



CHANGE OF SCANDINAVIA HOLDING A/S

Farum Gydevej 73, DK-3520 Farum

**Annual Report for
1 July 2024 - 30 June 2025**

CVR No. 29 14 71 67

The Annual Report was presented and adopted at the
Annual General Meeting of the company on
10/01/2026

Tom Deichmann
Chairman of the general meeting





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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of CHANGE OF SCANDINAVIA HOLDING A/S for the financial year 1 July 2024 - 30 June 2025.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 June 2025 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024/25.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Furesø, 10 January 2026

Executive Board

Claus Walther Jensen
Manager

Board of Directors

Tom Deichmann

Annette Carina Thomsen

Claus Walther Jensen

Gitte Breil

Julie Breil



Independent Auditor's report

To the shareholder of CHANGE OF SCANDINAVIA HOLDING A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2025 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 July 2024 - 30 June 2025 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of CHANGE OF SCANDINAVIA HOLDING A/S for the financial year 1 July 2024 - 30 June 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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 Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the 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 Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the 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.

Based on the work we have performed, in our view, 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 in Management's Review.

Management's responsibilities for the Financial Statements

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

In preparing the 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 Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.



Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Hillerød, 10 January 2026

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Aslund Pedersen
State Authorised Public Accountant
mne17120

Michael Blom
State Authorised Public Accountant
mne32797



Company information

The Company	CHANGE OF SCANDINAVIA HOLDING A/S Farum Gydevej 73 DK-3520 Farum CVR No: 29 14 71 67 Financial period: 1 July 2024 - 30 June 2025 Municipality of reg. office: Furesø
Board of Directors	Tom Deichmann Annette Carina Thomsen Claus Walther Jensen Gitte Breil Julie Breil
Executive Board	Claus Walther Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Milnersvej 43 DK-3400 Hillerød



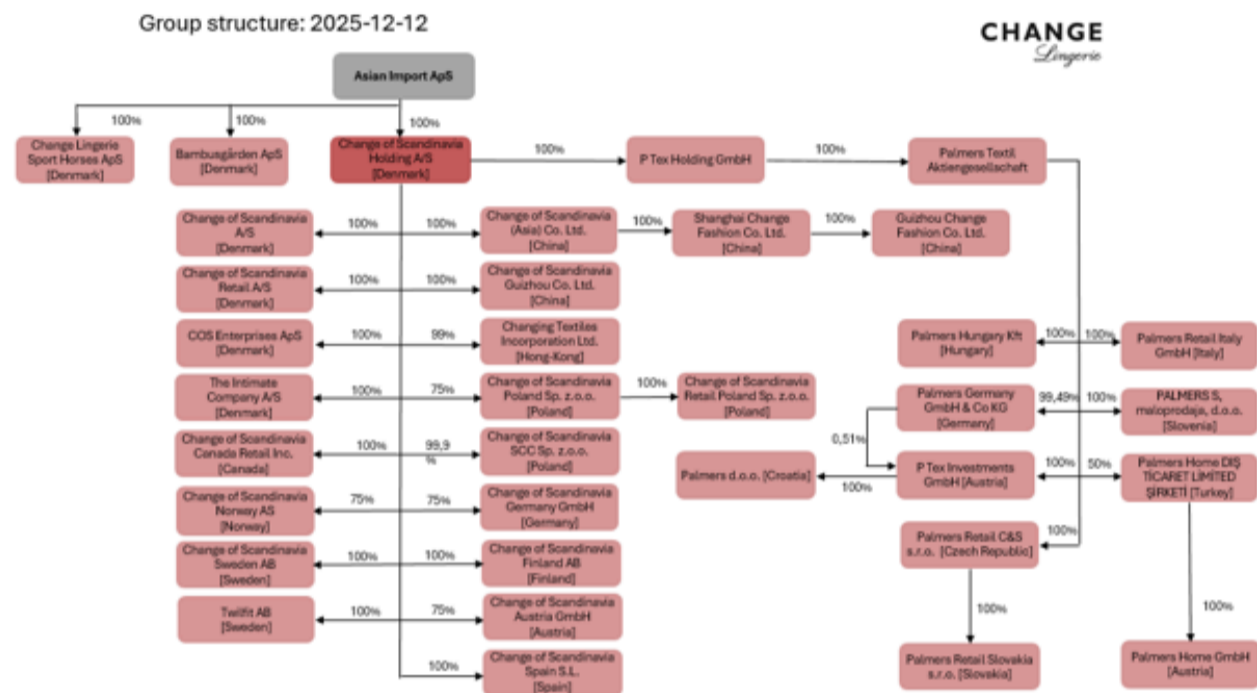
Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

(TDKK)	Group				
	2024/25	2023/24	2022/23	2021/22	2020/21
Key figures					
Profit/loss					
Revenue	806,203	876,618	844,300	873,491	704,924
Gross profit	390,625	445,377	409,548	464,405	370,803
EBITDA	1,825	61,835	63,262	137,494	74,495
Profit/loss of primary operations	-32,723	14,053	17,240	93,560	27,535
Profit/loss of financial income and expenses	-4,419	-11,732	-5,240	-8,853	-4,315
Net profit/loss for the year	-36,496	-1,855	5,674	67,123	17,402
Balance sheet					
Balance sheet total	705,068	477,337	499,744	531,450	466,746
Investment in property, plant and equipment	40,359	35,847	41,446	11,456	10,089
Equity	56,778	106,552	94,047	142,299	79,299
Cash flows					
Cash flows from:					
- operating activities	-8,115	38,234	31,311	49,497	58,127
- investing activities	-42,330	-51,970	-58,899	-22,980	-18,536
- financing activities	76,385	-29,612	-9,150	-3,458	-34,874
Change in cash and cash equivalents for the year	25,940	-43,348	-36,738	23,059	4,717
Number of employees	1,854	2,023	1,868	1,443	1,101
Ratios					
Gross margin	48.5%	50.8%	48.5%	53.2%	52.6%
Profit margin	-4.1%	1.6%	2.0%	10.7%	3.9%
Return on assets	-4.6%	2.9%	3.4%	17.6%	5.9%
Solvency ratio	8.1%	22.3%	18.8%	26.8%	17.0%
Return on equity	-44.7%	-1.8%	4.8%	60.6%	17.1%

Management's review

Group Chart



Primary activities

The primary activities of the Group are design, manufacturing and sale of lingerie, swimwear, nightwear, and underwear, which are distributed through the Change Lingerie retail stores in Denmark, Norway, Sweden, Finland, Germany, Poland, Canada, Austria & Spain as well as e-commerce. At the very end of the year CHANGE acquired the major lingerie chain in Austria, Palmers, with approx. 100 own operated and franchise stores in Austria as well as approx. 25 own operated stores in Germany, Croatia, Czech, and 5 franchise stores in Slovakia, Bulgaria and Albania. The Palmers chain will be integrated in the CHANGE group during the first half of the 2025/2026 fiscal year.



Management's review

Development in activities and finances

The consolidated income statement for 24/25 shows an EBITDA of TDKK 1,825 and the consolidated balance sheet shows equity of TDKK 56,778 at 30.06.2025.

In 24/25, the retail lingerie sector continues to struggle with many of the headwinds seen in the last couple of years. Elevated inflation and high interest rates have compressed consumers' discretionary budgets, prompting a growing share of shoppers to trade down or postpone purchases despite the appeal of innovation and value-added features from CHANGE product assortments. Although inflationary pressures are beginning to ease, especially in consumer markets in Europe - prices remain stubbornly high, with cost-of-living strains still strongly influencing buying behavior.

On a brighter note, the lingerie market is demonstrating sustained growth: global lingerie sales climbed from approximately USD 44.9 billion in 2024 to USD 48.6 billion in 2025.

During the year CHANGE managed to attract 15% more Club CHANGE members versus last year – this is a solid performance especially when churn is low. The increase comes from all markets, demonstrating the strength of the brand in a global presence. By the end of June 2025 more than 3,4M people have signed up.

The year was challenged as CHANGE recorded a drop in number of visitors to the physical stores. On the contrary CHANGE e-com channel saw a growth which illustrates quite well the shift towards online shopping. Overall, the total revenues dropped by DKK 72M. The drop in both visitors and transactions was partly expected due to an adjustment of the marketing strategy towards less aggressive offers and less discounts. Consequently, the gross margin is increasing.

During the year CHANGE continued the on-going review of its retail portfolio of stores. As a result of the challenged retail market CHANGE has opened three new stores as well as eight new Outlets in line with the strategy. In addition, ten stores were closed.

Profit/loss for the year in relation to expected developments

Because of the challenging market situation and the corresponding financial results, the management is overall not satisfied with the development but is nevertheless pleased with the decision to act prudently and introduce the Profit Improvement Program with clearly defined operational activities which have already demonstrated results during this year, and which will have full effect in the coming year.



Management's review

Outlook for 2025/26

In Europe and Canada, the lingerie market is expected to show modest but steady growth through 2025/26. Both regions are mature and competitive, with demand increasingly shaped by inclusivity, comfort, and sustainability. All factors, which play perfectly into the DNA of the CHANGE company and the CHANGE collections. Consumers are trading up to higher-value products, and while physical stores remain important for fittings and brand experience, e-commerce continues to gain share. Overall, the market is stable with gradual premiumization and continued adaptation to changing consumer expectations.

The outlook for Change Lingerie in 2025/26 is one of modest growth and continuity. Change will continue to focus on cost optimization and profitability as key priorities. The ongoing Profit Improvement Program remains central to achieving these objectives, supporting efficiency across operations, and enhancing financial performance. At the same time, the integration of Palmers will be advanced, ensuring synergies are captured and strengthening the Group's overall market position. Combined, these initiatives are expected to secure a more resilient and profitable platform for the business, while maintaining a clear emphasis on long-term value creation.

To diversify its sales strategy and to exploit its unique supply chain and brand awareness, CHANGE plans to initiate new and innovative BTB business models which, if successful, will be rolled out in all markets from the 2026/2027 fiscal year.

From a retail network point of view Change does not expect to expand heavily – instead only to open few new stores in locations with high priority. As part of the Profit Improvement Program CHANGE will continue to close non-profitable stores.

CHANGE will continue its focus on digital sales and the exploitation of the large pool of customers signed up in the Club CHANGE program.

CHANGE expects a slight 5% increase in revenue in constant currency and EBITDA ratio in the range of 13-15% to revenue.

Risks

General risks

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

Currency risks

The Company is exposed to general currency risks as regards its operations; however, the risk relates to CNY. Most of the Company's purchasing of goods and material is done in CNY while the Company invoices DKK, SEK, NOK, EUR, PLN, and CAD.

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

Statutory report on corporate social responsibility

This report outlines CHANGE Lingerie's commitment to environmental, social, and governance (ESG) sustainability practices during the fiscal year 2024-2025.

It highlights key achievements for the year, with a specific focus on social responsibility, and it details our progress towards our sustainability goals.

Management's review



Environment

- We continuously prioritize identifying energy efficient solutions in our factories and warehouse/distribution centres.
- All our products are transported by ships.



Social

- In autumn 2024 we launched our social initiative in China
- We donated 491 lounge sets to five Danish hospitals for them to offer to victims of sexual assault
- Organdonation
- Charity in Poland (flood victims)



Governance

- We have developed a code of conduct training for all employees
- We conducted our first double materiality assessment
- Launch of impact page on our website

Environment

We are committed to continuous improvement and will strive to provide more detailed information on these and other sustainability initiatives in future reports. Step by step we are becoming a more consciously responsible company.

- As part of our enhanced focus on sustainability practices, we have now installed waste sorting bins at our Danish headquarters to properly separate food, plastic, and general waste.
- We are committed to minimizing our environmental impact, with a special focus on packaging. We have started exploring how we can optimize and reduce our current packaging. The production, transportation, and disposal of packaging consume energy and release greenhouse gases. Reducing packaging means less material to produce and transport, leading to lower emissions. We hope to be able to address this area more in depth next year.



Management's review

Social

In 2024/2025, we initiated new social projects and revitalized some well-known initiatives, adding structure to our processes. We remain committed to continuous improvement and will aim to share more updates on these and other social responsibility initiatives in future reports.

- In relation to our social responsibility, we are very committed to our involvement in the local community. CHANGE has a longstanding commitment to creating a positive impact on the local communities where we operate. Since 2021, we have been supporting the children of our factory employees in China by contributing to their tuition fees in daycare centers and schools. In December 2024, we began offering weekly English lessons with a professional teacher to some of the children.

The impact of these initiatives extends beyond the financial support they provide.

Our General Manager for CHANGE of Scandinavia (Asia), Richard Gu, explains:

“Supporting our community and employees is not charity – it is responsibility. When we equip people with education and skills, we are not just changing lives, we are building a future where everyone thrives.”

- At CHANGE Lingerie, we believe in supporting women—not only in our stores to give them a positive experience, but also in vulnerable moments and after traumatic experiences.

In Denmark, we donate clothing packages to hospitals for rape victims. We have chosen to support this cause because supporting women has always been at the heart of our mission, and this is our way of extending that support beyond the walls of our stores.

We donate twice a year and in this fiscal year we have donated 491 lounge sets to five Danish hospitals for them to offer to victims of sexual assault. In 2025-2026, we will be rolling out in all markets where we operate.

- In December 2024, CHANGE was proud to partner with the patient association Organdonationsforeningen to support their worthy cause. Organdonationsforeningen provides vital support to children, teenagers, and adults who have undergone organ transplants, as well as families facing the challenges of life-threatening organ failure. Their work makes a meaningful difference in the lives of those who need it most, helping them navigate a difficult everyday life.

To support their mission, our customers were offered the opportunity to purchase bracelets in selected stores as part of a Christmas campaign.

CHANGE believes in their mission and will work on various initiatives with them in the future.

- In September 2024, southwestern Poland experienced a huge tragedy – flood. Many people lost everything they had. Change organized a collection of three hundred panties and socks (150 of each), which was handed over to Red Cross in early October 2024.

Governance

This section highlights some key areas of our governance efforts. We are committed to continuous improvement and will strive to provide more detailed information on these and other initiatives in future reports related to ethical practices.

- We have a Code of Conduct that all suppliers and all employees must comply with, addressing child labor, forced labor, fair wages, and safe working conditions. We have created a comprehensive training program to educate all employees on our company's ethical principles, expected behaviors, and legal obligations, providing clear guidance on how to act with integrity in their daily work. This initiative is vital for building and maintaining a strong ethical culture across our entire organization. It ensures that every employee understands our shared values, our commitment to integrity, and the ethical standards we expect in all business dealings. This protects our reputation, reduces the risk of legal and compliance issues, and fosters a trustworthy environment where employees feel empowered to do the right thing and uphold our company's values. It is about ensuring we operate with honesty and respect, both internally and externally.



Management's review

- As part of the CSRD, we initiated the process of conducting our double materiality assessment. This is crucial for us to understand and strategically manage both the risks we face and the impact we have on the world. In today's business environment, stakeholders increasingly expect companies to not only be profitable but also to operate responsibly. This assessment has helped us identify what truly matters most for our long-term success and our contribution to a sustainable future. It is about ensuring we are resilient to future challenges and seizing opportunities related to sustainability. We have systematically identified and prioritized the sustainability issues that are most significant to us, considering both how they affect our financial performance (e.g., climate risks, resource scarcity) and how our operations impact the environment and society.
- In October 2024, we launched an Employee Experience Survey to ensure every employee has a voice. The insights gained allow us to make informed, meaningful improvements to our organization and leadership approach, fostering a more inclusive and responsive workplace.
- In spring 2025, we started to develop a page on our website to showcase our social initiatives, and in July 2025, we are launching the page. In today's landscape, consumers, potential employees, and other stakeholders are not just looking at a company's products or financial performance; they want to know its values and how it contributes to society and the planet. An impact page allows us to proactively highlight our positive contributions, build trust, and differentiate ourselves. It provides a resolute, accessible space to tell our story beyond just our commercial offerings. This transparency can enhance our brand reputation, attract purpose-driven talent, and resonate with conscious customers. It transforms our sustainability efforts from internal practices into a visible commitment that fosters engagement and loyalty. We have created a dedicated section on our website where we share information about our company's positive social and environmental initiatives, achievements, and goals. This might include details of our sustainability efforts, community engagement, ethical practices, and the measurable impact we are making.

Our Ambitions

Environment

- We aim at optimizing our waste management in our headquarters globally and in our stores. This action will roll out in 2026.
- As a company committed to environmental responsibility, we are actively exploring ways to incorporate more sustainable fabrics into our product line. Our goal is to develop products that minimize their environmental impact throughout their lifecycle, from production to disposal.

Social

- We aim to continue our support to women in need, both rape victims and women with scarce resources, and we plan to roll out our program in other countries in which we operate. First roll out will occur in October 2025. Empowering women is one of our key focus areas and this initiative goes hand in hand with our values.
- Looking ahead, we aim to expand our schooling program by reaching more children with access to English lessons. We also plan to introduce certification for those who complete the courses, providing recognition for their efforts and encouraging continued learning.
- We are committed to raising greater awareness around the beauty of all women—regardless of their journeys, scars, or physical changes. Inspired by our collaboration with Organdonationsforeningen, we will launch a powerful photo campaign featuring women who have undergone organ transplants or live with visible scars. Through this initiative, we aim to challenge conventional beauty standards and celebrate the strength, resilience, and unique beauty of every woman.

Governance

- As part of our continued commitment to ethical business conduct, we will further strengthen awareness and understanding of our Code of Conduct. In the coming year, we aim to expand and reinforce our training efforts, ensuring that all employees are equipped to apply our ethical principles in their daily work. By doing so, we strive to embed a strong culture of integrity across every level of the organization.



Management's review

- For the future we plan to conduct the Employee Experience Survey on a bi-annual basis. This ongoing approach will enable us to continuously gauge employee sentiment and make timely, informed adjustments to our organizational practices and leadership strategies. Our goal is to foster a dynamic and responsive workplace where every voice contributes to positive change. The overall business model of Change of Scandinavia Holding A/S is described on page 1 in section "Primary Activities."

Environmental performance

As part of our ongoing commitment to reducing environmental impact across our operations and supply chain, we made progress in several key areas during FY24/25 and have outlined upcoming initiatives for FY25/26:

- **Energy use – Factories & own operations**
In FY24/25, we completed LED relighting across 95% of our production floor area, significantly improving energy efficiency. Looking ahead to FY25/26, we will launch a comprehensive energy-reduction project, including an ISO 50001 gap analysis at our own factory in Guizhou and two key CMT supplier facilities.
- **Transport & Logistics**
Throughout the reporting period, we avoided the use of air freight for bulk shipments from Asia to Europe, contributing to a substantial reduction in CO₂ emissions associated with long-distance transport.
- **Packaging & Materials**
We continue to phase out individual polybags in multi-unit shipments, reducing single-use plastic and supporting more sustainable packaging practices.
- **Waste & water**
Factory waste-to-landfill volumes were reduced through enhanced on-site waste segregation and strengthened partnerships with local recycling providers.

Social and employee conditions

For us it is important to take responsibility as an employer both in our Stores, Factory, Warehouse and Offices. We provide health insurance to employees.

The purpose of having a harassment policy and a whistleblower scheme is to be able to provide important opportunities for employees to report potential misconduct or concerns. Employees, business partners, etc. have an opportunity to reach out and speak up about illegal or serious matters in a safe and secure way, without the person(s) concerned needing to fear that reporting will have negative consequences. These policies have a preventive effect, so we avoid any reluctance to report significant matters.

Since the launch of our whistleblower scheme in 2023, a total of nine reports has been received. Three of these fell outside the scope of the scheme and were therefore rejected; the individuals who submitted these reports were informed accordingly.

In the current fiscal year, we received five reports. One related to a financial matter, which was thoroughly investigated, and appropriate actions were taken. The remaining four reports concerned issues related to leadership and communication. All were investigated in accordance with our procedures, including interviews with both the whistleblower and the individuals named in the reports.

As a result, organizational changes were implemented to prevent similar issues from occurring in the future. This reflects our zero-tolerance policy and our firm commitment to ensuring that all employees work in a healthy, respectful, and supportive environment.



Management's review

Human rights

Respect for human rights remains a cornerstone of our operations and supply chain management. We maintain a formal policy requiring all vendors to comply with our Code of Conduct, which outlines clear expectations regarding labor standards, health and safety, and ethical business practices.

Our supply chain continues to represent the area of highest risk for potential human rights violations, given its complexity and diversity. However, we mitigate this risk through a stable and strategically selected supplier portfolio, built on long-term partnerships across raw material sourcing, sewing factories, and finished goods production. This structure not only strengthens quality assurance but also reduces the likelihood of non-compliance.

Like last fiscal year, there were no reported incidents related to human rights violations. We remained fully compliant with all applicable local and national laws and regulations, including those related to employment, child labor, forced labor, harassment, non-discrimination, freedom of association, workplace safety, and fair compensation.

To further strengthen our commitment in FY24/25:

- 100% of our suppliers were re-audited against the latest version of our Code of Conduct.
- A Worker Voice Hotline was introduced at our own factory in Guizhou, giving all staff a direct, confidential channel to report concerns. No grievances were logged during the period.

As part of our ongoing approach, our own quality controllers and staff continue to conduct regular site visits, ensuring compliance and fostering direct engagement. This routine is embedded in our operational procedures and overseen at the highest level of management.

Additionally, with the continued consolidation of our supplier base and the expansion of our own factory operations, a growing share of our production is now managed in-house. This strategic shift further enhances oversight and reduces external risks.

All vendors and suppliers active during 2024/25 have signed and committed to our updated Code of Conduct. We will maintain a strict focus on human rights as part of our continuous improvement efforts.

Anti-corruption and bribery

We maintain a strict zero-tolerance policy toward corruption and bribery, firmly anchored in our company's governance and upheld by the Board of Directors. This commitment is embedded in our internal policies and communicated clearly across our organization and supply chain.

Our supply chain continues to be the area of highest risk for corruption-related incidents, given the diversity of vendors and factory partners involved. To mitigate this, we conduct thorough due diligence when entering into new production agreements to ensure all vendors are trustworthy and aligned with our standards.

In FY24/25, we recorded no incidents of corruption or bribery. While a limited number of new vendor agreements were entered into due to the current business environment, all new suppliers underwent internal audits and confirmed compliance with our Code of Conduct.

Furthermore, all new employees who joined during FY24/25 formally acknowledged their understanding of the CHANGE China Staff Manual in writing, reinforcing our ethical expectations from the start of their employment.

Our supplier base remains consolidated following the strategic reduction of factories and vendors in previous years. All current vendors remain aligned with our anti-corruption policy.

We will continue to maintain a strong focus on anti-corruption and bribery prevention as part of our day-to-day operations and long-term sustainability efforts.



Management's review

Data Ethics

At CHANGE, we collect, generate, and process both personal and non-personal data across all areas of our business. Customer data from our CHANGE Customer Club is used to enable personalized marketing, ensuring a more relevant and tailored experience for our customers.

We conduct regular GDPR audits in each country where we operate to ensure full compliance with data protection regulations. Data is managed purposefully and is accessible only to employees who require it for their roles. All new employees are required to complete training on proper data handling to reinforce our commitment to responsible data use.

Decisions regarding data usage and the adoption of modern technologies are overseen by our Board of Directors. We adhere to established data ethics guidelines and continuously evaluate these principles as we manage data and integrate modern technologies, ensuring our practices remain ethical, transparent, and secure.

Statutory report on the underrepresented gender

The Company has less than 50 employees and is therefore not obliged to disclose its policies on gender composition. However, the company has decided to expose its gender composition to the Board of Directors. The total number of board members of the Board of Directors is four and the percentage of the gender is equally at 50%.

Top Management	2024/2025
Total number of members	4
Underrepresented gender in %	50%
Target figure in %	N/A*
Year for reaching the target figure	N/A*
Other management levels	
Total number of members	14
Underrepresented gender in %	43%
Target figure in %	N/A**
Year for reaching the target figure	N/A**

*The company has achieved equal gender distribution in the top management body and therefore has no obligation to set targets for the top management body.

**With reference to section 139 c, subsection seven of the Danish Companies Act, during the fiscal year the company employs less than 50 employees and therefore has no obligation to report further disclosures. But as we approach the applicable threshold, we recognize the need to develop a policy aimed at increasing the representation of the underrepresented gender at other management levels within the organization. This initiative will form part of our broader commitment to diversity, equity, and inclusion.

Events after the balance sheet date

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



Income statement 1 July 2024 - 30 June 2025

(TDKK)	Note	Group		Parent company	
		2024/25	2023/24	2024/25	2023/24
Revenue	2	806,203	876,618	1,496	1,494
Work on own account recognised in assets		6,149	7,276	0	0
Other operating income	3,4	2,153	14,713	0	12,000
Expenses for raw materials and consumables		-164,139	-169,333	0	0
Other external expenses		-259,741	-283,897	-865	-347
Gross profit		390,625	445,377	631	13,147
Staff expenses	5	-388,800	-383,542	-1,502	-1,497
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	6	-33,841	-45,742	0	0
Other operating expenses	7	-707	-2,040	0	0
Profit/loss before financial income and expenses		-32,723	14,053	-871	11,650
Income from investments in subsidiaries	8	0	0	-35,737	-11,964
Financial income	9	12,496	3,233	2,090	2,267
Financial expenses	10	-16,915	-14,965	-1,265	-1,362
Profit/loss before tax		-37,142	2,321	-35,783	591
Tax on profit/loss for the year	11	646	-4,176	-133	-2,762
Net profit/loss for the year	12	-36,496	-1,855	-35,916	-2,171



Balance sheet 30 June 2025

Assets

(TDKK)	Note	Group		Parent company	
		2024/25	2023/24	2024/25	2023/24
Completed development projects		4,882	4,066	0	0
Acquired licenses		27,573	27,619	0	0
Acquired trademarks		30,672	3,160	0	0
Customer relations		104,683	44,800	0	0
Goodwill		5,609	5,372	0	0
Development projects in progress		7,082	10,268	0	0
Intangible assets	13	180,501	95,285	0	0
Land and buildings		0	0	0	0
Other fixtures and fittings, tools and equipment		41,633	32,377	0	0
Leasehold improvements		52,723	35,097	0	0
Property, plant and equipment	14	94,356	67,474	0	0
Investments in subsidiaries	15	0	0	170,320	200,626
Other receivables	16	14,301	13,919	0	0
Fixed asset investments		14,301	13,919	170,320	200,626
Fixed assets		289,158	176,678	170,320	200,626
Inventories	17	202,309	155,899	0	0
Trade receivables		20,367	5,422	0	0
Receivables from group enterprises		38,825	48,195	96,436	80,574
Other receivables	22	45,340	19,023	0	0
Deferred tax asset	18	26,923	19,226	0	0
Corporation tax receivable from group enterprises		2,095	0	0	0
Prepayments	19	24,938	23,721	0	0
Receivables		158,488	115,587	96,436	80,574
Cash at bank and in hand		55,113	29,173	1	20
Current assets		415,910	300,659	96,437	80,594
Assets		705,068	477,337	266,757	281,220



Balance sheet 30 June 2025

Liabilities and equity

(TDKK)	Note	Group		Parent company	
		2024/25	2023/24	2024/25	2023/24
Share capital	20	5,000	5,000	5,000	5,000
Reserve for net revaluation under the equity method		0	0	9,544	58,653
Other statutory reserves		-3,217	3,413	0	0
Reserve for hedging transactions		-6,194	454	0	0
Retained earnings		52,591	88,598	33,636	33,814
Equity attributable to shareholders of the Parent Company		48,180	97,465	48,180	97,467
Minority interests		8,598	9,087	0	0
Equity		56,778	106,552	48,180	97,467
Provision for deferred tax	18	22,457	11,994	0	0
Provisions relating to investments in group enterprises		0	0	4,962	3,216
Provisions		22,457	11,994	4,962	3,216
Credit institutions		15,988	0	0	0
Lease obligations		158	99	0	0
Trade payables		10,579	0	0	0
Deposits		624	624	0	0
Other payables		6,818	411	0	0
Deferred income		624	0	0	0
Long-term debt	21	34,791	1,134	0	0
Credit institutions	21	242,343	163,778	0	0
Lease obligations	21	99	1,518	0	0
Trade payables	21	71,727	62,323	2,381	143
Payables to group enterprises		0	7,662	210,065	176,256
Corporation tax		45,318	41,136	0	0
Payables to group enterprises relating to corporation tax		0	0	1,156	1,023
Other payables	21,22	212,749	72,641	13	3,115
Deferred income	21,23	18,806	8,599	0	0
Short-term debt		591,042	357,657	213,615	180,537
Debt		625,833	358,791	213,615	180,537
Liabilities and equity		705,068	477,337	266,757	281,220



Balance sheet 30 June 2025

Liabilities and equity (continued)

(TDKK)	Note	Group		Parent company	
		2024/25	2023/24	2024/25	2023/24
Unusual conditions	1				
Contingent assets, liabilities and other financial obligations	26				
Related parties	27				
Fee to auditors appointed at the general meeting	28				
Subsequent events	29				
Accounting Policies	30				



Statement of changes in equity

Group (TDKK)	Group					Total	
	Share capital	Other statutory reserves	Reserve for hedging transactions	Retained earnings	Equity excl. minority interests		Minority interests
Equity at 1 July	5,000	3,413	454	88,598	97,465	9,087	106,552
Exchange adjustments	0	-6,630	0	0	-6,630	0	-6,630
Fair value adjustment of hedging instruments	0	0	-8,523	0	-8,523	0	-8,523
Other equity movements	0	0	0	-92	-92	92	0
Tax on equity movements	0	0	1,875	0	1,875	0	1,875
Net profit/loss for the year	0	0	0	-35,915	-35,915	-581	-36,496
Equity at 30 June	5,000	-3,217	-6,194	52,591	48,180	8,598	56,778
Parent company							
Parent company (TDKK)	Parent company			Reserve for net revaluation under the equity method		Retained earnings	Total
	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Share capital	Reserve for net revaluation under the equity method		
Equity at 1 July	5,000	58,653	33,815	5,000	58,653	33,815	97,468
Exchange adjustments	0	0	-6,724	0	0	-6,724	-6,724
Fair value adjustment of hedging instruments	0	0	-8,523	0	0	-8,523	-8,523
Tax on equity movements	0	0	1,875	0	0	1,875	1,875
Net profit/loss for the year	0	-49,109	13,193	0	-49,109	13,193	-35,916
Equity at 30 June	5,000	9,544	33,636	5,000	9,544	33,636	48,180



Cash flow statement 1 July 2024 - 30 June 2025

(TDKK)	Note	Group	
		2024/25	2023/24
Result of the year		-36,496	-1,855
Adjustments	24	30,939	73,039
Change in working capital	25	2,655	-23,105
Cash flow from operations before financial items		-2,902	48,079
Financial income		12,496	3,233
Financial expenses		-16,915	-14,965
Cash flows from ordinary activities		-7,321	36,347
Corporation tax paid		-794	1,887
Cash flows from operating activities		-8,115	38,234
Purchase of intangible assets		-10,837	-14,728
Purchase of property, plant and equipment		-14,814	-35,847
Sale of financial instruments		0	1,121
Business acquisition		-16,679	-2,516
Cash flows from investing activities		-42,330	-51,970
Reduction of lease obligations		-1,617	-1,758
Repayment of payables to group enterprises		0	-35,425
Raising of loans from credit institutions		38,915	7,571
Raising of payables to group enterprises		1,965	0
Other adjustments		37,122	0
Cash flows from financing activities		76,385	-29,612
Change in cash and cash equivalents		25,940	-43,348
Cash and cash equivalents at 1 July		29,173	72,521
Cash and cash equivalents at 30 June		55,113	29,173
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		55,113	29,173
Cash and cash equivalents at 30 June		55,113	29,173



Notes to the Financial Statements

1. Unusual conditions

The financial position at 30 June 2025 of the Company and the results of the activities of the Company for the financial year for 2024/25 have not been affected by any unusual events.

2. Revenue

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Geographical segments				
Revenue, Denmark	215,098	235,709	1,496	1,494
Revenue, other European countries	545,910	586,556	0	0
Revenue, rest of the world	45,195	54,353	0	0
	806,203	876,618	1,496	1,494
Business segments				
Retail and web	799,488	868,945	0	0
Franchise	6,715	7,673	0	0
Management fee	0	0	1,496	1,494
	806,203	876,618	1,496	1,494

3. Other operating income

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Profit sales of assets	5	2,708	0	0
Sale of web domaine	0	12,000	0	12,000
Other income	2,148	5	0	0
	2,153	14,713	0	12,000

4. Special items

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Sale of web domaine	0	12,000	0	12,000
	0	12,000	0	12,000



Notes to the Financial Statements

5. Staff expenses

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Wages and salaries	324,075	316,651	1,363	1,359
Pensions	18,417	19,334	137	137
Other social security expenses	41,022	36,203	2	1
Other staff expenses	5,286	11,354	0	0
	388,800	383,542	1,502	1,497
Including remuneration to the Executive Board and Board of Directors	1,667	1,725	1,667	1,725
Average number of employees	1,854	2,023	1	1

6. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Amortisation of intangible assets	20,449	21,500	0	0
Depreciation of property, plant and equipment	13,392	24,242	0	0
	33,841	45,742	0	0

7. Other operating expenses

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Other expenses	707	2,040	0	0
	707	2,040	0	0

8. Income from investments in subsidiaries

(TDKK)	Parent company	
	2024/25	2023/24
Share of profits	-35,737	-11,964
	-35,737	-11,964



Notes to the Financial Statements

9. Financial income

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Interest from group enterprises	666	466	1,369	2,266
Other financial income	1,342	144	0	1
Exchange adjustments	10,488	2,623	721	0
	12,496	3,233	2,090	2,267

10. Financial expenses

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Interest to group enterprises	0	0	457	1,108
Other financial expenses	11,165	6,310	159	0
Exchange adjustments, expenses	5,750	8,655	649	254
	16,915	14,965	1,265	1,362

11. Income tax expense

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Current tax for the year	2,881	1,268	133	2,762
Deferred tax for the year	-3,527	2,908	0	0
	-646	4,176	133	2,762

12. Profit allocation

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Reserve for net revaluation under the equity method	0	0	-49,109	4,206
Minority interests' share of net profit/loss of subsidiaries	-581	318	0	0
Retained earnings	-35,915	-2,173	13,193	-6,377
	-36,496	-1,855	-35,916	-2,171



Notes to the Financial Statements

13. Intangible fixed assets

Group (TDKK)	Completed development projects	Acquired licenses	Acquired trademarks	Customer relations	Goodwill	Development projects in progress
Cost at 1 July	4,066	91,368	18,023	75,685	14,942	10,268
Exchange adjustment	0	35	19	0	0	0
Additions for the year	0	2,302	28,567	66,296	1,503	7,013
Disposals for the year	-4,066	0	0	0	0	0
Transfers for the year	5,086	5,113	0	0	0	-10,199
Cost at 30 June	5,086	98,818	46,609	141,981	16,445	7,082
Impairment losses and amortisation at 1 July	0	63,749	14,863	30,886	9,570	0
Exchange adjustment	0	47	23	0	0	0
Amortisation for the year	4,270	7,449	1,051	6,412	1,266	0
Reversal of impairment and amortisation of sold assets	-4,066	0	0	0	0	0
Impairment losses and amortisation at 30 June	204	71,245	15,937	37,298	10,836	0
Carrying amount at 30 June	4,882	27,573	30,672	104,683	5,609	7,082

Finalized development projects relate to the development of the Group's existing products and new collections for sale in the next financial year. The development of new collections are finalized or are expected to be finalized in time to go to market with the products according to the marketing plan. The new products are expected to be sold in the present market and through the Group's existing stores and web sales.

Development in progress is progressing according to plan, and sufficient resources are allocated by Management to the development activities. Development projects in progress relate to the group's new IT system and platforms. The Company expects that the new and improved systems and platforms will substantiate the processes and business.



Notes to the Financial Statements

14. Property, plant and equipment

Group (TDKK)	Other fixtures		
	Land and buildings	and fittings, tools and equipment	Leasehold improvements
Cost at 1 July	153	98,278	169,039
Exchange adjustment	0	-538	-1,041
Additions for the year	0	17,644	22,715
Disposals for the year	0	-53	-841
Cost at 30 June	153	115,331	189,872
Impairment losses and depreciation at 1 July	153	66,099	133,943
Exchange adjustment	0	-301	-606
Depreciation for the year	0	8,740	4,652
Impairment and depreciation of sold assets for the year	0	-840	-840
Impairment losses and depreciation at 30 June	153	73,698	137,149
Carrying amount at 30 June	0	41,633	52,723

15. Investments in subsidiaries

(TDKK)	Parent company	
	2024/25	2023/24
Cost at 1 July	138,614	136,098
Additions for the year	17,057	2,516
Cost at 30 June	155,671	138,614
Value adjustments at 1 July	58,653	54,447
Exchange adjustment	-6,724	7,701
Net profit/loss for the year	-28,207	-4,434
Dividend to the Parent Company	0	-1,966
Other equity movements, net	-6,648	6,667
Amortisation of goodwill	-7,530	-7,530
Other adjustments	0	3,768
Value adjustments at 30 June	9,544	58,653
Equity investments with negative net asset value amortised over receivables	143	143
Equity investments with negative net asset value transferred to provisions	4,962	3,216
Carrying amount at 30 June	170,320	200,626



Notes to the Financial Statements

15. Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Change of Scandinavia A/S	Farum	500,000 DKK	100%
Change of Scandinavia Retail A/S	Farum	500,000 DKK	100%
Change of Scandinavia Sweden AB	Härryda	500,000 SEK	100%
Change of Scandinavia Norway AS	Tranby	500,000 NOK	75%
Change of Scandinavia Germany GmbH	Berlin	100,000 EUR	100%
Change of Scandinavia Poland Sp.z.o.o.	Lodz	300,000 PLZ	75%
Change of Scandinavia Retail Poland Sp.z.o.o.	Lodz	300,000 PLZ	75%
Change of Scandinavia SCC Sp.z.o.o.	Lodz	100,000 PLZ	100%
The Intimate Company A/S	Farum	500,000 DKK	100%
COS Enterprises ApS	Farum	50,000 DKK	100%
Change of Scandinavia GmbH	Vienna	35,000 Euro	75%
TIC Lingerie and Sleepware Inc.	Montreal	100 CAD	100%
Change of Scandinavia (Asia) Co. Ltd	China	5,283,940 CNA	100%
Shanghai Change Fashion Co. Ltd.	China	1,500,000 CNA	100%
Change of Scandinavia Canada Retail Inc.	Montreal	240,200 CAD	100%
Changing Textiles Incorporation Ltd.	Hong Kong	85 CNA	99%
Change of Scandinavia Finland AB	Helsinki	65,000 EUR	100%
Twilfit AB	Stockholm	168,158 SEK	100%
Change of Scandinavia Guizhou Ltd.	China	353,400 CNA	75%
Guizhou Change fashion Co, Ltd.	China	2,000,000 CNA	100%
Change of Scandinavia Spain S.L.	Barcelona	25,000 EUR	100%
P. Tex Holding GmbH	Wiener Neudorf	70,000 EUR	100%
Palmers Textil AG	Wiener Neudorf	2,981,926 EUR	100%
Palmers Germany GmbH & Co. KG	München	432,400 EUR	100%
Palmers Home GmbH	Vienna	35,000 EUR	100%
Palmers Retail Slovakia s.r.o.	Bratislava	5,000 EUR	100%
Palmers S, maloprodaja, d.o.o.	Ljubljana	7,500 EUR	100%
P Tex Investment GmbH	Vienna	35,000 EUR	100%
Palmers Retail Italy Srl.	Bozen	10,000 EUR	100%
Palmers d.o.o.	Zagreb	20,000 KN	100%
Palmers Retail C&S sro.	Prag	10,000 KC	100%
Palmers Hungary KFT	Budapest	3,000,000 HUF	100%
Palmers Home DIS Ticaret Limited Sirketi	Istanbul	100,000 TL	100%



Notes to the Financial Statements

16. Other fixed asset investments

Group	Other receivables
(TDKK)	
Cost at 1 July	13,919
Additions for the year	382
Cost at 30 June	14,301
Carrying amount at 30 June	14,301

17. Inventories

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Raw materials and consumables	13,068	10,642	0	0
Finished goods and goods for resale	189,241	145,257	0	0
	202,309	155,899	0	0

18. Deferred tax asset

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Deferred tax asset at 1 July	7,232	8,259	0	0
Addition from takeover of Palmers	-8,168	0	0	0
Amounts recognised in the income statement for the year	3,527	-2,908	0	0
Amounts recognised in equity for the year	1,875	1,881	0	0
Deferred tax asset at 30 June	4,466	7,232	0	0
Recognised in the balance sheet as follows:				
Assets	26,923	19,226	0	0
Provisions	-22,457	-11,994	0	0
	4,466	7,232	0	0

The recognised tax asset comprises mainly of tax on reversed internal profits. Management expects that the deferred tax asset is to be utilised in the future. In connection with the assessment of the utilisation of the tax asset, special emphasis has been placed on the Company and Group having expected future growth in both revenue and profit in the long run.



Notes to the Financial Statements

19. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

20. Share capital

The share capital consists of 50,000 shares of a nominal value of TDKK 100. No shares carry any special rights.

21. Long-term debt

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Credit institutions

After 5 years	0	0	0	0
Between 1 and 5 years	15,988	0	0	0
Long-term part	15,988	0	0	0
Other short-term debt to credit institutions	242,343	163,778	0	0
	258,331	163,778	0	0

Lease obligations

After 5 years	0	0	0	0
Between 1 and 5 years	158	99	0	0
Long-term part	158	99	0	0
Within 1 year	99	1,518	0	0
	257	1,617	0	0

Trade payables

After 5 years	0	0	0	0
Between 1 and 5 years	10,579	0	0	0
Long-term part	10,579	0	0	0
Other short-term trade payables	71,727	62,323	2,381	143
	82,306	62,323	2,381	143



Notes to the Financial Statements

21. Long-term debt (continued)

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Deposits				
After 5 years	0	0	0	0
Between 1 and 5 years	624	624	0	0
Long-term part	624	624	0	0
Within 1 year	0	0	0	0
	624	624	0	0
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	6,818	411	0	0
Long-term part	6,818	411	0	0
Other short-term payables	212,749	72,641	13	3,115
	219,567	73,052	13	3,115
Deferred income				
After 5 years	0	0	0	0
Between 1 and 5 years	624	0	0	0
Long-term part	624	0	0	0
Other deferred income	18,806	8,599	0	0
	19,430	8,599	0	0

22. Derivative financial instruments

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Derivative financial instruments contracts in the form of forward exchange contracts have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:				
Assets	0	582	0	0
Liabilities	7,940	0	0	0

Forward exchange contracts have been concluded to hedge future sale of goods and payments in USD, NOK, SEK, CNH and EUR. At the balance sheet date fair value of the forward exchange contract amounts to TDKK 7,940 (liability). The forward exchange contracts terminates within 1-11 months.

	Value adjustment, equity	Fair value at 30 June
Forward exchange rates contracts	-8,523	-7,940



Notes to the Financial Statements

23. Deferred income

Deferred income consists of prepaid giftcards and profit on sales and leaseback agreements.

24. Cash flow statement - Adjustments

(TDKK)	Group	
	2024/25	2023/24
Financial income	-12,496	-3,233
Financial expenses	16,915	14,965
Depreciation, amortisation and impairment losses, including losses and gains on sales	33,841	45,742
Tax on profit/loss for the year	-646	4,176
Exchange adjustments	-6,675	11,389
	30,939	73,039

25. Cash flow statement - Change in working capital

(TDKK)	Group	
	2024/25	2023/24
Change in inventories	-17,220	14,042
Change in receivables	-3,359	-11,309
Change in trade payables, etc	31,757	-37,409
Other changes in working capital	-8,523	11,571
	2,655	-23,105

26. Contingent assets, liabilities and other financial obligations

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24

Contingent assets

The following assets have been placed as security with bankers:

Bank debts of the Company and the affiliate, Change of Scandinavia Retail A/S and Change of Scandinavia A/S are secured by way of a Company charge in intangible and tangible assets and inventories of TDKK 60,000 nominal value. The booked value of assets at 30 June amounts to

182,542	161,623	0	0
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Notes to the Financial Statements

26. Contingent assets, liabilities and other financial obligations (continued)

(TDKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Rental and lease obligations				
Lease obligations, period of non terminability	550,066	291,819	0	0
Here of liabilities under rental agreements or leases with group enterprises until expiry	332	332	0	0

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Asian Import ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Change of Scandinavia Holding A/S has issued a bail to Sydbank and Nykredit for loans issued to the parent company Asian Import A/S and the subsidiaries Change of Scandinavia A/S and Change of Scandinavia Retail A/S.

Change of Scandinavia Finland AB has a bank limit for TDKK 745 (TEUR 100) guaranteed by mortgage on company assets.

Change of Scandinavia Holding A/S as a liability for a comfort letter issued to Palmers Textil AG maximized to TDKK 17.158 (TEUR 2.300).

Change of Scandinavia Holding A/S has issued a guarantee to the ZAPAD Bank in Palmers Germany GmbH & Co. KG maximized to TDKK 9.034 (TEUR 1.211).

A possible distributor of goods from a subsidiary has raised a claim against one subsidiary. The distributor claims that the subsidiary has breached their trade agreement. Management disagrees in the claimed breach and has rejected the claim. Further there is some claims from vendors and partners related to disagreement regarding services delivered etc. As it has not been possible to make a proper assessment of a possible outcome management has recognised an estimated provision for the claims.

Change of Scandinavia Holding A/S has issued letters of support to some subsidiaries.



Notes to the Financial Statements

27. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Asian Import ApS	Parent Company, 100 % ownership

Other related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

Apart from the above, there have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
Asian Import ApS	Furesø

28. Fee to auditors appointed at the general meeting

<u>(TDKK)</u>	<u>Group</u>	
	<u>2024/25</u>	<u>2023/24</u>
PwC		
Audit fee	681	667
Tax advisory services	227	233
Non-audit services	227	233
	1,135	1,133
Other		
Audit fee	617	404
Tax advisory services	53	27
Non-audit services	274	334
	944	765

29. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



Notes to the Financial Statements

30. Accounting policies

The Annual Report of CHANGE OF SCANDINAVIA HOLDING A/S for 2024/25 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024/25 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, CHANGE OF SCANDINAVIA HOLDING A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.



Notes to the Financial Statements

30. Accounting policies (continued)

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.
- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.



Notes to the Financial Statements

30. Accounting policies (continued)

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.



Notes to the Financial Statements

30. Accounting policies (continued)

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Segment information on revenue

Information on business segments and geographical segments is based on the Group's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.



Notes to the Financial Statements

30. Accounting policies (continued)

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with group companies. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Goodwill

Goodwill, trademarks and customer base is amortised on a straight-line basis over the estimated useful life of 20 years, determined on the basis of Management's experience with the individual business areas. Management believes that the Group will have benefits from the required assets during this period.

The recognized goodwill, customer base and trademarks relates to old and strong brands in certain subsidiaries and these companies is expected to have a long positive effect on the profit for the group.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.



Notes to the Financial Statements

30. Accounting policies (continued)

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 1 year.

Other intangible fixed assets

Patents, licences and rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 5-8 years. Software licences and rights are amortised over the period of the agreements, which is 5-8 years and 5-8 years, respectively.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other buildings	50 years
Other fixtures and fittings, tools and equipment	3 - 15 years
Leasehold improvements	5 - 15 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.



Notes to the Financial Statements

30. Accounting policies (continued)

Other fixed asset investments

Other fixed asset investments consist of deposits and loans to franchisetakers.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions.

Equity

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.



Notes to the Financial Statements

30. Accounting policies (continued)

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$