



## Cycle Service Nordic ApS

Emil Neckelmanns Vej 6  
5220 Odense SØ  
CVR No. 14412107

## Annual report 2020

The Annual General Meeting adopted the  
annual report on 22.04.2021

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**Bo Bækkelund**

Chairman of the General Meeting

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# Entity details

## Entity

Cycle Service Nordic ApS

Emil Neckelmanns Vej 6

5220 Odense SØ

Business Registration No.: 14412107

Registered office: Odense

Financial year: 01.01.2020 - 31.12.2020

## 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 01.01.2020 - 31.12.2020

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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020.

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, 22.04.2021

## 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 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the 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 and 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, 22.04.2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Anders Flou**

State Authorised Public Accountant  
Identification No (MNE) mne32777

**Heino Hyllested Tholsgaard**

State Authorised Public Accountant  
Identification No (MNE) mne34511

# Management commentary

## Financial highlights

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
<b>Key figures</b>					
Gross profit/loss	39,472	26,907	23,361	26,133	24,333
Operating profit/loss	41	(4,411)	1,713	7,267	6,380
Net financials	(2,447)	(2,456)	(1,241)	(927)	(1,206)
Profit/loss for the year	(2,136)	(5,385)	334	4,997	3,961
Balance sheet total	169,684	144,459	88,372	74,362	67,174
Investments in property, plant and equipment	2,751	36,188	3,088	823	591
Equity	20,871	23,192	28,567	28,267	23,269
Cash flows from operating activities	2,010	9,805	1,278	953	(3,984)
Cash flows from investing activities	(8,548)	(2,571)	(4,506)	(603)	(966)
Cash flows from financing activities	(2,976)	(4,079)	0	0	0
Average number of employees	78	56	54	48	45
<b>Ratios</b>					
Return on equity (%)	(9.70)	(20.81)	1.18	19.39	18.60
Equity ratio (%)	12.30	16.05	32.33	38.01	34.64

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. The growth in gross profit is considered sufficient, and the positive development is linked to a growth in sales on all four Nordic markets as well as on both new and existing brands. The negative net result in 2020 is affected by an increase in group related activities, extraordinary costs linked to a new Nordic logistical setup and a significant expansion in new brands. The parent and the group anticipated a limited positive result for 2020 and consider the result unsatisfactory.

### 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 2021 around 2-5 mill. DKK, but due to the ongoing COVID-19 pandemic, 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 month of 2021 has exceeded the budget and the prognoses for the upcoming season remains positive. Due to the COVID-19 pandemic, the highest uncertainty lies in the suppliers ability to deliver products in time.

### Particular risks

The parent and the group is not exposed to any particular business or financial risks other than usual risks within the wholesaler segment of parts and accessories in the bicycle business. The COVID-19 pandemic is at the highest level of focus for the management and risk management plans and procedures are implemented in order to comply with restrictions from local governments and to reduce any significant financial consequences as much as possible.

### Knowledge resources

The parent and the group have the ambition to be at the forefront of the technologies used in the wholesaler 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 obviously brings a lot of uncertainty to the outlook for 2021. The turnover in the first months of 2021 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 2020

	Notes	2020 DKK	2019 DKK
<b>Gross profit/loss</b>		<b>39,472,006</b>	<b>26,906,641</b>
Staff costs	2	(33,415,009)	(24,993,158)
Depreciation, amortisation and impairment losses		(6,015,868)	(6,324,288)
<b>Operating profit/loss</b>		<b>41,129</b>	<b>(4,410,805)</b>
Other financial income		21,585	17,735
Financial expenses from group enterprises		(1,873,672)	(532,927)
Other financial expenses		(595,365)	(1,941,201)
<b>Profit/loss before tax</b>		<b>(2,406,323)</b>	<b>(6,867,198)</b>
Tax on profit/loss for the year	3	269,975	1,482,518
<b>Profit/loss for the year</b>	4	<b>(2,136,348)</b>	<b>(5,384,680)</b>

# Consolidated balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK	2019 DKK
Acquired intangible assets		8,206,256	805,027
<b>Intangible assets</b>	5	<b>8,206,256</b>	<b>805,027</b>
Land and buildings		25,244,649	28,614,792
Other fixtures and fittings, tools and equipment		2,693,423	2,276,977
Leasehold improvements		2,799,441	2,955,732
<b>Property, plant and equipment</b>	6	<b>30,737,513</b>	<b>33,847,501</b>
Other receivables		1,571,947	1,769,150
Deferred tax	8	3,110,768	2,250,969
<b>Financial assets</b>	7	<b>4,682,715</b>	<b>4,020,119</b>
<b>Fixed assets</b>		<b>43,626,484</b>	<b>38,672,647</b>
Manufactured goods and goods for resale		69,251,412	80,602,973
Prepayments for goods		2,344,146	708,578
<b>Inventories</b>		<b>71,595,558</b>	<b>81,311,551</b>
Trade receivables		30,610,989	16,114,684
Receivables from group enterprises		366	0
Other receivables		4,952,142	1,286,039
Tax receivable		16,949	16,949
Prepayments	9	1,562,959	143,354
<b>Receivables</b>		<b>37,143,405</b>	<b>17,561,026</b>
<b>Cash</b>		<b>17,318,663</b>	<b>6,914,048</b>
<b>Current assets</b>		<b>126,057,626</b>	<b>105,786,625</b>
<b>Assets</b>		<b>169,684,110</b>	<b>144,459,272</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 DKK</b>	<b>2019 DKK</b>
Contributed capital	10	200,000	200,000
Translation reserve		(183,759)	0
Retained earnings		20,855,195	22,991,543
<b>Equity</b>		<b>20,871,436</b>	<b>23,191,543</b>
Lease liabilities		23,906,105	26,205,481
Other payables		1,842,042	613,116
<b>Non-current liabilities other than provisions</b>	<b>11</b>	<b>25,748,147</b>	<b>26,818,597</b>
Current portion of non-current liabilities other than provisions	11	3,417,211	3,471,873
Bank loans		46,437,133	26,518,748
Trade payables		34,377,160	27,041,924
Payables to group enterprises		25,080,726	31,650,023
Tax payable		429,799	263,358
Other payables		13,190,740	5,338,192
Deferred income	13	131,758	165,014
<b>Current liabilities other than provisions</b>		<b>123,064,527</b>	<b>94,449,132</b>
<b>Liabilities other than provisions</b>		<b>148,812,674</b>	<b>121,267,729</b>
<b>Equity and liabilities</b>		<b>169,684,110</b>	<b>144,459,272</b>
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# Consolidated statement of changes in equity for 2020

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Total DKK
Equity beginning of year	200,000	0	22,991,543	23,191,543
Exchange rate adjustments	0	(183,759)	0	(183,759)
Profit/loss for the year	0	0	(2,136,348)	(2,136,348)
<b>Equity end of year</b>	<b>200,000</b>	<b>(183,759)</b>	<b>20,855,195</b>	<b>20,871,436</b>

# Consolidated cash flow statement for 2020

	Notes	2020 DKK	2019 DKK
Operating profit/loss		41,129	(4,410,805)
Amortisation, depreciation and impairment losses		6,015,868	6,324,288
Working capital changes	14	(1,156,014)	10,115,328
<b>Cash flow from ordinary operating activities</b>		<b>4,900,983</b>	<b>12,028,811</b>
Financial income received		21,585	17,735
Financial expenses paid		(2,469,037)	(2,474,128)
Taxes refunded/(paid)		(443,962)	232,737
<b>Cash flows from operating activities</b>		<b>2,009,569</b>	<b>9,805,155</b>
Acquisition etc. of intangible assets		(7,880,812)	(874,823)
Acquisition etc. of property, plant and equipment		(900,167)	(1,819,101)
Sale of property, plant and equipment		36,140	122,968
Sale of fixed asset investments		197,203	0
<b>Cash flows from investing activities</b>		<b>(8,547,636)</b>	<b>(2,570,956)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(6,538,067)</b>	<b>7,234,199</b>
Reduction of lease commitments		(4,204,629)	(4,691,912)
Holiday pay obligation		1,228,926	613,116
<b>Cash flows from financing activities</b>		<b>(2,975,703)</b>	<b>(4,078,796)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(9,513,770)</b>	<b>3,155,403</b>
Cash and cash equivalents beginning of year		(19,604,700)	(22,760,103)
<b>Cash and cash equivalents end of year</b>		<b>(29,118,470)</b>	<b>(19,604,700)</b>
Cash and cash equivalents at year-end are composed of:			
Cash		17,318,663	6,914,048
Short-term bank loans		(46,437,133)	(26,518,748)
<b>Cash and cash equivalents end of year</b>		<b>(29,118,470)</b>	<b>(19,604,700)</b>

# 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 obviously brings a lot of uncertainty to the outlook for 2021. The turnover in the first months of 2021 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

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	28,396,826	21,574,397
Pension costs	2,545,759	1,877,800
Other social security costs	1,526,647	1,230,856
Other staff costs	945,777	310,105
	<b>33,415,009</b>	<b>24,993,158</b>
Average number of full-time employees	78	56

	<b>Remuneration of manage- ment 2020 DKK</b>	<b>Remuneration of manage- ment 2019 DKK</b>
Total amount for management categories	'0	1,022,667
	<b>0</b>	<b>1,022,667</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

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	589,824	434,580
Change in deferred tax	(859,799)	(1,917,098)
	<b>(269,975)</b>	<b>(1,482,518)</b>

#### 4 Proposed distribution of profit/loss

	2020 DKK	2019 DKK
Retained earnings	(2,136,348)	(5,384,680)
	<b>(2,136,348)</b>	<b>(5,384,680)</b>

#### 5 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	1,274,824
Additions	7,880,812
<b>Cost end of year</b>	<b>9,155,636</b>
Amortisation and impairment losses beginning of year	(469,797)
Amortisation for the year	(479,583)
<b>Amortisation and impairment losses end of year</b>	<b>(949,380)</b>
<b>Carrying amount end of year</b>	<b>8,206,256</b>

#### 6 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	33,034,909	6,936,269	3,685,090
Exchange rate adjustments	(37,789)	(3,922)	0
Additions	338,818	1,716,443	695,497
Disposals	(1,992,488)	(683,360)	0
<b>Cost end of year</b>	<b>31,343,450</b>	<b>7,965,430</b>	<b>4,380,587</b>
Depreciation and impairment losses beginning of year	(4,420,117)	(4,659,292)	(729,358)
Exchange rate adjustments	14,615	1,598	0
Depreciation for the year	(3,406,911)	(1,277,582)	(851,788)
Reversal regarding disposals	1,713,612	663,269	0
<b>Depreciation and impairment losses end of year</b>	<b>(6,098,801)</b>	<b>(5,272,007)</b>	<b>(1,581,146)</b>
<b>Carrying amount end of year</b>	<b>25,244,649</b>	<b>2,693,423</b>	<b>2,799,441</b>
Recognised assets not owned by Entity	25,244,649	1,560,171	



## 7 Financial assets

	Other receivables DKK	Deferred tax DKK
Cost beginning of year	1,769,150	2,250,969
Additions	21,547	859,799
Disposals	(218,750)	0
<b>Cost end of year</b>	<b>1,571,947</b>	<b>3,110,768</b>
<b>Carrying amount end of year</b>	<b>1,571,947</b>	<b>3,110,768</b>

## 8 Deferred tax

	2020 DKK	2019 DKK
<b>Changes during the year</b>		
Beginning of year	2,250,969	332,793
Recognised in the income statement	859,799	1,917,098
Recognised directly in equity	0	1,078
<b>End of year</b>	<b>3,110,768</b>	<b>2,250,969</b>

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

	Number	Par value DKK	Nominal value DKK
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

	Due within 12 months 2020 DKK	Due within 12 months 2019 DKK	Due after more than 12 months 2020 DKK	Outstanding after 5 years 2020 DKK
Lease liabilities	3,417,211	3,471,873	23,906,105	11,855,276
Other payables	0	0	1,842,042	0
	<b>3,417,211</b>	<b>3,471,873</b>	<b>25,748,147</b>	<b>11,855,276</b>

## 12 Payables to group enterprises

The group is part of a cash pool scheme administered by Accel Group N.V. As of December 31, 2020 the balance in the cashpool scheme amounts to DKK 25,052,786. 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>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Increase/decrease in inventories	9,715,993	(22,097,332)
Increase/decrease in receivables	(19,582,379)	1,183,675
Increase/decrease in trade payables etc.	8,585,231	31,076,624
Other changes	125,141	(47,639)
	<b>(1,156,014)</b>	<b>10,115,328</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 change on receivables of nominal amount of DKK 7,500,000.

Receivables comprise to DKK 37,144,957 at 31.12.2020.

## 17 Transactions with related parties

	<b>Parent</b>	<b>Other related parties</b>
	<b>DKK</b>	<b>DKK</b>
Revenue	162,572	1,803,725
Cost of goods	31,151	22,590,045
Group internal fees inbound	0	87,040
Group internal fees outbound	2,433,763	660,045
Additions of Intangible assets	0	7,880,812
Receivables	0	366
Liabilities other than provisions	0	25,080,726

## 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 2020

	Notes	2020 DKK	2019 DKK
<b>Gross profit/loss</b>		<b>26,444,986</b>	<b>17,482,954</b>
Staff costs	2	(24,886,013)	(19,278,523)
Depreciation, amortisation and impairment losses		(5,140,873)	(5,637,687)
<b>Operating profit/loss</b>		<b>(3,581,900)</b>	<b>(7,433,256)</b>
Income from investments in group enterprises		1,811,523	1,585,462
Other financial income	3	587,189	240,235
Financial expenses from group enterprises		(936,836)	(532,927)
Other financial expenses	4	(1,124,093)	(1,193,755)
<b>Profit/loss before tax</b>		<b>(3,244,117)</b>	<b>(7,334,241)</b>
Tax on profit/loss for the year	5	1,107,769	1,949,561
<b>Profit/loss for the year</b>	6	<b>(2,136,348)</b>	<b>(5,384,680)</b>

# Parent balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK	2019 DKK
Acquired intangible assets		8,206,256	805,027
<b>Intangible assets</b>	7	<b>8,206,256</b>	<b>805,027</b>
Land and buildings		24,945,415	28,234,393
Other fixtures and fittings, tools and equipment		1,541,974	1,910,524
Leasehold improvements		2,799,441	2,955,732
<b>Property, plant and equipment</b>	8	<b>29,286,830</b>	<b>33,100,649</b>
Investments in group enterprises		6,437,191	4,808,135
Other receivables		1,571,947	1,769,150
Deferred tax	10	3,306,895	2,199,126
<b>Financial assets</b>	9	<b>11,316,033</b>	<b>8,776,411</b>
<b>Fixed assets</b>		<b>48,809,119</b>	<b>42,682,087</b>
Manufactured goods and goods for resale		69,251,412	80,602,973
Prepayments for goods		2,344,146	708,578
<b>Inventories</b>		<b>71,595,558</b>	<b>81,311,551</b>
Trade receivables		9,787,906	9,956,560
Receivables from group enterprises		23,488,934	5,907,777
Other receivables		4,935,234	1,123,249
Tax receivable		16,949	16,949
Prepayments	11	1,407,764	12,771
<b>Receivables</b>		<b>39,636,787</b>	<b>17,017,306</b>
<b>Cash</b>		<b>1,332,099</b>	<b>1,782,666</b>
<b>Current assets</b>		<b>112,564,444</b>	<b>100,111,523</b>
<b>Assets</b>		<b>161,373,563</b>	<b>142,793,610</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 DKK</b>	<b>2019 DKK</b>
Contributed capital		200,000	200,000
Reserve for net revaluation according to the equity method		6,147,017	4,518,090
Retained earnings		14,524,419	18,473,453
<b>Equity</b>		<b>20,871,436</b>	<b>23,191,543</b>
Lease liabilities		23,370,424	26,009,475
Other payables		1,842,042	613,116
<b>Non-current liabilities other than provisions</b>	<b>12</b>	<b>25,212,466</b>	<b>26,622,591</b>
Current portion of non-current liabilities other than provisions	12	2,672,590	3,035,176
Bank loans		46,437,133	26,518,748
Trade payables		34,112,150	26,412,713
Payables to group enterprises	13	25,082,278	33,834,517
Other payables		6,853,752	3,013,307
Deferred income	14	131,758	165,015
<b>Current liabilities other than provisions</b>		<b>115,289,661</b>	<b>92,979,476</b>
<b>Liabilities other than provisions</b>		<b>140,502,127</b>	<b>119,602,067</b>
<b>Equity and liabilities</b>		<b>161,373,563</b>	<b>142,793,610</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 2020

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	200,000	4,518,090	18,473,453	23,191,543
Exchange rate adjustments	0	(183,759)	0	(183,759)
Transfer to reserves	0	1,812,686	(1,812,686)	0
Profit/loss for the year	0	0	(2,136,348)	(2,136,348)
<b>Equity end of year</b>	<b>200,000</b>	<b>6,147,017</b>	<b>14,524,419</b>	<b>20,871,436</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 obviously brings a lot of uncertainty to the outlook for 2021. The turnover in the first months of 2021 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

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	21,458,756	16,670,462
Pension costs	1,883,308	1,770,887
Other social security costs	656,094	527,069
Other staff costs	887,855	310,105
	<b>24,886,013</b>	<b>19,278,523</b>
Average number of full-time employees	62	45

	<b>Remuneration of manage- ment 2020 DKK</b>	<b>Remuneration of manage- ment 2019 DKK</b>
Total amount for management categories	'0	1,022,667
	<b>0</b>	<b>1,022,667</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

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	565,604	222,500
Other financial income	21,585	17,735
	<b>587,189</b>	<b>240,235</b>



**4 Other financial expenses**

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	560,750	651,688
Other financial expenses	563,343	542,067
	<b>1,124,093</b>	<b>1,193,755</b>

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

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Change in deferred tax	(1,107,769)	(1,949,561)
	<b>(1,107,769)</b>	<b>(1,949,561)</b>

**6 Proposed distribution of profit and loss**

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Retained earnings	(2,136,348)	(5,384,680)
	<b>(2,136,348)</b>	<b>(5,384,680)</b>

**7 Intangible assets**

	<b>Acquired intangible assets DKK</b>
Cost beginning of year	1,274,824
Additions	7,880,812
<b>Cost end of year</b>	<b>9,155,636</b>
Amortisation and impairment losses beginning of year	(469,797)
Amortisation for the year	(479,583)
<b>Amortisation and impairment losses end of year</b>	<b>(949,380)</b>
<b>Carrying amount end of year</b>	<b>8,206,256</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	32,247,311	5,311,911	3,685,090
Additions	0	450,941	695,497
Disposals	(1,730,342)	(441,641)	0
<b>Cost end of year</b>	<b>30,516,969</b>	<b>5,321,211</b>	<b>4,380,587</b>
Depreciation and impairment losses beginning of year	(4,012,918)	(3,401,387)	(729,358)
Depreciation for the year	(3,010,102)	(799,400)	(851,788)
Reversal regarding disposals	1,451,466	421,550	0
<b>Depreciation and impairment losses end of year</b>	<b>(5,571,554)</b>	<b>(3,779,237)</b>	<b>(1,581,146)</b>
<b>Carrying amount end of year</b>	<b>24,945,415</b>	<b>1,541,974</b>	<b>2,799,441</b>
Recognised assets not owned by entity	24,945,415	587,473	

## 9 Financial assets

	Investments in group enterprises DKK	Other receivables DKK	Deferred tax DKK
Cost beginning of year	290,174	1,769,150	2,199,126
Additions	0	21,547	1,107,769
Disposals	0	(218,750)	0
<b>Cost end of year</b>	<b>290,174</b>	<b>1,571,947</b>	<b>3,306,895</b>
Revaluations beginning of year	4,517,961	0	0
Exchange rate adjustments	(188,674)	0	0
Share of profit/loss for the year	1,811,522	0	0
Other adjustments	6,208	0	0
<b>Revaluations end of year</b>	<b>6,147,017</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>6,437,191</b>	<b>1,571,947</b>	<b>3,306,895</b>

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

## 10 Deferred tax

	2020	2019
<b>Changes during the year</b>	<b>DKK</b>	<b>DKK</b>
Beginning of year	2,199,126	249,565
Recognised in the income statement	1,107,769	1,949,561
<b>End of year</b>	<b>3,306,895</b>	<b>2,199,126</b>

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 2020 DKK	Due within 12 months 2019 DKK	Due after more than 12 months 2020 DKK	Outstanding after 5 years 2020 DKK
Lease liabilities	2,672,590	3,035,176	23,370,424	11,855,276
Other payables	0	0	1,842,042	0
	<b>2,672,590</b>	<b>3,035,176</b>	<b>25,212,466</b>	<b>11,855,276</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, 2020 the balance in the cashpool scheme amounts to DKK 25,052,786. 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 Denmark 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 31.12.2020.

## 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 39,636,787 at 31.12.2020.

**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**

	<b>Parent</b>	<b>Subsidiaries</b>	<b>Other related</b>
	<b>DKK</b>	<b>DKK</b>	<b>parties</b>
	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
Revenue	162,572	139,201,656	1,803,725
Cost of goods	31,151	0	22,590,045
Group internal fees inbound	0	8,600,196	87,040
Group internal fees outbound	2,433,763	3,577,452	660,445
Other financial income	0	521,796	0
Other financial expenses	936,836	581,693	0
Receivables	0	23,488,934	366
Liabilities other than provisions	0	0	25,082,278

Transactions regarding intangible assets amounts to DKK 7,880,812

# 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 to things. 1) A missing reclassification from bank loans to payable to group enterprises last year. The missing reclassification has no influence on last years result, the total of the balance sheet or the equity. 31,443,869 DKK is the amount moved from bank debt to Payables to group enterprises. The reclassification does also effect the cash flow statement. 2) A reclassification of cash discount to customers from financial costs to net sales. The reclassification has no influence on the result, the balance sheet or the equity. 657,417 DKK is the amount moved from financial costs to net sales.

## 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**

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.