellectual property rights of DKK 140 million. (2018: DKK 109 million). The carrying amount of assets used as security amounts to DKK 75 million (2018: DKK 90 million).

**14 CONTINUED OPERATIONS**

In July 2019 a change of ownership was completed as Sun Capital Partners divested BTX Group A/S to Grow Capital Global Holdings Pte. Limited.

As a consequence of the change of ownership BTX was refinanced. Refinancing included a new committed bank facility. The bank agreement has a number of covenants, which must be continuously fulfilled.

The expected effect of the coronavirus outbreak has been addressed in the new bank facility agreement and incorporated in the covenants. Furthermore the EKF has granted a loan of DKK 35 million in 2020 so the overall bank facility is ensured throughout the year. No breach of covenant is expected in 2020.

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

## NOTES

**15 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 2019 to hedge future purchases of currency totalling DKK 151 million (2018: DKK 154 million) and sale of currency totalling DKK 58 million (2018: DKK 72 million).

**16 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.

**17 GROUP CHART**

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

**INCOME STATEMENT**  
**1 January - 31 December 2019**  
DKK '000

	Notes	Parent company	
		2019	2018
Revenue		293,355	340,885
Cost of sales		-149,840	-185,511
Other external costs		-74,191	-79,929
<b>Gross profit</b>		<b>69,324</b>	<b>75,445</b>
Staff costs	1	-64,952	-66,057
Depreciation, amortisation and impairment, intangible assets and prop., plant and equip.		-7,727	-6,958
Other operating income	2	10,315	12,173
Other operating expenses		-13,659	-21,046
<b>Operating loss before exceptional items</b>		<b>-6,699</b>	<b>-6,443</b>
Profit from investments after tax in group enterprises		662	286
Other financial income	3	3,271	649
Other financial expenses	3	-5,936	-5,479
<b>Loss before tax</b>		<b>-8,702</b>	<b>-10,987</b>
Tax on profit/loss for the year	4	1,862	3,009
<b>LOSS FOR THE YEAR</b>	5	<b>-6,840</b>	<b>-7,978</b>



**BALANCE SHEET at 31 December 2019**

DKK'000

**ASSETS**

		<b>Parent company</b>	
	Notes	2019	2018
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>	6		
Intellectual property rights acquired		7,066	9,220
Goodwill		2,927	4,625
Intangible assets under construction and prepayments		0	170
		<u>9,993</u>	<u>14,015</u>
<b>Property, plant and equipment</b>	7		
Fixtures and fittings, other plant and equipment		6,932	7,921
Assets under construction and prepayments		0	161
		<u>6,932</u>	<u>8,082</u>
<b>Investments</b>	8		
Investments in group enterprises		2,398	3,338
Other receivables		3,396	3,396
		<u>5,794</u>	<u>6,734</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>22,719</u>	<u>28,831</u>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>			
Finished goods and goods for resale		41,525	44,046
		<u>41,525</u>	<u>44,046</u>
<b>Receivables</b>	9		
Trade receivables		20,381	29,865
Amounts owed by group enterprises		54,612	13,008
Corporation tax receivable		716	428
Deferred tax asset	10	4,327	1,120
Other receivables		9,021	9,169
Prepayments		6,715	7,888
		<u>95,772</u>	<u>61,478</u>
<b>Cash at bank and in hand</b>		<u>7,770</u>	<u>46,137</u>
<b>TOTAL CURRENT ASSETS</b>		<u>145,067</u>	<u>151,661</u>
<b>TOTAL ASSETS</b>		<u>167,786</u>	<u>180,492</u>

**BALANCE SHEET at 31 December 2019**

DKK'000

**EQUITY AND LIABILITIES**

	Notes	Parent company	
		2019	2018
<b>EQUITY</b>			
Share capital		36,002	36,002
Retained earnings		<u>-10,872</u>	<u>-989</u>
<b>TOTAL EQUITY</b>		<u><b>25,130</b></u>	<u><b>35,013</b></u>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>	11		
Capitalised lease payments		0	551
Other payables		<u>1,851</u>	<u>0</u>
		<u><b>1,851</b></u>	<u><b>551</b></u>
<b>Short-term liabilities</b>			
Short-term portion of long-term capitalised lease payments		551	710
Bank loans and overdrafts		83,205	77,013
Trade payables		37,338	41,555
Amounts owed to group enterprises		7,775	10,242
Corporation tax		123	11
Other payables		11,733	15,360
Deferred income		<u>80</u>	<u>37</u>
		<u><b>140,805</b></u>	<u><b>144,928</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>142,656</b></u>	<u><b>145,479</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u><b>167,786</b></u></u>	<u><u><b>180,492</b></u></u>

Contractual obligations and contingent liabilities, etc.	12
Mortgages and security	13
Continued operations	14
Currency and interest risks as well as use of derived financial instruments	15
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### 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 2019	36,002	-989	35,013
Transferred through distribution of profit/loss	-	-6,840	-6,840
Exchange rate adjustments on translation of foreign entities	-	41	41
Adjustment of hedging instruments	-	-3,084	-3,084
<b>EQUITY AT 31 DECEMBER 2019</b>	<b>36,002</b>	<b>-10,872</b>	<b>25,130</b>

**NOTES**  
DKK'000

	<b>Parent company</b>	
	<u>2019</u>	<u>2018</u>
<b>1 STAFF COSTS</b>		
Wages and salaries	58,073	59,064
Pensions	4,636	4,561
Other social security costs	3,236	3,130
Refunds	-993	-698
	<u>64,952</u>	<u>66,057</u>
 Average number of employees	 <u>148</u>	 <u>150</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.		
<b>2 OTHER OPERATING INCOME</b>		
The item primarily comprises management fee etc. from group companies in 2019 of DKK 10 million (2018: DKK 12 million).		
<b>3 FINANCIAL INCOME AND EXPENSES</b>		
Interest income from group enterprises	<u>469</u>	<u>104</u>
Interest payable to group enterprises	<u>114</u>	<u>93</u>
<b>4 TAX ON PROFIT FOR THE YEAR</b>		
Tax on profit for the year is computed as follows:		
Current tax for the year	463	215
Adjustment of deferred tax for the year	-2,338	-2,637
Adjustment regarding previous years	<u>13</u>	<u>-587</u>
<b>TOTAL TAX ON PROFIT FOR THE YEAR</b>	<u>-1,862</u>	<u>-3,009</u>
<b>5 PROPOSED PROFIT APPROPRIATION</b>		
Retained earnings	<u>-6,840</u>	<u>-7,978</u>
	<u>-6,840</u>	<u>-7,978</u>

**NOTES**  
**DKK'000**

**6 INTANGIBLE ASSETS**

	Intellectual property rights acquired	Goodwill	Intangible assets under con- struction and prepayments
Cost at 1 January 2019	17,376	5,650	170
Additions during the year	977	0	0
Transfer between groups of assets	170	0	-170
Disposals during the year	-939	-566	0
<b>Cost at 31 December 2019</b>	<b>17,584</b>	<b>5,084</b>	<b>0</b>
Amortisation and impairment at 1 January 2019	8,156	1,025	0
Amortisation and impairment for the year	3,301	1,315	0
Amortisation and impairment on assets sold	-939	-183	0
<b>Amortisation and impairment at 31 December 2019</b>	<b>10,518</b>	<b>2,157</b>	<b>0</b>
<b>CARRYING AMOUNT AT 31 DECEMBER 2019</b>	<b>7,066</b>	<b>2,927</b>	<b>0</b>

**7 PROPERTY, PLANT AND EQUIPMENT**

	Fixtures and fittings, other plant and equipment	Property, plant and equip. under construction and pre- payments
Cost at 1 January 2019	32,620	161
Additions during the year	121	2,052
Transfer between groups of assets	2,213	-2,213
Disposals during the year	-1,862	0
<b>Cost at 31 December 2019</b>	<b>33,092</b>	<b>0</b>
Depreciation and impairment at 1 January 2019	24,699	0
Depreciation and impairment for the year	3,111	0
Depreciation and impairment on assets sold	-1,650	0
<b>Depreciation and impairment at 31 December 2019</b>	<b>26,160</b>	<b>0</b>
<b>CARRYING AMOUNT AT 31 DECEMBER 2019</b>	<b>6,932</b>	<b>0</b>
<b>Carrying amount of leased assets</b>	<b>725</b>	



**NOTES**  
DKK'000

**8 INVESTMENTS**

	Investments in group enter- prises	Other receivables
Cost at 1 January 2019	781	3,396
Additions during the year	0	62
Disposals during the year	-716	-62
<b>Cost at 31 December 2019</b>	<b>65</b>	<b>3,396</b>
Adjustments at 1 January 2019	2,297	0
Disposals during the year	96	0
Exchange rate adjustments on translation of foreign entities	41	0
Share of profit for the year	662	0
Distributed dividends	-763	0
<b>Adjustments at 31 December 2019</b>	<b>2,333</b>	<b>0</b>
<b>CARRYING AMOUNT AT 31 DECEMBER 2019</b>	<b>2,398</b>	<b>3,396</b>

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

Investments in group enterprises recognised in investments	2,398
	<u>2,398</u>

Name and reg. office	Voting rights and equity interest	Result	Equity
BTX Norge AS, Norge	100%	365	2,362
BTX Apparel Ltd., England	100%	0	0
BTX Netherlands B.V., Holland	100%	297	36

**Parent company**

2019	2018
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**9 RECEIVABLES**

Receivables falling due for payment more than one year after the end of the financial year	93	62
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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 2019 at an amount of DKK 4 million and at 31 December 2018 at an amount of DKK 6 million.

**NOTES**  
DKK'000

<b>Parent company</b>	
2019	2018
<u>          </u>	<u>          </u>

**10 DEFERRED TAX ASSETS**

Balance at 1 January	1,120	1,572
Adjustments for the year, income statement	2,338	2,637
Adjustments for the year, equity	<u>869</u>	<u>-3,089</u>
<b>BALANCE AT 31 DECEMBER</b>	<u><u>4,327</u></u>	<u><u>1,120</u></u>

**11 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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**12 CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES**

**Contingent liabilities**

The Group's total commitments under letters of credit amount to DKK 11 million (2018: DKK 15 million).

The parent company has provided customs guarantees in the amount of DKK 3 million (2018: DKK 3 million).

Contingent liabilities and warranties other than those above do not exceed DKK 1 million (2018: DKK 1 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 20 million (2018: approx. DKK 17 million).

Total lease commitments of the parent company amount to approx. DKK 4 million (2018: DKK 5 million).

**13 MORTGAGES AND SECURITY**

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

As security for the company's and the Group's overdraft, a floating charge has been granted in receivables, fixtures and fixtures and fittings, tools and equipment, inventories and intellectual property rights of DKK 140 million (2018: DKK 109 million). The carrying amount of assets used as security amounts to DKK 75 million (2018: DKK 90 million).

## NOTES

### 14 CONTINUED OPERATIONS

In July 2019 a change of ownership was completed as Sun Capital Partners divested BTX Group A/S to Grow Capital Global Holdings Pte. Limited.

As a consequence of the change of ownership BTX was refinanced. Refinancing included a new committed bank facility. The bank agreement has a number of covenants, which must be continuously fulfilled.

The expected effect of the coronavirus outbreak has been addressed in the new bank facility agreement and incorporated in the covenants. Furthermore the EKF has granted a loan of DKK 35 million in 2020 so the overall bank facility is ensured throughout the year. No breach of covenant is expected in 2020.

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

### 15 CURRENCY RISKS AS WELL AS USE OF DERIVED FINANCIAL INSTRUMENTS

The parent company has entered forward exchange contracts at 31 December 2019 to hedge future purchases of currency totalling DKK 151 million (2018: DKK 154 million) and sale of currency totalling DKK 58 million (2018: DKK 72 million).

### 16 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.

### 17 CASH FLOW STATEMENT

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