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WHITEAWAY GROUP A/S

Agerbæksvej 21
8240 Risskov
Central Business Registration
No 33767986

Annual report 01.11.2018 - 31.10.2019

The Annual General Meeting adopted the annual report on 30.03.2020

Chairman of the General Meeting

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Name: Kim Mose

Contents

Entity details

Entity
WHITEAWAY GROUP A/S
Agerbæksvej 21
8240 Risskov

Central Business Registration No (CVR): 33767986
Registered in: Aarhus
Financial year: 01.11.2018 - 31.10.2019

Board of Directors
Johannes Emil Kjærsgaard Gadsbøll, chairman
Jon Tophøj Kristensen
Ib Dyhr Nørholm
Lise Kaae

Executive Board
Esben Morre Aabenhus, CEO
Kim Mose

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of WHITEAWAY GROUP A/S for the financial year 01.11.2018 - 31.10.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.10.2019 and of the results of its operations and cash flows for the financial year 01.11.2018 - 31.10.2019.

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

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

Risskov, 30.03.2020

Executive Board

Esben Morre Aabenhus CEO	Kim Mose

Board of Directors

Johannes Emil Kjærsgaard Gadsbøll chairman	Jon Tophøj Kristensen	Ib Dyhr Nørholm
Lise Kaae		

Independent auditor's report

To the shareholders of WHITEAWAY GROUP A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of WHITEAWAY GROUP A/S for the financial year 01.11.2018 - 31.10.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.10.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.11.2018 - 31.10.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements

Independent auditor's report

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 30.03.2020

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Jakob Boutrup Ditlevsen
State Authorised Public Accountant
Identification No (MNE) mne27725

Søren Alsen Lauridsen
State Authorised Public Accountant
Identification No (MNE) mne40040

Management commentary

	2018/19 DKK'000	2017/18 DKK'000	2016/17 DKK'000	2015/16 DKK'000	2014/15 DKK'000
Financial highlights					
Key figures					
Revenue	2.191.126	2.120.249	2.186.454	1.654.708	1.313.746
Gross profit/loss	139.486	81.171	140.030	108.872	102.837
Operating profit/loss	13.256	(39.775)	13.124	29.947	45.335
Net financials	(1.413)	(4.767)	(3.737)	5.668	(2.666)
Profit/loss for the year	5.879	(42.061)	3.053	27.619	32.087
Profit/loss excl minority interests	5.850	(42.549)	3.053	27.619	32.087
Total assets	571.565	607.065	627.518	486.146	270.094
Investments in property, plant and equipment	98	1.752	663	3.945	1.477
Equity	59.955	51.668	95.756	108.169	95.127
Equity excl minority interests	58.791	50.533	95.756	108.169	95.127
Ratios					
Gross margin (%)	6,4	3,8	6,4	6,6	7,8
Net margin (%)	0,3	(2,0)	0,1	1,7	2,4
Return on equity (%)	10,7	(58,2)	3,0	27,2	39,5
Equity ratio (%)	10,3	8,3	15,3	22,3	35,2

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

Ratios	**Calculation formula**	**Calculation formula reflects**
Gross margin (%)	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss excl minority interests x 100}}{\text{Average equity excl minority interests}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity excl minority interests x 100}}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

WhiteAway Group was founded in 2003 focusing on selling whitegoods online to the Danish consumers. The vision then and today is to supply consumers with a seamless shopping experience when buying home appliances. In 2011 the brand Skousen was acquired, adding retail sales through a franchise set-up. Today WhiteAway Group is present in Denmark, Norway and Sweden servicing these markets with the broadest assortment of house hold appliances and other related product categories. We offer our products to private consumers online and through our Franchise shops. We operate in the professional segment with a strong B2B offering. We are proud of being white goods experts enabling us to ensure our consumers get products that match their individual needs.

Development in activities and finances

We have seen a strong development in all our business areas during the year with a solid top line growth to 2,191mDKK. In 2018/19 we realized the highest revenue in the history of Whiteaway Group. This has been achieved despite an unfavourable development in the Swedish and Norwegian currencies.

The online business performed above expectations during the year, with growth in all markets. We continue our focus on ensuring the right product offerings to our customers, by making buying complex house hold appliances online as seamless and uncomplicated as possible. We offer a very broad and deep product assortment to ensure the best possible offering to satisfy customer needs. This has secured a continued growth in our online business.

Our retail business, which operates through a franchise set-up delivered as expected during the year. We continue seeing an increase in same-store revenue year on year, and with the addition of a few new stores in both Denmark and Norway we performed as expected. The adverse development in the Norwegian currency impacted negative, but overall we managed to grow our franchise business.

During the year we have entered into the professional B2B market focusing on big national customers. We offer a full-service package making B2B offerings as seamless to our B2B customers as possible.

The year ended with a significant improvement in our profit vs lasy year. We have during the year invested further in all our business areas to support future growth both online, retail and B2B. We find the profit for the year low, but acceptable given the investments in future growth.

Uncertainty relating to recognition and measurement

Recognition and measurement in the consolidated financial statements and parent financial statements are not subject to any material uncertainties.

Unusual circumstances affecting recognition and measurement

No particular risks exert material influence on the consolidated financial statements and parent financial statements.

Outlook

In 2020 we will expand our presence in the attractive Swedish market by opening Tretti shops through a franchise concept together with our local partners. This is the result of the work done during the year, and the first 5 Tretti stores opened January 2nd 2020. We expect to open further stores during 2020.

Management commentary

We see a positive development in all our business areas, which will continue during 2019/20. We expect a revenue growth of around 10%, and a profit ratio of around 1% to 3%.

The rapid spread of the Corona virus in Denmark and the rest of the world in March 2020 necessitated a number of restrictions from the Danish authorities, which could potentially have major socio-economic consequences. The Whiteaway Group is currenly not directly affected by the restrictions implemented.

Material assumptions and uncertainties
There have only been made material assumptions on the provision on recievables, but the method is consistent with last year.

Intellectual capital resources
We operate in a very competitive industry with a high degree of product transparency. The Group's intellectual capital resources are primarily attributable to two factors: staff and the web platform. The Group currently focuses on maintaining and developing the web platform as well as staff skills.

Statutory report on corporate social responsibility
At WhiteAway Group we believe and live our first value, 'it is all about people'. We respect the partners and people we work with - franchisees, customers online/offline, vendors and our employees – and the society surrounding us. Our way of working is inspired by the UN Global Compact's 10 principles within human rights, labour, environment and anti-corruption.

Human Rights
Our employees are of the most important asset in ensuring we can deliver on our customer promise and ensure the best possible customer service. We constantly work on developing our employees' competences within product knowledge and general skills required to perform their job and ensure high employee satisfaction. We offer product training and personal development to attract, develop and maintain loyal and motivated employees. We perform employee satisfaction surveys twice a year to track our performance, and ensure we maintain a high employee satisfaction. After each survey, concreate actions are put in place to work on improvement areas to ensure we maintain a high employee satisfaction. We feel these actions has had a positive impact on our employee satisfaction. This is done through GAIS and APV tools which monitor employee motivation, satisfaction and general work environment. We have seen an improvement in our performance during the last year and are generally scoring at a high level in our surveys.

Regardless of country, we are committed to upholding human rights and treating our employees with dignity and respect. We support and respect the protection of internationally proclaimed human rights as stated in the Universal Declaration of Human Rights.

- *Diversity and non-discrimination:* We will not tolerate any discrimination or harassment based on religion, race, colour, gender, disabilities, age, sexual orientation, political orientation or any other kind of harassment.

- *Child labour:* We do not tolerate the use of child labour and do not accept employment of anyone who is under the age of 15 (or 14 where the law of the country permits).

Management commentary

- *Forced labour and human trafficking:* We will not accept any form of forced labour or any form of human trafficking. We will not permit withholding of identification papers, labour or work linked to any form of duress or threat of punishment.

- *Right to privacy:* We respect the right to privacy when gathering and keeping personal information or if monitoring employees, customers etc.

The implementation and follow-up process is owned and monitored by our People & Performance team who ensure we comply with goals.

Labour
We act as responsible employer ensuring proper terms of employment, appropriate health and safety standards and a motivating working environment for our employees. This apply not only for our own employees, but we also work with our suppliers to ensure that they as a minimum also live up to these standards.

- *Health and safety:* We provide a safe and healthy working environment for our employees by taking necessary precautions to prevent potential accidents and injury to our workers health arising from, associated with, or occurring in the course of work.

- *Freedom of association and collective bargaining:* We respect employees' right to associate freely, form or join organisations of their choosing and to bargain collectively.

- *Hours, wages and leave:* We are committed to assure full compliance with applicable laws, regulations and relevant collective agreements concerning working hours and overtime, leave and minimum rest periods, and that workweeks do not exceed the maximum set by local law.

Anti-corruption and business ethics
We work against corruption in all its forms, including bribery and facilitation payments.

- *Entertainment and gifts:* We do not accept payment, gifts or other types of compensation from third parties that could influence or call into question our impartiality in business decisions.

- *Anti-corruption:* We comply with all laws and regulations to prevent bribery and corruption. We will not (directly or indirectly) offer, provide or accept any form of inappropriate benefit or bribe to/from guests, suppliers, public officials or others.

We perform training for our employees to ensure they know and live by our rules. This is also an integral part of our employee handbook. Towards our partners and suppliers we incorporate this into our contracts with all our main suppliers. We value this to be important in ensuring we live up to our ambitions, and our constant focus on this area has not revealed any violations.

Climate and environment
We strive to protect the environment and to continuously reduce emissions relative to output.

Management commentary

- *Reducing environmental footprint:* We encourage our suppliers to reduce the total environmental impact in the value chain relative to output, to reduce energy consumption and CO2 emissions relative to output, to reduce water consumption relative to output and to enhance material utilization efficiency. We strive to ensure efficient distribution of our products to reduce energy consumption.

- *Environmental management:* We encourage our suppliers to monitor and continuously improve environmental performance, e.g. by having an environmental management system in place.

- *Circular economy:* We fully support the Waste Electrical and Electronical Directive(WEEE Directive) We focus on a safe and environmentally friendly disposal of our products at the end of their life cycle. We offer solutions to collect and dispose of the products that are at the end of their life cycle, to ensure a safe and correct disposal with high focus on re-using as much of the products as possible. We support with maintenance of products to prolong product life cycle. Our products are used for many years, and correct use is important to minimize environmental impact. We therefore focus on informing about correct product use to reduce the overall lifetime impact of our products. We focus on reducing consumption and waste at our offices to minimize our environmental footprint.

The vast majority of our suppliers are international publicly traded entities with audited CSR policies.

We work closely with our suppliers and partners to ensure their values and policies align with our goals. This is done at our supplier meetings where we have dialogues about aligning view on general CSR policies and development of sustainable product life cycles and we incorporate it into our contract with our suppliers and partners

Statutory report on the underrepresented gender
For the composition of the Board of Directors the Board has decided that WhiteAway Group will seek to ensure that both genders are represented. Currently the Board of Directors consists of 5 members, 1 of them a female. In WhiteAway Group we strive to have at least 20% women on the board. However, the key criteria for nomination of candidates will be to seek competent Board members being able to add value to the WhiteAway Group strategy and business development.

At other levels of management, we also wish to enhance diversity. The structure of our policy and culture widely appeals to male as well as female managers with highly flexible working hours and focus on work-life balance. We aim at having a balanced share of female and male employees and managers. Currently 42% of staff in the WhiteAway Group is female and 50% in our management team is female.

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

Management commentary

	Number	Nominal value DKK'000	Share of contributed capital %
Treasury shares			
Holding of treasury shares:			
Shares	7.755	7.755	1,4
	7.755	**7.755**	**1,4**

Consolidated income statement for 2018/19

	Notes	2018/19 DKK'000	2017/18 DKK'000
Revenue	2	2.191.126	2.120.249
Cost of sales		(1.848.210)	(1.837.122)
Other external expenses	3	(203.430)	(201.956)
Gross profit/loss		**139.486**	**81.171**
Staff costs	4	(106.333)	(101.632)
Depreciation, amortisation and impairment losses	5	(19.897)	(19.314)
Operating profit/loss		**13.256**	**(39.775)**
Other financial income	6	17.009	18.184
Other financial expenses	7	(18.422)	(22.951)
Profit/loss before tax		**11.843**	**(44.542)**
Tax on profit/loss for the year	8	(5.964)	2.481
Profit/loss for the year	9	**5.879**	**(42.061)**

Consolidated balance sheet at 31.10.2019

	Notes	2018/19 DKK'000	2017/18 DKK'000
Completed development projects		2.285	741
Acquired intangible assets		230	0
Goodwill		113.883	130.850
Intangible assets	10	**116.398**	**131.591**
Other fixtures and fittings, tools and equipment		675	3.311
Property, plant and equipment	11	**675**	**3.311**
Other receivables		15.783	8.038
Fixed asset investments	12	**15.783**	**8.038**
Fixed assets		**132.856**	**142.940**
Manufactured goods and goods for resale		176.949	226.354
Inventories		**176.949**	**226.354**
Trade receivables		110.658	84.626
Deferred tax		20.235	20.209
Other receivables		27.816	39.370
Income tax receivable		3.274	1.182
Prepayments		11.435	6.646
Receivables		**173.418**	**152.033**
Cash		**88.342**	**85.738**
Current assets		**438.709**	**464.125**
Assets		**571.565**	**607.065**

Consolidated balance sheet at 31.10.2019

	Notes	2018/19 DKK'000	2017/18 DKK'000
Contributed capital		565	565
Retained earnings		58.226	49.968
Equity attributable to the Parent's owners		**58.791**	**50.533**
Share of equity attributable to minority interests		**1.164**	**1.135**
Equity		**59.955**	**51.668**
Other provisions		600	2.000
Provisions		**600**	**2.000**
Subordinate loan capital		41.147	0
Payables to associates		12.809	12.809
Non-current liabilities other than provisions		**53.956**	**12.809**
Bank loans		120	83.708
Prepayments received from customers		3.197	0
Trade payables		373.349	333.032
Income tax payable		2.944	9.742
Other payables		74.443	109.490
Deferred income		3.001	4.616
Current liabilities other than provisions		**457.054**	**540.588**
Liabilities other than provisions		**511.010**	**553.397**
Equity and liabilities		**571.565**	**607.065**
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	14		
Assets charged and collateral	15		
Group relations	16		
Subsidiaries	17		

Consolidated statement of changes in equity for 2018/19

	Contributed capital DKK'000	Retained earnings DKK'000	Share of equity attributable to minority interests DKK'000	Total DKK'000
Equity beginning of year	565	49.968	1.135	51.668
Exchange rate adjustments	0	2.408	0	2.408
Profit/loss for the year	0	5.850	29	5.879
Equity end of year	**565**	**58.226**	**1.164**	**59.955**

Consolidated cash flow statement for 2018/19

	Notes	2018/19 DKK'000	2017/18 DKK'000
Operating profit/loss		12.852	(38.680)
Amortisation, depreciation and impairment losses		19.897	19.314
Other provisions		(1.400)	(107)
Working capital changes	13	37.646	65.098
Cash flow from ordinary operating activities		**68.995**	**45.625**
Financial income received		867	925
Financial expenses paid		(5.125)	(3.066)
Income taxes refunded/(paid)		(13.304)	(6.346)
Cash flows from operating activities		**51.433**	**37.138**
Acquisition etc of intangible assets		(2.408)	0
Acquisition etc of property, plant and equipment		(98)	(1.752)
Acquisition of enterprises		0	(3.500)
Disposal of enterprises		2.500	0
Loans		(7.745)	(4.151)
Cash flow from acquisitions		0	486
Cash flow regarding minorities		0	(1.000)
Cash flows from investing activities		**(7.751)**	**(9.917)**
Incurrence of debt to associates		0	12.809
Incurrence of subordinate loan capital		41.147	0
Cash flows from financing activities		**41.147**	**12.809**
Increase/decrease in cash and cash equivalents		**84.829**	**40.030**
Cash and cash equivalents beginning of year		2.090	(31.560)
Currency translation adjustments of cash and cash equivalents		1.303	(6.380)
Cash and cash equivalents end of year		**88.222**	**2.090**
Cash and cash equivalents at year-end are composed of:			
Cash		88.342	85.738
Short-term debt to banks		(120)	(83.648)
Cash and cash equivalents end of year		**88.222**	**2.090**

Notes to consolidated financial statements

1. Events after the balance sheet date

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

	2018/19 DKK'000	2017/18 DKK'000
2. Revenue		
Danmark	1.383.912	1.343.350
Sweden	494.675	471.717
Norway	312.539	305.182
	2.191.126	**2.120.249**

Revenue in the Group is distributed with approx. 60% on online and 40% on stores to franchisees.

	2018/19 DKK'000	2017/18 DKK'000
3. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	798	853
Other assurance engagements	15	0
Tax services	270	0
Other services	100	60
	1.183	**913**

	2018/19 DKK'000	2017/18 DKK'000
4. Staff costs		
Wages and salaries	90.732	86.665
Pension costs	9.636	9.379
Other social security costs	1.172	1.115
Other staff costs	4.793	4.473
	106.333	**101.632**
Average number of employees	**202**	**212**

	Remuneration of management 2018/19 DKK'000	Remuneration of management 2017/18 DKK'000
Executive Board	3.765	2.241
Board of Directors	770	1.050
	4.535	**3.291**

Notes to consolidated financial statements

Special incentive programmes

Management has been granted warrants where they are able to subscribe a total of 16,950 shares at a fixed price. Warrants have to be executed at the latest on the date of the annual general meeting regarding the 2018/19 financial statements (that is at the latest on 31.03.2020). The contributed capital in the parent company amount to DKK 565,000 equaling 565,000 shares. As such, the shares, that can be subscribed based on the warrants, make up 2.9% of contributed capital. The granted warrants are evident from owner's agreement.

Equity in the parent company and the group amount to DKK 60m. The book value of one share therefore can be calculated to DKK 104. The granted warrants give the right to subscribe shares at prizes from DKK 400 to DKK 1,044. The average of prizes is DKK 563.

Execution of the warrants will mean an increase in the equity of the parent company.

	2018/19 DKK'000	2017/18 DKK'000
5. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	16.967	17.272
Depreciation of property, plant and equipment	2.930	2.042
	19.897	**19.314**

	2018/19 DKK'000	2017/18 DKK'000
6. Other financial income		
Other interest income	867	859
Exchange rate adjustments	16.142	17.325
	17.009	**18.184**

	2018/19 DKK'000	2017/18 DKK'000
7. Other financial expenses		
Other interest expenses	1.309	2.593
Exchange rate adjustments	13.297	19.792
Other financial expenses	3.816	566
	18.422	**22.951**

	2018/19 DKK'000	2017/18 DKK'000
8. Tax on profit/loss for the year		
Current tax	5.693	1.318
Change in deferred tax	(25)	(3.789)
Adjustment concerning previous years	296	(10)
	5.964	**(2.481)**

Notes to consolidated financial statements

	2018/19 DKK'000	2017/18 DKK'000
9. Proposed distribution of profit/loss		
Retained earnings	5.850	(42.549)
Minority interests' share of profit/loss	29	488
	5.879	**(42.061)**

	Completed develop-ment projects DKK'000	Acquired intangible assets DKK'000	Goodwill DKK'000
10. Intangible assets			
Cost beginning of year	6.701	5.878	190.215
Additions	2.129	279	0
Cost end of year	**8.830**	**6.157**	**190.215**
Amortisation and impairment losses beginning of year	(5.960)	(5.878)	(59.365)
Reversal of impairment losses	0	0	(16.967)
Amortisation for the year	(585)	(49)	0
Amortisation and impairment losses end of year	**(6.545)**	**(5.927)**	**(76.332)**
Carrying amount end of year	**2.285**	**230**	**113.883**

	Other fixtures and fittings, tools and equipment DKK'000
11. Property, plant and equipment	
Cost beginning of year	20.471
Additions	98
Disposals	(1.727)
Cost end of year	**18.842**
Depreciation and impairment losses beginning of year	(17.159)
Depreciation for the year	(1.008)
Depreciation and impairment losses end of year	**(18.167)**
Carrying amount end of year	**675**

Notes to consolidated financial statements

	Other receivables DKK'000
12. Fixed asset investments	
Cost beginning of year	8.038
Additions	11.096
Disposals	(3.351)
Cost end of year	**15.783**
Carrying amount end of year	**15.783**

	2018/19 DKK'000	2017/18 DKK'000
13. Change in working capital		
Increase/decrease in inventories	49.405	10.865
Increase/decrease in receivables	(25.624)	34.926
Increase/decrease in trade payables etc	13.865	19.307
	37.646	**65.098**

	2018/19 DKK'000	2017/18 DKK'000
14. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**N/A**	**75.998**

15. Assets charged and collateral

Bank loans are secured by floating charge in Whiteaway A/S of DKK 30 million.

All companies has signed a negative pledge as security for loans with Danske Bank.

16. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Whiteaway Group A/S, Aarhus
Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Whiteaway Group A/S, Aarhus

Notes to consolidated financial statements

17. Subsidiaries	Registered in	Corporate form	Equity interest %
Whiteaway A/S	Aarhus	Selskab	100,0
Whiteaway.NO	Aarhus	Selskab	100,0
Agder Hvitevarer	Aarhus	Selskab	100,0
Vårstorm AS	Aarhus	Selskab	100,0
Skousen GLH AS	Aarhus	Selskab	100,0
Skousen Eindommer AS	Aarhus	Selskab	100,0
Whiteaway.AB	Aarhus	Selskab	100,0
Skousen Online Service A/S	Aarhus	Selskab	100,0
SOS Ejendomme 1 ApS	Aarhus	Selskab	100,0
Skousen Mega Syd ApS	Aarhus	Selskab	68,0
Sousen Randers ApS	Randers	Selskab	68,0
Tretti AB	Stockholm	Selskab	100,0
Tretti Danmark ApS	Aarhus	Selskab	100,0
Karl Køkken ApS	Aarhus	Selskab	100,0
Hvidevare-Finansieringsselskabet af 21/8 2002 ApS	Aarhus	Selskab	100,0
Panorama Retail	Stockholm	Selskab	100,0

Parent income statement for 2018/19

	Notes	2018/19 DKK'000	2017/18 DKK'000
Revenue		31.034	29.490
Other operating income		0	4.235
Other external expenses		(18.749)	(2.800)
Gross profit/loss		**12.285**	**30.925**
Staff costs	1	(90)	(91)
Operating profit/loss		**12.195**	**30.834**
Income from investments in group enterprises		1.980	(65.239)
Other financial expenses	2	(6.016)	(1.747)
Profit/loss before tax		**8.159**	**(36.152)**
Tax on profit/loss for the year	3	(2.684)	(6.399)
Profit/loss for the year	4	**5.475**	**(42.551)**

Parent balance sheet at 31.10.2019

	Notes	2018/19 DKK'000	2017/18 DKK'000
Acquired intangible assets		0	0
Intangible assets	5	**0**	**0**
Investments in group enterprises		281.043	236.613
Fixed asset investments	6	**281.043**	**236.613**
Fixed assets		**281.043**	**236.613**
Receivables from group enterprises		38.742	13.411
Other receivables		4.021	1.993
Income tax receivable		932	0
Receivables		**43.695**	**15.404**
Cash		**83.045**	**78.768**
Current assets		**126.740**	**94.172**
Assets		**407.783**	**330.785**

Parent balance sheet at 31.10.2019

	Notes	2018/19 DKK'000	2017/18 DKK'000
Contributed capital	7	565	565
Retained earnings		57.850	49.946
Equity		**58.415**	**50.511**
Subordinate loan capital		41.146	0
Payables to associates		12.809	12.809
Non-current liabilities other than provisions		**53.955**	**12.809**
Bank loans		120	83.709
Trade payables		999	1.847
Payables to group enterprises		291.825	171.296
Income tax payable		0	8.424
Other payables		2.469	2.189
Current liabilities other than provisions		**295.413**	**267.465**
Liabilities other than provisions		**349.368**	**280.274**
Equity and liabilities		**407.783**	**330.785**
Contingent liabilities	8		
Assets charged and collateral	9		
Related parties with controlling interest	10		

Parent statement of changes in equity for 2018/19

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	565	49.946	50.511
Exchange rate adjustments	0	2.429	2.429
Profit/loss for the year	0	5.475	5.475
Equity end of year	**565**	**57.850**	**58.415**

Notes to parent financial statements

1. Staff costs	2018/19 DKK'000	2017/18 DKK'000
Wages and salaries	90	89
Other staff costs	0	2
	90	**91**

2. Other financial expenses	2018/19 DKK'000	2017/18 DKK'000
Financial expenses from group enterprises	1.509	0
Financial expenses from associates	1.970	0
Other interest expenses	1.284	1.557
Exchange rate adjustments	303	(243)
Other financial expenses	950	433
	6.016	**1.747**

3. Tax on profit/loss for the year	2018/19 DKK'000	2017/18 DKK'000
Current tax	2.684	6.341
Change in deferred tax	0	58
	2.684	**6.399**

4. Proposed distribution of profit/loss	2018/19 DKK'000	2017/18 DKK'000
Transferred to reserve for net revaluation according to the equity method	0	(20.137)
Retained earnings	5.475	(22.414)
	5.475	**(42.551)**

5. Intangible assets	Acquired intangible assets DKK'000
Cost beginning of year	2.800
Cost end of year	**2.800**
Amortisation and impairment losses beginning of year	(2.800)
Amortisation and impairment losses end of year	**(2.800)**
Carrying amount end of year	**0**

Notes to parent financial statements

	Investments in group enterprises DKK'000
6. Fixed asset investments	
Cost beginning of year	245.292
Additions	40.021
Cost end of year	**285.313**
Revaluations beginning of year	(8.679)
Exchange rate adjustments	2.472
Amortisation of goodwill	(16.200)
Share of profit/loss for the year	18.137
Revaluations end of year	**(4.270)**
Carrying amount end of year	**281.043**

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

	Number	Par value DKK'000	Nominal value DKK'000
7. Contributed capital			
Shares	565	1	565
	565		**565**

8. Contingent liabilities

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

9. Assets charged and collateral

The company has provided shares in subsidaries as security for all outstanding accounts with Danske Bank.

The company has provided joint and several liability for SOS Ejendomme ApS and Tretti AB. There is no bank debth per 31.10.19 in these companies.

The company has provided joint and several liability for Skousen Online Services A/S limited to DKK 3 million.

The company has provided joint and several liability for Whiteaway.no limited to DKK 0.8 million.

Notes to parent financial statements

10. Related parties with controlling interest

Aktieselskabet af 10.6.2014, Aarhus - through ownership and board of directors

HAK Holding ApS, Aarhus – through ownership and board of directors

TIN Holding ApS, Aarhus – through ownership and board of directors

Accounting policies

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

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

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

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

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

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

Income statement
Revenue
Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer.

Fair value adjustments of investment property
Fair value adjustment of investment properties for the financial year of the Entity's investment properties measured at fair value at the balance sheet date.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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

Accounting policies

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

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

Income from investments in group enterprises

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

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5-10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights and prepayments for intangible assets.

Accounting policies

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

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

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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

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

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

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises
In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

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

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

Accounting policies

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5-10 years.

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

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

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

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

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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

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

Cash
Cash comprises cash in hand and bank deposits.

Accounting policies

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

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

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

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

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.

Accounting policies