Interket A/S

Ejby Industrivej 91, 2600 Glostrup

Company reg. no. 10 66 57 44

Annual report

2021

The annual report was submitted and approved by the general meeting on the 17 May 2022.

Bent Aage Petersen
Chairman of the meeting

Contents

	Page
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Group overview	6
Consolidated financial highlights	7
Management´s review	8
Consolidated financial statements and financial statements 1 January - 31 December 2021	
Income statement	10
Balance sheet	11
Consolidated statement of changes in equity	14
Statement of changes in equity of the parent	14
Statement of cash flows	15
Notes	16
Accounting policies	28

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instanceDKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the board of directors and the managing director have presented the annual report of Interket A/S for the financial year 2021.

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

We consider the accounting policies appropriate and, in our opinion, the consolidated financial statements and the financial statements provide a fair presentation of the assets, equity and liabilities, and the financial position, consolidated and for the company, respectively, at 31 December 2021, and of the result of the activities, consolidated and of the company, respectively, during the financial year 1 January – 31 December 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Glostrup, 17 May 2022

Managing Director

Carl E. Parkander

Board of directors

Åke Fredriksson	Björn Parkander	Carl E. Parkander
Hans Holger Therp	Bent Aage Petersen	

Independent auditor's report

To the Shareholders of Interket A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Interket A/S for the financial year 1 January to 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' 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.

Emphasis of Matter

We direct the reader's attention to note 15 in the financial statements, which describes the deferred tax assets of the company and the group. Our conclusion is not modified regarding this.

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

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

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

Independent auditor's report

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

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

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group´s and the 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 consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group´s and the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

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

Independent auditor's report

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

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 17 May 2022

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

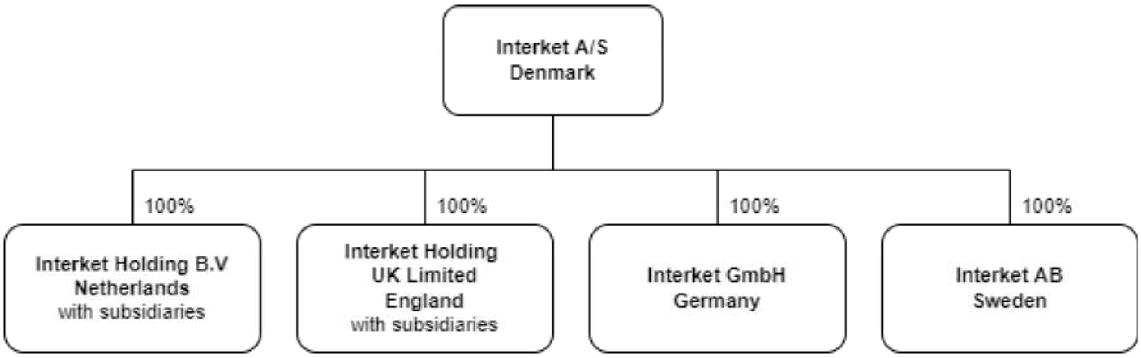
Maibritt Nygaard
State Authorised Public Accountant
mne42813

Claus Koskelin
State Authorised Public Accountant
mne30140

Company information

The company	Interket A/S Ejby Industrivej 91 2600 Glostrup	
	Web site	www.interket.com
	Company reg. no.	10 66 57 44
	Established:	1 February 1987
	Domicile:	Glostrup
	Financial year:	1 January - 31 December
Board of directors	Åke Fredriksson Björn Parkander Carl E. Parkander Hans Holger Therp Bent Aage Petersen	
Managing Director	Carl E. Parkander	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Subsidiaries	Interket Holding B.V., Ommen, Netherlands Interket Holdings UK Limited, Derbyshire, England Interket GmbH, Hannover, Germany Interket AB, Helsingborg, Sweden Interket B.V., Ommen, Netherlands Interket Beheer B.V., Ommen, Netherlands Interket Limited, Derbyshire, England Stampiton Holdings Limited, Derbyshire, England Folderbirch Limited, Derbyshire, England Tasco Distributors Limited, Derbyshire, England	

Group overview



Consolidated financial highlights

DKK in thousands.	2021	2020	2019	2018	2017
Income statement:					
Revenue	289.797	324.662	324.189	328.301	318.772
Gross profit	98.970	114.527	109.360	99.860	89.885
Profit from operating activities	16.378	4.510	4.470	-1.391	-12.109
Net financials	-1.674	-3.520	-3.971	-3.536	-3.139
Net profit or loss for the year	5.218	918	-368	-5.803	-13.538
Statement of financial position:					
Balance sheet total	165.319	186.036	186.717	191.102	213.640
Equity	67.426	60.660	52.782	32.762	38.696
Cash flows:					
Operating activities	14.416	18.983	13.106	2.594	-233
Investing activities	4.932	-17.679	-5.659	-6.389	-1.064
Financing activities	-16.564	-182	-6.043	3.881	1.245
Investment in tangible fixed assets	-27.161	-18.070	-5.659	-6.390	-3.298
Employees:					
Average number of full-time employees	184	220	218	227	227
Key figures in %:					
Gross margin ratio	34,2	35,3	33,7	30,4	28,2
Profit margin (EBIT-margin)	5,7	1,4	1,4	-0,4	-3,8
Solvency ratio	40,8	32,6	29,8	17,9	18,7
Return on equity	7,7	2,3	-0,8	-15,6	-35,4

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management´s review

The principal activities of the group

The main activity of the Interket Group is production and sale of self adhesive labels and related products and solutions.

Development in activities and financial matters

The group revenue for the year totals t.DKK 289.797 against t.DKK 324.662 last year. Income or loss from ordinary activities after tax for the group totals t.DKK 5.218 against t.DKK 918 last year. Interket A/S' income or loss from ordinary activities after tax totals t.DKK 5.218 against t.DKK 1.352 last year.

Following a strategic overview of the group’s different markets, the operational activity in Denmark was sold to Schur Labels A/S on the 1st of March 2021, which explains the drop in sales during the year.

The positive development has continued during the year and the group’s net sales excluding Denmark increased with t.DKK 17.278 or 6,6 % compared to last year. In 2021, we have yet again experienced a strong year in relation to new sales, which will have a positive effect on both sales and profits in 2022.

Like in many other industry sectors, the second half of the year was characterized by supply chain challenges for raw material with increasing prices as a result. The group’s procurement function has for some time taken actions in order to broaden our supplier base, which has made it possible for the group to serve its customers in the best possible way during the year.

In order to support further development of the group business we have continued our ambitious investment program with new installations in all countries.

The Groups exchange rate, currency and creditrisk

The Board of Directors continuously focuses on the financial risks under which the Group operates. Financial risks are managed through the use of operating and liquidity budgets.

Sales to and abroad means that earnings, cash flows and equity are affected by exchange rate and interest rate developments for EUR, SEK and GBP. It is not the company's policy to hedge commercial currency risks. No speculative currency positions are entered into.

The Interket Group's use of paper as a commodity poses a special risk due to the significant price fluctuations during periods. There is an ongoing focus on the paper market, so that one can respond if one deficiency situation arises.

Expected developments

The limited availability of raw material on the market will have a negative impact during 2022 but with the already implemented and planned actions, the group expects to generate positive results also in 2022.

Management´s review

Events occurring after the end of the financial year

Following a turbulent year with many supply chain problems, the workforce at UPM’s factories in Finland went out on strike as of the 1st of January 2022. UPM is a major producer and supplier of glassine paper and other paper grades used for producing labels. Prolonged strike action risks having severe repercussions on the availability of raw material for the whole industry.

Corporate social responsibility report pursuant to section 99 a of the Danish Financial Statements Act

The Corporate Social Responsibility Statement covers the financial period January 1 to December 31, 2021.

The Interket Group does not have centrally defined policies in the area of corporate social responsibility, including human rights and climate change, but can provide the following:

Environmental issues – including climate change

The company has prepared all statutory environmental assessments.

Know how resources

In order to continuously deliver innovative solutions to customers, it is crucial that the Interket Group can recruit and retain employees with a high level of qualifications, both at the functionary and production levels.

The goal is that the Group is among the technological leaders and is ready to adapt with a high level of professional knowledge.

2021 has again been a positive but changing year for the Interket group, including the staff.

Target figures and policies for the underrepresented gender

In general, the Group's employees must experience an open and open minded culture. Both women and men must therefore have the same opportunities for careers and management positions.

For the Board of Directors, the goal is that the underrepresented gender is at least 25% within 4 years. For the management team, the goal is for the under represented gender to be at least 25%. At the end of 2021, the underrepresented gender represented 0% of the Board of Directors (2020: 0%).

Income statement 1 January - 31 December

DKK thousand.

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
1	Revenue	289.797	324.662	0	0
	Change in inventories of finished goods and work in progress	-604	850	0	0
	Own work capitalised	0	231	0	232
	Other operating income	7.790	0	0	0
	Costs of raw materials and consumables	-160.945	-172.193	0	0
	Other external costs	-37.068	-39.023	-192	-848
	Gross profit	**98.970**	**114.527**	**-192**	**-616**
3	Staff costs	-70.608	-95.418	-150	-150
	Depreciation, amortisation, and impairment	-11.984	-14.599	0	0
	Operating profit	**16.378**	**4.510**	**-342**	**-766**
	Income from equity investments in subsidiaries	0	0	5.893	3.488
	Other financial income from group enterprises	0	0	749	1.263
	Other financial income	317	260	0	0
4	Other financial costs	-1.991	-3.780	-948	-1.822
	Pre-tax net profit or loss	**14.704**	**990**	**5.352**	**2.163**
	Tax on net profit or loss for the year	-9.486	-72	-6.309	99
5	Results for the year after tax on discontinued operations	0	0	6.175	-910
6	**Net profit or loss for the year**	**5.218**	**918**	**5.218**	**1.352**
	Break-down of the consolidated profit or loss:				
	Shareholders in Interket A/S	5.218	1.352		
	Non-controlling interests	0	-434		
		5.218	**918**		

Balance sheet at 31 December

DKK thousand.

Note	Assets	Group 2021	Group 2020	Parent 2021	Parent 2020
	Non-current assets				
7	Goodwill	21.776	34.678	0	0
	Total intangible assets	21.776	34.678	0	0
8	Property	11.332	12.055	0	0
9	Plant and machinery	49.698	41.071	0	3.662
10	Other fixtures and fittings, tools and equipment	2.667	4.889	0	0
11	Prepayments for property, plant, and equipment	2.628	0	0	0
	Total property, plant, and equipment	66.325	58.015	0	3.662
12	Investments in subsidiaries	0	0	76.073	67.471
13	Receivables from group enterprises	0	0	8.094	8.235
14	Other receivables	0	1.521	0	0
	Total investments	0	1.521	84.167	75.706
	Total non-current assets	**88.101**	**94.214**	**84.167**	**79.368**
	Current assets				
	Raw materials and consumables	15.026	17.255	0	0
	Work in progress	219	2.968	0	0
	Manufactured goods and goods for resale	7.457	7.457	0	0
	Total inventories	22.702	27.680	0	0
	Trade receivables	39.494	46.016	217	0
	Receivables from group enterprises	0	0	2.329	762
15	Deferred tax assets	3.033	9.219	0	2.181
	Income tax receivables	0	67	0	0
	Other receivables	2.419	2.242	451	0
16	Prepayments and accrued income	2.703	2.515	0	0
	Total receivables	47.649	60.059	2.997	2.943
	Cash on hand and demand deposits	6.867	4.083	11	1
5	Assets from discontinued operations	0	0	0	41.145
	Total current assets	**77.218**	**91.822**	**3.008**	**44.089**
	Total assets	**165.319**	**186.036**	**87.175**	**123.457**

Balance sheet at 31 December

DKK thousand.

Equity and liabilities

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Equity				
17	Contributed capital	54.400	54.400	54.400	54.400
	Retained earnings	13.026	6.260	13.026	6.260
	Equity before non-controlling interest.	67.426	60.660	67.426	60.660
	Total equity	**67.426**	**60.660**	**67.426**	**60.660**
	Provisions				
18	Provisions for deferred tax	6.457	5.675	0	0
19	Other provisions	346	1.040	0	0
	Total provisions	**6.803**	**6.715**	**0**	**0**
	Long term labilities other than provisions				
20	Subordinate loan capital	14.520	14.830	14.520	14.830
	Bank loans and mortage debts	3.116	4.568	0	1.055
	Lease liabilities	5.611	6.161	0	0
	Payables to group enterprises	0	0	3	5.916
21	Total long term liabilities other than provisions	23.247	25.559	14.523	21.801
21	Current portion of long term payables	2.389	9.733	0	6.471
	Bank loans	24.956	35.923	4.759	22.329
	Trade payables	22.693	21.945	131	524
	Income tax payable	885	504	0	0
	Other payables	16.920	24.997	336	0
5	Liabilities arising from discontinued operations	0	0	0	11.672
	Total short term liabilities other than provisions	67.843	93.102	5.226	40.996
	Total liabilities other than provisions	**91.090**	**118.661**	**19.749**	**62.797**
	Total equity and liabilities	**165.319**	**186.036**	**87.175**	**123.457**

Balance sheet at 31 December

DKK thousand.

Note	**Equity and liabilities**	Group 2021	Group 2020	Parent 2021	Parent 2020
2	**Fees, auditor**				
22	**Charges and security**				
23	**Contingencies**				
24	**Related parties**				

Consolidated statement of changes in equity

DKK thousand.

	Contributed capital	Retained earnings	Non-controlling interests	Total
Equity 1 January 2020	47.500	8.138	-2.855	52.783
Cash capital increase	6.900	1.104	0	8.004
Retained earnings for the year	0	1.352	-434	918
Acquisition of minority shares	0	-3.578	3.578	0
Foreign exchange adjustment	0	-940	-289	-1.229
Sale of treasury shares	0	184	0	184
Equity 1 2021	54.400	6.260	0	60.660
Retained earnings for the year	0	5.218	0	5.218
Foreign exchange adjustment	0	1.548	0	1.548
	54.400	**13.026**	**0**	**67.426**

Statement of changes in equity of the parent

DKK thousand.

	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Total
Equity 1 January 2020	47.500	0	8.138	55.638
Cash capital increase	6.900	0	1.104	8.004
Share of profit or loss	0	0	1.352	1.352
Foreign exchange adjustment	0	0	-940	-940
Sale of treasury shares	0	0	184	184
Adjustment due to the acquisition of the minority shares	0	0	-3.578	-3.578
Equity 1 January 2021	54.400	0	6.260	60.660
Share of profit or loss	0	0	5.218	5.218
Foreign exchange adjustment	0	0	1.548	1.548
	54.400	**0**	**13.026**	**67.426**

Statement of cash flows 1 January - 31 December

DKK thousand.

Note		Group 2021	Group 2020
	Net profit or loss for the year	5.218	918
25	Adjustments	15.353	18.191
26	Change in working capital	-2.410	4.752
	Cash flows from operating activities before net financials	18.161	23.861
	Interest received, etc.	316	260
	Interest paid, etc.	-1.991	-3.780
	Cash flows from ordinary activities	16.486	20.341
	Income tax paid	-2.070	-1.358
	Cash flows from operating activities	**14.416**	**18.983**
	Purchase of property, plant, and equipment	-27.161	-18.070
	Sale of property, plant, and equipment	32.093	391
	Cash flows from investment activities	**4.932**	**-17.679**
	Acquisition of minority shares	0	-328
	Sale of treasury shares	0	184
	Cash capital increase	0	8.004
	Changes in short-term debt	-16.564	-8.042
	Cash flows from investment activities	**-16.564**	**-182**
	Change in cash and cash equivalents	**2.784**	**1.122**
	Cash and cash equivalents at 1 January	4.083	2.961
	Cash and cash equivalents at 31 December	**6.867**	**4.083**
	Cash and cash equivalents		
	Cash on hand and demand deposits	6.867	4.083
	Cash and cash equivalents at 31 December	**6.867**	**4.083**

Notes

DKK thousand.

		Group 2021	Group 2020	Parent 2021	Parent 2020
1.	**Revenue**				
	Sale of goods (sales method)	289.797	324.662	9.549	58.232
	Discontinued operations	0	0	-9.549	-58.232
		289.797	**324.662**	**0**	**0**

Segmental statement

Activities – primary segment:

	Production and sales of self-adhesive labels	Total
Group	289.797	289.797

Geographical – secondary segment:

	Germany	Denmark	England	Sweden	Netherlands	Total
Group	47.284	9.332	118.189	19.402	95.590	289.797

		Group 2021	Group 2020	Parent 2021	Parent 2020
2.	**Fees, auditor**				
	Total fee for Grant Thornton, State Authorised Public Accountants	212	118	212	118
	Total fee for Allens Accountants Limited, England	173	157	0	0
	Total fee for Bilanzia GmbH, Germany	102	126	0	0
	Total fee for KRC Van Elderen Registeraccaountants B.V., Netherlands	102	86	0	0
	Total fee for Tre Revisorer i Hbg AB, Sweden	47	71	0	0
	Remuneration related to statutory audit	557	448	0	0
	Other services	79	110	0	0
		636	**558**	**0**	**0**

Notes

DKK thousand.

		Group 2021	Group 2020	Parent 2021	Parent 2020
3.	**Staff costs**				
	Salaries and wages	58.596	81.429	150	150
	Pension costs	3.473	4.415	0	0
	Other costs for social security	7.074	7.390	0	0
	Other staff costs	1.465	2.184	0	0
		70.608	**95.418**	**150**	**150**
	Executive board and board of directors	150	1.550	150	1.550
	Average number of employees	184	220	6	34
4.	**Other financial costs**				
	Financial costs, group enterprises	0	0	757	1.063
	Other financial costs	1.991	3.780	191	759
		1.991	**3.780**	**948**	**1.822**

5. Discontinued operations (parent)

In 2021, the enterprise entered into an agreement on the sale of its danish operations to an external party. The sale was completed in March 2021 and, as a result, the net assets to be transferred are currently recognised in the statement of financial position as discontinued operations.

Notes

DKK thousand.

. Discontinued operations (continued)

	Parent 2021	2020
Breakdown of post-tax net profit or loss for the year of discontinued operations into principal items:		
Revenue	9.549	58.232
Change in inventories of finished goods andwork in progress	38	2.208
Costs of raw materials and consumables	-3.423	-32.486
Other external costs	-981	-5.565
Staff costs	1.625	-19.393
Depreciation, amortisation, and impairment	-669	-3.420
Other financial costs	36	-743
Pre-tax profit or loss	6.175	-1.167
Tax on results	0	257
Post-tax net profit or loss for the year of discontinued operations	**6.175**	**-910**

Breakdown of assets and liabilities concerning discontinued operations into principal items:		
Goodwill	0	11.373
Plant and machinery	0	6.832
Other fixtures and fittings, tools and equipment	0	671
Other receivables	0	1.514
Inventories	0	4.863
Trade receivables	0	10.936
Deferred tax assets	0	4.002
Other receivables	0	954
Assets, discontinued operations	0	41.145
Lease liabilities	0	2.711
Trade payables	0	3.881
Other payables	0	5.080
Liabilities, discontinued operations	0	11.672
Net assets, discontinued operations	**0**	**29.473**

The sales price exceed the carrying amount of the net assets.

Notes

DKK thousand.

		Parent 2021	Parent 2020
6.	**Proposed appropriation of net profit**		
	Transferred to retained earnings	5.218	1.352
	Total allocations and transfers	**5.218**	**1.352**

		Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
7.	**Goodwill**				
	Cost 1 January	62.071	62.162	0	22.826
	Translation at the exchange rate at the balance sheet date 31 December	273	-91	0	0
	Disposals during the year	-22.826	0	0	0
	Transfers	0	0	0	-22.826
	Cost 31 December	**39.518**	**62.071**	**0**	**0**
	Amortisation and writedown 1 January	-27.393	-24.829	0	-10.312
	Translation at the exchange rate at the balance sheet date 31 December	-214	140	0	0
	Amortisation and depreciation for the year	-1.589	-2.704	0	-1.142
	Reversal of depreciation, amortisation and impairment loss, assets disposed of	11.454	0	0	0
	Transfers	0	0	0	11.454
	Amortisation and writedown 31 December	**-17.742**	**-27.393**	**0**	**0**
	Carrying amount, 31 December	**21.776**	**34.678**	**0**	**0**

Notes

DKK thousand.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
8.	**Property**				
	Cost 1 January	32.771	32.898	0	0
	Translation at the exchange rate at the balance sheet date 31 December	-20	-127	0	0
	Additions during the year	51	0	0	0
	Disposals during the year	-8.720	0	0	0
	Cost 31 December	**24.082**	**32.771**	**0**	**0**
	Depreciation and writedown 1 January	-20.716	-20.364	0	0
	Translation at the exchange rate at the balance sheet date 31 December	11	79	0	0
	Amortisation and depreciation for the year	-765	-431	0	0
	Reversal of depreciation, amortisation and impairment loss, assets disposed of	8.720	0	0	0
	Depreciation and writedown 31 December	**-12.750**	**-20.716**	**0**	**0**
	Carrying amount, 31 December	**11.332**	**12.055**	**0**	**0**

Notes

DKK thousand.

	Group		Parent	
	31/12 2021	31/12 2020	31/12 2021	31/12 2020
9. Plant and machinery				
Cost 1 January	140.566	132.930	3.662	18.063
Translation at the exchange rate at the balance sheet date 31 December	3.528	-3.656	0	0
Additions during the year	28.430	15.684	1.798	3.662
Disposals during the year	-42.340	-4.392	-5.460	-1.440
Transfers	303	0	0	-16.623
Cost 31 December	**130.487**	**140.566**	**0**	**3.662**
Depreciation and writedown 1 January	-99.495	-98.170	0	-9.616
Translation at the exchange rate at the balance sheet date 31 December	-3.469	2.823	0	0
Amortisation and depreciation for the year	-8.312	-8.532	-479	-1.615
Reversal of depreciation, amortisation and impairment loss, assets disposed of	30.487	4.384	479	1.440
Transfers	0	0	0	9.791
Depreciation and writedown 31 December	**-80.789**	**-99.495**	**0**	**0**
Carrying amount, 31 December	**49.698**	**41.071**	**0**	**3.662**
Lease assets are recognised at a carrying amount of	6.283	13.540	0	3.064

Notes

DKK thousand.

	Group		Parent	
	31/12 2021	31/12 2020	31/12 2021	31/12 2020
10. Other fixtures and fittings, tools and equipment				
Cost 1 January	31.241	30.024	0	7.586
Translation at the exchange rate at the balance sheet date 31 December	719	-619	0	0
Additions during the year	655	2.386	0	332
Disposals during the year	-9.104	-550	0	-158
Transfers	-303	0	0	-7.760
Cost 31 December	**23.208**	**31.241**	**0**	**0**
Depreciation and writedown 1 January	-26.352	-24.124	0	-6.575
Translation at the exchange rate at the balance sheet date 31 December	-661	539	0	0
Amortisation and depreciation for the year	-1.959	-3.313	0	-671
Reversal of depreciation, amortisation and impairment loss, assets disposed of	8.431	546	0	158
Transfers	0	0	0	7.088
Depreciation and writedown 31 December	**-20.541**	**-26.352**	**0**	**0**
Carrying amount, 31 December	**2.667**	**4.889**	**0**	**0**

	Group		Parent	
	31/12 2021	31/12 2020	31/12 2021	31/12 2020
11. Prepayments for property, plant, and equipment				
Additions during the year	2.628	0	0	0
Cost 31 December	**2.628**	**0**	**0**	**0**
Carrying amount, 31 December	**2.628**	**0**	**0**	**0**

Notes

DKK thousand.

		Parent 31/12 2021	Parent 31/12 2020
12.	**Investments in subsidiaries**		
	Cost 1 January	58.960	54.911
	Additions during the year	7.437	4.049
	Cost 31 December	**66.397**	**58.960**
	Revaluations, opening balance 1 January	-15.168	-10.958
	Translation at the exchange rate at the balance sheet date	1.549	-940
	Net profit or loss for the year before amortisation of goodwill	5.893	3.488
	Dividend	-989	-3.180
	Adjustment due to the acquisition of minority shares	0	-3.578
	Revaluation 31 December	**-8.715**	**-15.168**
	Offset against receiveables	18.391	23.679
	Set off against debtors and provisions for liabilities	**18.391**	**23.679**
	Carrying amount, 31 December	**76.073**	**67.471**

Financial highlights for the enterprises according to the latest approved annual reports

DKK in thousands	**Equity interest**	**Equity**	**Results for the year**	**Carrying amount, Interket A/S**
Interket Holding B.V., Ommen, Netherlands	100 %	30.444	5.386	30.444
Interket Holdings UK Limited, Derbyshire, England	100 %	28.165	549	28.165
Interket GmbH, Hannover, Germany	100 %	-18.391	-2.170	-18.391
Interket AB, Helsingborg, Sweden	100 %	17.464	2.128	17.464
		57.682	**5.893**	**57.682**

Interket Holdings UK Limited owns the companies Folderbirch Limited, Tasco Distributors Limited, Stampiton Holdings Limites and Interket Limited 100%.

Interket Holding B.V. owns the companies Interket B.V. and Interket Beheer B.V. 100%.

Notes

DKK thousand.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
13.	**Receivables from group enterprises**				
	Amounts owed by Interket GmbH, Germany	0	0	8.094	8.235
		0	**0**	**8.094**	**8.235**
14.	**Other receivables**				
	Deposits	0	1.521	0	0
		0	**1.521**	**0**	**0**
15.	**Deferred tax assets**				
	Deferred tax assets 1 January	9.219	8.840	2.181	5.793
	Deferred tax of the net profit or loss for the year	-6.186	379	-2.181	390
	Discontinued operations	0	0	0	-4.002
		3.033	**9.219**	**0**	**2.181**

The Group has per December 31, 2021, tax assets totaled DKK 3.033. The tax asset consists of tax loss carryforwards.

Based on the budgets up to 2021, management has estimated that it is probable that future taxable income will be available within 3-5 years in which unused tax losses and unused tax deductions can be utilized.

16. Prepayments and accrued income

Prepayments consist of prepaid leasing, insurance and generel expenses.

17. Contributed capital

The share capital consists of 10.880.000 shares, each with a nominal value of DKK 5. The share capital is fully paid. The share capital is not devided into classes, and there are no special rights for any shares.

Notes

DKK thousand.

		Group	
		31/12 2021	31/12 2020
18.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 January	5.675	6.492
	Deferred tax of the net profit or loss for the year	782	-817
	Deferred tax recognised directly in equity	0	0
		6.457	**5.675**

19. Other provisions

Provisions include a clean up obligation in the Netherlands.

20. Subordinate loan capital

In February 2016, the parent company issued subordinated loan capital to associated companies at a nominal value of t.SEK 20.000, at an annual interest rate of 5%. The loans are subordinated capital, which retires for other debt obligations of the company. As of December 31, 2021, the loan amounts to DKK 14,5 million, due on January 1, 2022.

21. Liabilities other than provision

	Total payables 31 Dec 2021	Current portion of long term payables	Long term payables 31 Dec 2021	Outstanding payables after 5 years
Group				
Subordinate loan capital	14.520	0	14.520	0
Bank loans and mortage debts	3.511	395	3.116	0
Lease liabilities	7.605	1.994	5.611	0
	25.636	**2.389**	**23.247**	**0**
Parent				
Subordinate loan capital	14.520	0	14.520	0
Payables to group enterprises	3	0	3	0
	14.523	**0**	**14.523**	**0**

Notes

DKK thousand.

22. Charges and security

Parent

Interket A/S has issued a corporate mortgage on t.DKK. 12.000 for security of engagement with Nordea, as per December 31, 2021, t.DKK. 4.738 (2020: t.DKK. 16.230). The corporate mortgage comprises simple receivables from sales and services (secondary mortgage), inventories, operating inventory and equipment, goodwill, domain names and rights, the carrying amount of which is per of December 31, 2021, t.DKK. 2.168 (2020: t.DKK. 42.970).

The company has guaranteed for debt to subsidiaries bank connections.

Group

The Group has collateral for debt to banks and mortgage-credit institutes, totaling t.DKK. 28.072 (2020: t.DKK 40.491), paid down on a mortgage of DKK 12.000 plus mortgages on land and buildings, inventory and debtors whose carrying value per December 31, 2021, t.DKK. 73.528 (2020: t.DKK. 85.751).

Production plants and machines where the carrying amount per December 31, 2021, t.DKK. 6.283 cf. note 9, is financed by financial leasing, with the lease obligation on December 31, 2021, amounting to t.DKK 7.605.

23. Contingencies

Contingent liabilities

Parent

Interket A/S has per of December 31, 2021, the guarantor is liable for financial- and mortgage debt in subsidiaries and has contingent liabilities arising from ordinary operations.

Group

The Group has per of December 31, 2021, no contingent liabilities, other than the booked provisions for the potential clean-up of contaminated land in The Netherlands, leases and the obligations arising from ordinary operations.

Thus, the total future minimum lease payments under non-cancellable leases are distributed; within one year from the balance sheet date t.DKK. 3.447 and after five years from the balance sheet date t.DKK. 3.048. The total residual lease obligation amounts to t.DKK. 14.962.

Notes

DKK thousand.

24. Related parties

Controlling interest

Parkander Invest AB	Majority shareholder
Karlbergsvägen 75 bv	
113 28 Stockholm	

Transactions

There have been no movements with related parties that have not been concluded on market terms.

Consolidated financial statements

The company is included in the consolidated financial statements of Parkander Invest AB, Stockholm, Sweden. The annual report can be obtained by contacting the company.

	Group 2021	2020
25. Adjustments		
Depreciation, amortisation, and impairment	11.983	14.599
Profit from sale of assets	-7.790	0
Other financial income	-317	-260
Other financial costs	1.991	3.780
Tax on net profit or loss for the year	9.486	72
	15.353	**18.191**

26. Change in working capital		
Change in inventories	135	361
Change in receivables	-6.524	3.636
Change in trade payables and other payables	3.979	755
	-2.410	**4.752**

Accounting policies

The annual report for Interket A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Interket A/S.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Recognition of discontinued operations

Discontinued operations represent a considerable part of the enterprise if activities and cash flows, in operational and accounting terms, are recognised separately from the rest of the enterprise and if the entity has either been sold or demerged and held for sale and this sale is expected to be completed within one year in accordance with a formal plan. Also, discontinued operations comprise enterprises which, on acquisition, were classified as held for sale.

Post-tax profit or loss on discontinued operations and value adjustments after tax on related assets and liabilities as well as gains/losses from sales are recognised as separate items in the income statement without restating comparatives. Revenue, costs, value adjustments, and tax on the discontinued operation in question are recognised in the notes. Assets and related liabilities concerning discontinued operations are recognised as separate items in the statement of financial position without restating comparatives and the principal items are specified in the notes.

Accounting policies

Assets relating to discontinued operations comprise non-current assets and disposal groups, the disposal of which is expected as a result of discontinued operations. Disposal groups are assets disposed of in whole by sale or similar transaction. Liabilities arising from assets concerning discontinued operations are obligations related directly to these assets and will be transferred upon transaction. Assets are classified as assets relative to discontinued operations when their carrying amount is primarily recovered through disposal within a 12-month period in accordance with a formal plan rather than through continued use.

Assets or disposal groups relative to discontinued operations are measured at the lowest value at the time of an operation being classified as a discontinued operation, or at fair value less sales costs. Assets are not depreciated or amortised as of the time they are classified as discontinued operations.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve.

The consolidated financial statements

The consolidated income statements comprise the parent company Interket A/S and those group enterprises of which Interket A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Accounting policies

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' market value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Non-controlling interests

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Usually, the conditions for recognition of net sales are met when the goods are transferred to the buyer.

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Own work capitalised

Own work capitalised includes staff cost and other internal costs incurred during the financial year and recognised in the cost of proprietary intangible and tangible fixed assets.

Accounting policies

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise.

Other external costs

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement of the parent as a proportional share of the group enterprises' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised over the estimated useful life, which is determined on the basis of management’s experience in the individual business areas. Goodwill is amortised on a straightline basis over the amortisation period, which is set at between 5 and 25 years. The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategical acquirees with a strong market position and an expected longterm earnings profile.

Accounting policies

Tangible assets

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	30 years
Plant and machinery	5-15 years
Other fixtures and fittings, tools and equipment	1-6 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers and payroll costs concerning the construction of each individual asset.

Property, plant, and equipment in progress

Property, plant, and equipment in progress are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Accounting policies

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the group holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Accounting policies

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Accounting policies

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Treasury shares

Purchase prices and sales prices of own shares are recognised directly in equity. The capital reduction arising from the cancellation of own shares will reduce the share capital by an amount corresponding to the nominal value of the shares and increase the results brought forward, respectively.

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates. The reserve cannot be recognised by a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Accounting policies

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Provisions

Provisions comprise expected costs of warranty commitments, restructuring, etc. Provisions are recognised when the group has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the group.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Accounting policies

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans and repayments of interest-bearing payables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

Segmental statement

Information on activity and geographical markets is provided. The segmental statement complies with the consolidated accounting policies, risks, and management control systems of the company.

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Bent Aage Petersen
Bestyrelsesmedlem
Serial number: PID:9208-2002-2-091222338281
IP: 178.155.xxx.xxx
2022-05-17 09:08:06 UTC
NEM ID

Åke Fredriksson
Bestyrelsesformand
Serial number: 19480915xxxx
IP: 90.224.xxx.xxx
2022-05-17 09:27:51 UTC
BankID

Carl Fredrik Ekholm Parkander
Direktør
Serial number: 19730906xxxx
IP: 213.124.xxx.xxx
2022-05-17 09:34:54 UTC
BankID

Carl Fredrik Ekholm Parkander
Bestyrelsesmedlem
Serial number: 19730906xxxx
IP: 213.124.xxx.xxx
2022-05-17 09:34:54 UTC
BankID

Björn Parkander
Bestyrelsesmedlem
Serial number: 19480429xxxx
IP: 94.136.xxx.xxx
2022-05-17 09:38:44 UTC
BankID

Hans Holger Therp
Bestyrelsesmedlem
Serial number: PID:9208-2002-2-815485814294
IP: 176.22.xxx.xxx
2022-05-17 10:57:07 UTC
NEM ID

Claus Koskelin
Statsautoriseret revisor
Serial number: CVR:34209936-RID:33454146
IP: 62.243.xxx.xxx
2022-05-17 10:58:03 UTC
NEM ID

Maibritt Nygaard
Statsautoriseret revisor
Serial number: CVR:34209936-RID:86068913
IP: 62.243.xxx.xxx
2022-05-17 11:01:22 UTC
NEM ID

Penneo document key: AM1YI-E3ZGM-W1BNN-234ZG-7VWB0-YGIVU

Bent Aage Petersen
Dirigent
Serial number: PID:9208-2002-2-091222338281
IP: 62.198.xxx.xxx
2022-05-17 11:24:44 UTC

NEM ID