



## Cycle Service Nordic ApS

Emil Neckelmanns Vej 6  
5220 Odense SØ  
CVR No. 14412107

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 31.05.2022

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**Bo Bækkelund**

Chairman of the General Meeting

# Contents

Entity details	2
Statement by Management on the annual report	3
Independent auditor's report	4
Management commentary	7
Consolidated income statement for 2021	9
Consolidated balance sheet at 31.12.2021	10
Consolidated statement of changes in equity for 2021	12
Consolidated cash flow statement for 2021	13
Notes to consolidated financial statements	15
Parent income statement for 2021	20
Parent balance sheet at 31.12.2021	21
Parent statement of changes in equity for 2021	23
Notes to parent financial statements	24
Accounting policies	28

# Entity details

## Entity

Cycle Service Nordic ApS  
Emil Neckelmanns Vej 6  
5220 Odense SØ

Business Registration No.: 14412107  
Registered office: Odense  
Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Anthonie Hilbert Anbeek  
Philippa Wibberley  
Ruben Sewnarain Baldew

## Executive Board

Bo Bækkelund

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Tværkajen 5  
P. O. Box 10  
5100 Odense

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Cycle Service Nordic ApS for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

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

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

Odense, 09.05.2022

## Executive Board

**Bo Bækkelund**

## Board of Directors

**Anthonie Hilbert Anbeek**

**Philippa Wibberley**

**Ruben Sewnarain Baldew**

# Independent auditor's report

## To the shareholders of Cycle Service Nordic ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Cycle Service Nordic ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board 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.

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

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

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

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

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

Denmark will always detect a material misstatement when it exists. Misstatements 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

**Statement on the management commentary**

Management is responsible for the management commentary.

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

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

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

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

Odense, 09.05.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Heino Hyllested Tholsgaard**

State Authorised Public Accountant  
Identification No (MNE) mne34511

# Management commentary

## Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
<b>Key figures</b>					
Gross profit/loss	53,735	39,472	26,907	23,361	26,133
Operating profit/loss	11,076	41	(4,411)	1,713	7,267
Net financials	(2,659)	(2,447)	(2,456)	(1,241)	(927)
Profit/loss for the year	6,341	(2,136)	(5,385)	334	4,997
Balance sheet total	210,787	169,684	144,459	88,372	74,362
Investments in property, plant and equipment	4,912	2,751	36,188	3,088	823
Equity	27,328	20,871	23,192	28,567	28,267
Cash flows from operating activities	(7,169)	2,010	9,805	1,278	953
Cash flows from investing activities	(1,376)	(8,548)	(2,571)	(4,506)	(603)
Cash flows from financing activities	(18,889)	16,943	(4,079)	0	0
Average number of employees	85	78	56	54	48
<b>Ratios</b>					
Return on equity (%)	26.31	(9.70)	(20.81)	1.18	19.39
Equity ratio (%)	12.96	12.30	16.05	32.33	38.01

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

### Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

### Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$



### Primary activities

As in previous years, the primary activities of the parent and the group are wholesaling in bicycle parts and accessories.

### Development in activities and finances

The parent and the group continues to invest in a strong local setup in the Nordic region in order to become a One-Stop-Shopping supplier with local presence in all four Nordic countries.

### Profit/loss for the year in relation to expected developments

The growth in gross profit is considered sufficient, and the positive development is linked to a growth in turnover on all four Nordic markets on both new and existing brands. The positive net result in 2021 is a result of a significant growth in turnover combined with a continued focus on efficiency and innovation leading to cost savings around the internal logistics. The parent and the group anticipated a limited positive result for 2021 and consider the result satisfactory.

### Uncertainty relating to recognition and measurement

There have been no material uncertainties or unusual matters affecting recognition and measurement.

### Outlook

The parent and the group expect to realize a growth in turnover of 6-10% and a net profit in 2022 around 4-6 mill. DKK, but due to the ongoing uncertainty in the market linked to the COVID-19 pandemic as well as the present Eastern Europe conflict in Ukraine, there is an obvious and significant uncertainty linked to this outlook. Risk management plans and procedures are implemented and are constantly being updated to meet the restrictions from local governments. The turnover in the first two months of 2022 has exceeded the budget and the prognosis for the upcoming season remains positive.

### Knowledge resources

The parent and the group have the ambition to be at the forefront of the technologies used in the distribution segment for parts and accessories in the bicycle business. In order to continuously improve products and services, it is crucial for the parent and the group to continue to attract, train and maintain highly qualified staff in all areas important for the parent and the group.

### Environmental performance

The parent and the group monitors as many environmental aspects as possible. The objective is to carry out continuous improvements and minimize the environmental and work environment impacts that might exist around energy optimization, recycling etc.

### Events after the balance sheet date

No events have occurred after the balance sheet date to which would influence the evaluation of this annual report; however the COVID-19 pandemic and the Eastern Europe conflict in Ukraine obviously brings a lot of uncertainty to the outlook for 2022. The turnover in the first months of 2022 has ended at a higher level equal to same period last year, and the activity level so far seems to remain at a high level like in the previous year.

# Consolidated income statement for 2021

	Notes	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>53,735,086</b>	<b>39,472,006</b>
Staff costs	2	(35,442,597)	(33,415,009)
Depreciation, amortisation and impairment losses		(7,216,477)	(6,015,868)
<b>Operating profit/loss</b>		<b>11,076,012</b>	<b>41,129</b>
Other financial income		386	21,585
Financial expenses from group enterprises		(938,789)	(936,836)
Other financial expenses		(1,720,888)	(1,532,201)
<b>Profit/loss before tax</b>		<b>8,416,721</b>	<b>(2,406,323)</b>
Tax on profit/loss for the year	3	(2,075,534)	269,975
<b>Profit/loss for the year</b>	4	<b>6,341,187</b>	<b>(2,136,348)</b>

# Consolidated balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Acquired intangible assets		6,890,506	8,206,256
<b>Intangible assets</b>	5	<b>6,890,506</b>	<b>8,206,256</b>
Land and buildings		24,197,385	25,244,649
Other fixtures and fittings, tools and equipment		3,470,566	2,693,423
Leasehold improvements		1,969,735	2,799,443
<b>Property, plant and equipment</b>	6	<b>29,637,686</b>	<b>30,737,515</b>
Other receivables		1,571,947	1,571,947
Deferred tax	8	1,571,328	3,110,768
<b>Financial assets</b>	7	<b>3,143,275</b>	<b>4,682,715</b>
<b>Fixed assets</b>		<b>39,671,467</b>	<b>43,626,486</b>
Manufactured goods and goods for resale		134,738,108	69,251,412
Prepayments for goods		0	2,344,146
<b>Inventories</b>		<b>134,738,108</b>	<b>71,595,558</b>
Trade receivables		25,015,798	30,610,989
Receivables from group enterprises		5,754	366
Other receivables		5,790,451	4,952,142
Tax receivable		114,109	16,949
Prepayments	9	489,453	1,562,959
<b>Receivables</b>		<b>31,415,565</b>	<b>37,143,405</b>
<b>Cash</b>		<b>4,961,408</b>	<b>17,318,663</b>
<b>Current assets</b>		<b>171,115,081</b>	<b>126,057,626</b>
<b>Assets</b>		<b>210,786,548</b>	<b>169,684,112</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital	10	200,000	200,000
Translation reserve		(76,144)	(183,759)
Retained earnings		27,204,382	20,855,195
<b>Equity</b>		<b>27,328,238</b>	<b>20,871,436</b>
Lease liabilities		21,554,795	23,906,105
Other payables		0	1,842,042
<b>Non-current liabilities other than provisions</b>	<b>11</b>	<b>21,554,795</b>	<b>25,748,147</b>
Current portion of non-current liabilities other than provisions	11	5,014,158	3,417,211
Bank loans		49,598,361	46,437,133
Trade payables		47,031,132	34,377,160
Payables to group enterprises		47,238,965	25,080,726
Tax payable		283,935	429,799
Other payables		12,508,775	13,190,742
Deferred income	13	228,189	131,758
<b>Current liabilities other than provisions</b>		<b>161,903,515</b>	<b>123,064,529</b>
<b>Liabilities other than provisions</b>		<b>183,458,310</b>	<b>148,812,676</b>
<b>Equity and liabilities</b>		<b>210,786,548</b>	<b>169,684,112</b>
Events after the balance sheet date	1		
Contingent liabilities	15		
Assets charged and collateral	16		
Transactions with related parties	17		
Group relations	18		
Subsidiaries	19		

# Consolidated statement of changes in equity for 2021

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Total DKK
Equity beginning of year	200,000	(183,759)	20,855,195	20,871,436
Exchange rate adjustments	0	107,615	0	107,615
Other entries on equity	0	0	8,000	8,000
Profit/loss for the year	0	0	6,341,187	6,341,187
<b>Equity end of year</b>	<b>200,000</b>	<b>(76,144)</b>	<b>27,204,382</b>	<b>27,328,238</b>

# Consolidated cash flow statement for 2021

	Notes	2021 DKK	2020 DKK
Operating profit/loss		11,076,012	41,129
Amortisation, depreciation and impairment losses		7,216,477	6,015,868
Working capital changes	14	(23,075,293)	(1,156,014)
<b>Cash flow from ordinary operating activities</b>		<b>(4,782,804)</b>	<b>4,900,983</b>
Financial income received		386	21,585
Financial expenses paid		(2,659,677)	(2,469,037)
Taxes refunded/(paid)		272,886	(443,962)
<b>Cash flows from operating activities</b>		<b>(7,169,209)</b>	<b>2,009,569</b>
Acquisition etc. of intangible assets		0	(7,880,812)
Acquisition etc. of property, plant and equipment		(1,375,796)	(900,167)
Sale of property, plant and equipment		0	36,140
Sale of fixed asset investments		0	197,203
<b>Cash flows from investing activities</b>		<b>(1,375,796)</b>	<b>(8,547,636)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(8,545,005)</b>	<b>(6,538,067)</b>
Loans raised		0	19,918,385
Repayments of loans etc.		(11,915,791)	0
Reduction of lease commitments		(5,131,436)	(4,204,629)
Holiday pay obligation		(1,842,042)	1,228,926
<b>Cash flows from financing activities</b>		<b>(18,889,269)</b>	<b>16,942,682</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(27,434,274)</b>	<b>10,404,615</b>
Cash and cash equivalents beginning of year		17,318,663	6,914,048
<b>Cash and cash equivalents end of year</b>		<b>(10,115,611)</b>	<b>17,318,663</b>
Cash and cash equivalents at year-end are composed of:			
Cash		4,961,408	17,318,663
Short-term bank loans		(15,077,019)	0

<b>Cash and cash equivalents end of year</b>	<b>(10,115,611)</b>	<b>17,318,663</b>
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# Notes to consolidated financial statements

## 1 Events after the balance sheet date

No events have occurred after the balance sheet date to which would influence the evaluation of this annual report; however the COVID-19 pandemic and the Eastern Europe conflict in Ukraine obviously brings a lot of uncertainty to the outlook for 2022. The turnover in the first months of 2022 has ended at a higher level equal to same period last year, and the activity level so far seems to remain at a high level like in the previous year.

## 2 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	30,193,223	28,396,826
Pension costs	2,948,710	2,545,759
Other social security costs	1,740,098	1,526,647
Other staff costs	560,566	945,777
	<b>35,442,597</b>	<b>33,415,009</b>
Average number of full-time employees	<b>85</b>	<b>78</b>

With reference to section 98b of the Danish Financial Statements Act, the note with remuneration of management is left out.

## 3 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	476,332	589,824
Change in deferred tax	1,539,440	(859,799)
Adjustment concerning previous years	59,762	0
	<b>2,075,534</b>	<b>(269,975)</b>

## 4 Proposed distribution of profit/loss

	2021 DKK	2020 DKK
Retained earnings	6,341,187	(2,136,348)
	<b>6,341,187</b>	<b>(2,136,348)</b>



## 5 Intangible assets

	<b>Acquired intangible assets DKK</b>
Cost beginning of year	9,155,636
Additions	155,462
<b>Cost end of year</b>	<b>9,311,098</b>
Amortisation and impairment losses beginning of year	(949,380)
Amortisation for the year	(1,471,212)
<b>Amortisation and impairment losses end of year</b>	<b>(2,420,592)</b>
<b>Carrying amount end of year</b>	<b>6,890,506</b>

## 6 Property, plant and equipment

	<b>Land and buildings DKK</b>	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
Cost beginning of year	31,343,450	7,965,430	4,380,588
Additions	2,388,841	2,465,891	56,828
Disposals	0	(665,520)	0
<b>Cost end of year</b>	<b>33,732,291</b>	<b>9,765,801</b>	<b>4,437,416</b>
Depreciation and impairment losses beginning of year	(6,098,801)	(5,272,007)	(1,581,145)
Depreciation for the year	(3,436,105)	(1,403,857)	(886,536)
Reversal regarding disposals	0	380,629	0
<b>Depreciation and impairment losses end of year</b>	<b>(9,534,906)</b>	<b>(6,295,235)</b>	<b>(2,467,681)</b>
<b>Carrying amount end of year</b>	<b>24,197,385</b>	<b>3,470,566</b>	<b>1,969,735</b>
Recognised assets not owned by Entity	24,197,385	1,491,310	0

## 7 Financial assets

	<b>Other receivables DKK</b>	<b>Deferred tax DKK</b>
Cost beginning of year	1,571,947	3,110,768
Disposals on divestments etc.	0	(1,539,440)
<b>Cost end of year</b>	<b>1,571,947</b>	<b>1,571,328</b>
<b>Carrying amount end of year</b>	<b>1,571,947</b>	<b>1,571,328</b>

## 8 Deferred tax

<b>Changes during the year</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Beginning of year	3,110,768	2,250,969
Recognised in the income statement	(1,539,440)	859,799
<b>End of year</b>	<b>1,571,328</b>	<b>3,110,768</b>

### Deferred tax assets

Based on budgets, management expects to be able to utilize tax assets within a 3-5 year period.

## 9 Prepayments

Prepayments consist of prepaid costs.

## 10 Contributed capital

	<b>Number</b>	<b>Par value DKK</b>	<b>Nominal value DKK</b>
Shares	200	1000	200,000
	<b>200</b>		<b>200,000</b>

The Parent's share capital has remained DKK 200,000 over the past 5 years.

## 11 Non-current liabilities other than provisions

	<b>Due within 12 months 2021 DKK</b>	<b>Due within 12 months 2020 DKK</b>	<b>Due after more than 12 months 2021 DKK</b>	<b>Outstanding after 5 years 2021 DKK</b>
Lease liabilities	5,014,158	3,417,211	21,554,795	8,939,224
	<b>5,014,158</b>	<b>3,417,211</b>	<b>21,554,795</b>	<b>8,939,224</b>

## 12 Payables to group enterprises

The group is part of a cash pool scheme administered by Accell Group N.V. As of December 31, 2021 the balance in the cashpool scheme amounts to DKK 47,086,150. The group is liable for the other group companies in the cash pool agreement.

## 13 Deferred income

Deferred income contains contributions that are not recognised as income, until the recognition criteria are met.

## 14 Changes in working capital

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Increase/decrease in inventories	(63,142,550)	9,715,993
Increase/decrease in receivables	5,825,000	(19,582,379)
Increase/decrease in trade payables etc.	34,226,677	8,585,231
Other changes	15,580	125,141
	<b>(23,075,293)</b>	<b>(1,156,014)</b>

## 15 Contingent liabilities

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which Accel Danmark ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities.

## 16 Assets charged and collateral

Bank debt is secured on a charge on receivables of nominal amount of DKK 7,500,000.

Receivables comprise to DKK 31,451,947 at 31.12.2021.

## 17 Transactions with related parties

	<b>Parent</b>	<b>Other related parties</b>
	<b>DKK</b>	<b>DKK</b>
Cost of goods	8,536	641,325
Other costs	66,577	13,386,580
Group internal fees outbound	0	3,805,897
Other operational expenses (salaries, rent etc.)	154,678	1,507,149
Other financial expenses	938,789	0
PP&E	0	264,312
Receivables	0	5,754
Liabilities other than provisions	47,086,150	152,815

## 18 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group: Accel Group N.V., P.O. Box 435 8440 AK Industriweg 4, 8444 AR Heerenveen, The Netherlands

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Batavus B.V., P.O. Box 515 Industrieweg 4, 8444 AR Heerenveen, The Netherlands

### 19 Subsidiaries

	<b>Registered in</b>	<b>Ownership %</b>
Cycle Service Nordic AS	Norway	100
Cycle Service Nordic OY	Finland	100
Cycle Service Nordic AB	Sweden	100

# Parent income statement for 2021

	Notes	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>39,531,502</b>	<b>26,823,560</b>
Staff costs	2	(26,287,947)	(25,264,587)
Depreciation, amortisation and impairment losses		(6,033,721)	(5,140,873)
<b>Operating profit/loss</b>		<b>7,209,834</b>	<b>(3,581,900)</b>
Income from investments in group enterprises		1,837,065	1,811,523
Other financial income	3	1,347,898	587,189
Financial expenses from group enterprises		(1,375,505)	(936,836)
Other financial expenses	4	(1,387,043)	(1,124,093)
<b>Profit/loss before tax</b>		<b>7,632,249</b>	<b>(3,244,117)</b>
Tax on profit/loss for the year	5	(1,291,062)	1,107,769
<b>Profit/loss for the year</b>	6	<b>6,341,187</b>	<b>(2,136,348)</b>

# Parent balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Acquired intangible assets		6,890,506	8,206,256
<b>Intangible assets</b>	7	<b>6,890,506</b>	<b>8,206,256</b>
Land and buildings		22,324,629	24,945,415
Other fixtures and fittings, tools and equipment		1,983,775	1,541,974
Leasehold improvements		1,969,735	2,799,443
<b>Property, plant and equipment</b>	8	<b>26,278,139</b>	<b>29,286,832</b>
Investments in group enterprises		8,389,870	6,437,190
Other receivables		1,571,947	1,571,947
Deferred tax	10	2,032,782	3,306,895
<b>Financial assets</b>	9	<b>11,994,599</b>	<b>11,316,032</b>
<b>Fixed assets</b>		<b>45,163,244</b>	<b>48,809,120</b>
Manufactured goods and goods for resale		134,738,108	69,251,412
Prepayments for goods		0	2,344,146
<b>Inventories</b>		<b>134,738,108</b>	<b>71,595,558</b>
Trade receivables		9,466,607	9,787,906
Receivables from group enterprises		8,623,735	23,488,934
Other receivables		5,760,752	4,935,234
Tax receivable		0	16,949
Prepayments	11	218,777	1,407,764
<b>Receivables</b>		<b>24,069,871</b>	<b>39,636,787</b>
<b>Cash</b>		<b>97,884</b>	<b>1,332,099</b>
<b>Current assets</b>		<b>158,905,863</b>	<b>112,564,444</b>
<b>Assets</b>		<b>204,069,107</b>	<b>161,373,564</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital		200,000	200,000
Reserve for net revaluation according to equity method		8,099,696	6,147,017
Retained earnings		19,028,542	14,524,419
<b>Equity</b>		<b>27,328,238</b>	<b>20,871,436</b>
Lease liabilities		20,293,642	23,370,424
Other payables		0	1,842,042
<b>Non-current liabilities other than provisions</b>	<b>12</b>	<b>20,293,642</b>	<b>25,212,466</b>
Current portion of non-current liabilities other than provisions	12	3,420,454	2,672,590
Bank loans		49,598,361	46,437,133
Trade payables		46,649,026	34,112,151
Payables to group enterprises	13	49,505,056	25,082,278
Other payables		7,046,141	6,853,752
Deferred income	14	228,189	131,758
<b>Current liabilities other than provisions</b>		<b>156,447,227</b>	<b>115,289,662</b>
<b>Liabilities other than provisions</b>		<b>176,740,869</b>	<b>140,502,128</b>
<b>Equity and liabilities</b>		<b>204,069,107</b>	<b>161,373,564</b>
Events after the balance sheet date	1		
Contingent liabilities	15		
Assets charged and collateral	16		
Related parties with controlling interest	17		
Transactions with related parties	18		

# Parent statement of changes in equity for 2021

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	200,000	6,147,017	14,524,419	20,871,436
Exchange rate adjustments	0	107,615	0	107,615
Other entries on equity	0	8,000	0	8,000
Transfer to reserves	0	1,837,064	(1,837,064)	0
Profit/loss for the year	0	0	6,341,187	6,341,187
<b>Equity end of year</b>	<b>200,000</b>	<b>8,099,696</b>	<b>19,028,542</b>	<b>27,328,238</b>



# Notes to parent financial statements

## 1 Events after the balance sheet date

No events have occurred after the balance sheet date to which would influence the evaluation of this annual report; however the COVID-19 pandemic and the Eastern Europe conflict in Ukraine obviously brings a lot of uncertainty to the outlook for 2022. The turnover in the first months of 2022 has ended at a higher level equal to same period last year, and the activity level so far seems to remain at a high level like in the previous year.

## 2 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	22,972,991	21,458,756
Pension costs	2,183,257	1,883,308
Other social security costs	724,601	656,094
Other staff costs	407,098	1,266,429
	<b>26,287,947</b>	<b>25,264,587</b>
Average number of full-time employees	<b>67</b>	<b>62</b>

With reference to section 98b of the Danish Financial Statements Act, a note with remuneration of management is left out.

## 3 Other financial income

	2021 DKK	2020 DKK
Financial income from group enterprises	1,347,512	565,604
Other financial income	386	21,585
	<b>1,347,898</b>	<b>587,189</b>

## 4 Other financial expenses

	2021 DKK	2020 DKK
Other interest expenses	506,191	560,750
Other financial expenses	880,852	563,343
	<b>1,387,043</b>	<b>1,124,093</b>

## 5 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Change in deferred tax	1,274,113	(1,107,769)
Adjustment concerning previous years	16,949	0
	<b>1,291,062</b>	<b>(1,107,769)</b>

## 6 Proposed distribution of profit and loss

	2021 DKK	2020 DKK
Retained earnings	6,341,187	(2,136,348)
	<b>6,341,187</b>	<b>(2,136,348)</b>

## 7 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	9,155,636
Additions	155,462
<b>Cost end of year</b>	<b>9,311,098</b>
Amortisation and impairment losses beginning of year	(949,380)
Amortisation for the year	(1,471,212)
<b>Amortisation and impairment losses end of year</b>	<b>(2,420,592)</b>
<b>Carrying amount end of year</b>	<b>6,890,506</b>

## 8 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	30,516,969	5,321,211	4,380,588
Additions	197,780	1,299,208	56,828
Disposals	0	(283,464)	0
<b>Cost end of year</b>	<b>30,714,749</b>	<b>6,336,955</b>	<b>4,437,416</b>
Depreciation and impairment losses beginning of year	(5,571,554)	(3,779,237)	(1,581,145)
Depreciation for the year	(2,818,566)	(857,407)	(886,536)
Reversal regarding disposals	0	283,464	0
<b>Depreciation and impairment losses end of year</b>	<b>(8,390,120)</b>	<b>(4,353,180)</b>	<b>(2,467,681)</b>
<b>Carrying amount end of year</b>	<b>22,324,629</b>	<b>1,983,775</b>	<b>1,969,735</b>
Recognised assets not owned by entity	22,324,629	706,843	0

## 9 Financial assets

	Investments in group enterprises DKK	Other receivables DKK	Deferred tax DKK
Cost beginning of year	290,174	1,571,947	3,306,895
Disposals on divestments etc.	0	0	(1,274,113)
<b>Cost end of year</b>	<b>290,174</b>	<b>1,571,947</b>	<b>2,032,782</b>
Revaluations beginning of year	6,147,016	0	0
Exchange rate adjustments	107,615	0	0
Share of profit/loss for the year	1,837,065	0	0
Other adjustments	8,000	0	0
<b>Revaluations end of year</b>	<b>8,099,696</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>8,389,870</b>	<b>1,571,947</b>	<b>2,032,782</b>

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

## 10 Deferred tax

	2021 DKK	2020 DKK
<b>Changes during the year</b>		
Beginning of year	3,306,895	2,199,126
Recognised in the income statement	(1,274,113)	1,107,769
<b>End of year</b>	<b>2,032,782</b>	<b>3,306,895</b>

### Deferred tax assets

Based on budgets, management expects to be able to utilize tax assets within a 3-5 year period.

## 11 Prepayments

Prepayments consists of prepaid costs.

## 12 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due within 12 months 2020 DKK	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Lease liabilities	3,420,454	2,672,590	20,293,642	8,939,224
	<b>3,420,454</b>	<b>2,672,590</b>	<b>20,293,642</b>	<b>8,939,224</b>

## 13 Payables to group enterprises

The company is part of a cash pool scheme administered by Accell Group N.V. As of December 31, 2021 the balance in the cashpool scheme amounts to DKK 47,086,150. The company is liable for the other group companies in the cash pool agreement.

#### 14 Deferred income

Deferred income contains contributions that are not recognised as income, until the recognition criteria are met.

#### 15 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Accell Danmark ApS serves as the administration company.

According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities.

Furthermore, the Entity has provided a guarantee regarding the subsidiaries' bank debt. The subsidiaries' bank debt comprises to DKK 0 as of 31.12.2021.

#### 16 Assets charged and collateral

Bank debt is secured on a charge receivables of a nominal amount of DKK 7,500,000.

Receivables comprises to DKK 24.064.571 at 31.12.2021.

#### 17 Related parties with controlling interest

Parent Accell Danmark ApS, Tobaksgården 6, 8700 Horsens, Denmark, Participating interest.

Accell Group N.V., P.O. Box 435 8440 AK Industriweg 4, 8444 AF Heerenveen, The Netherlands.

#### 18 Transactions with related parties

	Parent	Subsidiaries	Other related
	DKK	DKK	parties
	DKK	DKK	DKK
Revenue	8,536	175,716,497	641,325
Cost of goods	66,577	0	13,386,580
Group internal fees inbound	0	8,563,413	0
Group internal fees outbound	0	687,773	3,805,897
Other operational expenses (salaries, rent etc.)	154,678	0	0
Other financial income	0	1,347,512	0
Other financial expenses	938,789	436,716	0
Receivables	0	8,618,435	5,300
Liabilities other than provisions	47,086,150	2,266,090	152,815

# Accounting policies

## Reporting class

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

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year apart from changes made in the cash flow statement. The changes are described in the section for account policies for the cash flow statement.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

## Basis of consolidation

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

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

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

### **Business combinations**

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives, however no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

### **Profit or loss from divestment of enterprises**

Profits or losses from divestment or winding-up of enterprises are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment and winding-up, respectively, including any non-amortised goodwill and estimated selling or winding-up expenses.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

### **Income statement**

#### **Gross profit or loss**

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, costs of raw materials and consumables and external expenses.

#### **Revenue**

Revenue from the sale of goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

**Cost of sales**

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

**Other external expenses**

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

**Staff costs**

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

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing.

**Income from investments in group enterprises**

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

**Other financial income**

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

**Financial expenses from group enterprises**

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

**Other financial expenses**

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

**Tax on profit/loss for the year**

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

The Parent is jointly taxed with Accell Danmark ApS and all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Acquired intangible assets**

Acquired intangible assets comprise customer directory.

Acquired intangible assets acquired are measured at cost less accumulated amortisation.

Acquired intangible assets are amortised on a straight-line basis over their remaining duration.

Depreciation is made on the basis of a useful lifetime of 7 years.

Acquired intangible assets are written down to the lower of recoverable amount and carrying amount.

### **Property, plant and equipment**

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

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

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

Buildings	10 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

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

Estimated useful lives and residual values are reassessed annually.

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

#### **Lease assets**

On initial recognition, lease assets are measured at the amount of the initial measurement of the lease liabilities, any lease payments made before the commencement date less any lease incentives received, and any initial direct costs incurred by the lessee.

An estimate of costs to be incurred by the lessee in dismantling and removing the lease assets, or restoring the underlying assets, are recognised as a separate provision. The costs are added to the cost of the lease assets unless the liability is incurred to produce inventories in which case the costs are recognised in the cost of the manufactured goods. Subsequently, lease assets are measured at cost less accumulated depreciation and impairment losses.

Lease assets are depreciated over the lower of the lease term and the useful life of the underlying assets. If the lease transfers the ownership of the lease assets by the end of the lease term or if the exercise of a purchase option is expected, the lease assets are depreciated over their useful life. Depreciation begins at the commencement date.

Lease assets are written down to the lower of recoverable amount and carrying amount

Lease assets are adjusted upon remeasurement of the lease liabilities; see above in the lease liability section.



Lease assets are recognised as fixed assets within the asset item in which the underlying assets of the lease would be recognised if the Entity owned them.

### **Investments in group enterprises**

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

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

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

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

### **Receivables**

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

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

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

### **Inventories**

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

Cost consists of purchase price plus delivery costs.

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

### **Tax payable or receivable**

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

### **Prepayments**

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

### **Cash**

Cash comprises cash in hand and bank deposits.

**Lease liabilities**

On initial recognition, lease liabilities are measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Entity's incremental borrowing rate shall be used. Lease payments included in the measurement of the lease liability comprise the following payments:

- Fixed payments less any lease incentives provided by the lessor to the lessee.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable under residual value guarantees.
- The exercise price of a purchase option if it is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease if the lease term reflects the lessee exercising an option to terminate the lease.

On subsequent measurement, lease liabilities are adjusted for accrued interest and repayments made, calculated by the effective interest rate method.

Lease liabilities are remeasured and the corresponding lease assets are similarly adjusted when:

- There is a change in the lease term, e.g. as a result of a change in the assessment of whether an option to extend or to purchase will be exercised. Remeasurement takes place by discounting the revised lease payments using a discount rate revised at the time of changing the lease.

- There is a change in lease payments resulting from a change in an index or a rate, or in the amounts expected to be payable under a residual value guarantee. Remeasurement takes place by discounting the revised lease payments using the original discount rate. However, a revised discount rate is used if the change reflects a change in the floating interest rate.

- There is a lease modification that is not accounted for as a separate lease. Remeasurement takes place by discounting the revised lease payments using a revised discount rate.

If the remeasurement results in the reduction of a lease liability exceeding the carrying amount of the corresponding lease asset, the excess amount is recognised in the income statement.

**Other financial liabilities**

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

**Deferred income**

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

**Cash flow statement**

In accordance with an interpretation from the Danish Business Authority, withdrawals on the company's overdraft facilities, etc. are classified in the cash flow statement as cash flows from financing activities, where the overdraft facility was previously classified as cash and cash equivalents in the cash flow statement.

The change has a positive effect on cash flows from financing activities of 11,916 T.DKK. in 2021 (from (6,973) T.DKK to (18,889) T.DKK) and an increase in cash and cash equivalents of 34,521 T.DKK. 31.12.2021 (from (44,637)

T.DKK to (10,116) T.DKK). The comparison figures are adapted.

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

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

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

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

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.