



**3C RETAIL A/S**

**Østre Stationsvej 1-5**

**5000 Odense C, Denmark**

**Business Registration No 21 47 80 08**

**Annual Report 2020**

The Annual General Meeting adopted the Annual Report on <sup>30/6</sup> 2021

**Chairman of the Annual General Meeting**

A handwritten signature in blue ink, appearing to be 'Nicoline Erika Hyldahl', written over a horizontal line.

Nicoline Erika Hyldahl



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## Company details

### Company

3C RETAIL A/S

Østre Stationsvej 1-5

5000 Odense C, Denmark

Business Registration No. 21478008

Registered in: Odense, Denmark

### Board of Directors

Niels Thorborg (Chairman)

Claus Wårsøe (Vice Chairman)

Jørn Tolstrup Rohde

Terje Laurberg Lyngø List

Mads Winther Andersen

Lisbeth Helene Borg

### Executive Board

Peter Schou Jørgensen

Lars Claudi Mortensen

### Company auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

5000 Odense C, Denmark

## Statement by Management on the Annual Report

The Board of Directors and the Executive Board have today considered and approved the Annual Report of 3C RETAIL A/S for the financial year 01.01.2020 – 31.12.2020.

The Annual Report is presented in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of reporting class C (large) enterprises.

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 their financial performance and their cash flows for the financial year 01.01.2020 – 31.12.2020.

We believe that the management commentary contains a fair review of the developments in the Group's and the Parent's activities and finances, performance for the year and the Company's financial position, and of the financial position as a whole for the entities included in the consolidated financial statements as well as a description of the principal risks and uncertainties facing the Group and the Company.

We recommend the Annual Report for adoption at the Annual General Meeting.

Odense, 02.03.2021

### Executive Board

Peter Schou Jørgensen

Lars Claudi Mortensen

### Board of Directors

Niels Thorborg  
Chairman

Claus Wårsøe  
Vice Chairman

Jørn Tolstrup Rohde

Terje Laurberg Lyngø List

Mads Winther Andersen

Lisbeth Helene Borg

## Independent auditor's report

### To the shareholders of 3C RETAIL A/S

#### Opinion

We have audited the consolidated financial statements and the parent financial statements of 3C RETAIL A/S for the financial year 01.01.2020 – 31.12.2020, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as for the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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 activities and cash flows for the financial year 01.01.2020 – 31.12.2020 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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' 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.

#### 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 or 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.

## Independent auditor's report

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.

### **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 International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent 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 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 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 these parent financial statements.

As part of an audit in accordance with ISAs and 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.

## Independent auditor's report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company 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.

Odense, 02.03.2021

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 96 35 56

Anders Oldau Gjelstrup  
State-Authorised Public Accountant  
Identification No mne10777

Heino Hyllested Tholsgaard  
State-Authorised Public Accountant  
Identification No mne34511

## Management commentary

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
<b>Group financial highlights</b>					
<b>Key figures</b>					
<b>Income statement</b>					
Revenue incl. interest revenue	697.230	925.426	1.008.503	1.044.228	1.008.976
EBITDA*	287.103	241.706	181.174	237.475	269.531
Operating profit/loss (EBIT)*	266.917	222.689	162.996	214.318	242.590
Net financials	-70.427	-72.345	-28.604	-7.158	-547
Profit/loss before tax	196.490	150.344	134.392	207.160	242.043
Profit/loss for the year after tax from continuing operations	149.210	116.242	99.559	148.767	186.771
Profit/loss for the year after tax including profit/loss from discontinued operations	127.591	71.151	61.901	236.446	172.990
<b>Balance sheet</b>					
Balance sheet total	4.155.758	5.025.663	5.184.065	5.447.455	4.968.015
Receivables measured at amortised cost	2.673.210	3.461.573	3.583.655	3.540.289	3.185.480
Equity	1.068.833	962.942	930.747	1.094.709	886.722
Equity including subordinatet loan from group enterprises	1.336.659	1.364.561	930.747	1.094.709	886.722
Net interestbearing debt*	-753.480	-573.555	-624.225	-634.731	-683.378
<b>Cash flow statement</b>					
Investments in property, plant and equipment	9.153	13.980	21.222	12.948	17.098
<b>Financial ratios</b>					
Profit margin	38,3%	24,1%	16,2%	20,5%	24,0%
Return on capital employed	7,7%	5,6%	3,8%	5,2%	6,6%
Solvency ratio	25,7%	19,2%	18,0%	20,1%	17,8%
Solvency ratio including subordinatet loan from group enterprises	32,2%	27,2%	18,0%	20,1%	17,8%
Return on equity	12,6%	7,5%	6,1%	23,9%	21,1%
Debt multiple	-2,62	-2,37	-3,45	-2,67	-2,54

\*EBITDA, EBIT and net interestbearing debt are defined in note 1.



## Management commentary

### Primary activity

As in previous years, the primary activity, in Norway and Sweden, has consisted in cash lending, leaseout, cash sales and financed selling of durable consumer goods, primarily white goods, brown goods (TV sets/DVD players), PC products, phones and accessories. In Denmark, the Group now, as it's primary activity, acts as the sole intermediary between the newly established Facit Bank and the market.

### Developments in the financial year

Despite the year on year improved earnings before tax the Group's financial performance and position is not considered satisfactory, primarily due to the great negative impact of the Covid-19 pandemic on revenue in Denmark, traditionally the stronghold of the Group. The group's receivables and bank loans was reduced during the year, due to the new main activity in Denmark.

Most of the activity in the subsidiary VÆRSGO A/S has been sold or closed in 2019. We have in 2020 been negotiating with potential buyers about sale of the remaining activity, which now, due to the impact of the Covid-19 pandemic in 2020, is expected to be finished in 2021. Therefore, the 2020 result for VÆRSGO A/S has been recognized in discontinued operations.

### Unusual circumstances

No unusual conditions have been noted in 2020 except from COVID-19.

### Events after the balance sheet date

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

### Uncertainties in recognition and measurement

For a description of uncertainties in recognition and measurement, refer to note 2.

### Financial risk management policy

For a description of financial risk management policy, refer to note 34.

### Interest rate risks

Variable interest is payable on the Group's total bank loans of DKK 2,515,358k.

### Foreign exchange risks

The Group's unhedged net position stands at DKK 3,037k, which is composed of SEK, NOK and EUR

### Outlook for 2021

In 2021, revenue and profit before tax expects to decrease compared to what was achieved in 2020 and 2019.

## Management commentary

### Statutory report on corporate social responsibility (Parent)

Below is 3C RETAIL A/S' statutory report on corporate social responsibility (CSR) for the financial year 2020 pursuant to sections 99a and 99b of the Danish Financial Statements Act.

#### Business model

The business model of 3C RETAIL A/S is based on cash lending, arrangement of cash lending and financed selling of durable consumer goods, primarily white goods, brown goods (TV sets/DVD players), PC products, phones and accessories primarily to private end consumers (B2C). The most significant CSR risks identified are customer comfort and confidence including protection of personal data and employee satisfaction.

At 3C RETAIL A/S, CSR constitutes a natural part of day-to-day operations, and so our primary business areas serve as a launch pad for our approach. Our CSR work is incentivised by an ambition of using our role to promote a sustainable development of the society that 3C RETAIL A/S operates in and is part of. It is also our goal to have our CSR efforts accommodate our stakeholders' needs and expectations and support the Company's reputation in society.

We believe that the CSR efforts must be naturally tied to the Company's business strategy and core competencies, what we work with, in which countries we operate, and who our customers, staff and business partners are. Consequently, we have decided to concentrate our work on four main areas that are all strategically linked to the core business of 3C RETAIL A/S. So these four main areas reflect subjects that are key to our stakeholders and where we as a business can really make a difference:

- Customer comfort and confidence including human rights
- Environmental and climate impacts
- Working environment (social conditions and labour rights)
- Statutory report on gender composition of management

Below, the specific policies defined for each main area are described, how they will be translated into practice, and what results this has led to during the year.

#### Customer comfort and confidence including human rights

At 3C RETAIL A/S, we put customers first, and confidence is crucial to our business concept. Therefore, a targeted effort is made to ensure that security and service are topnotch and that communication is clear and reliable so that customers feel safe. We also use this communication to make sure that customers have optimal use of our products.

#### Customer communication

We constantly work on optimising our business so that the customer will enjoy our products and services as much as possible. This is why we have monitored customer satisfaction for many years and had a particular eye on the service technicians' fulfilment of customer expectations. At 3C RETAIL A/S, we regularly perform customer satisfaction surveys as an integrated element of our customer dialogue programme.

## Management commentary

Satisfaction is very high both when it comes to customers' perception of the delivery and with respect to the customer relationship with 3C RETAIL A/S in general.

### Human rights

When our customers do business with 3C RETAIL A/S, it is imperative that they can depend on us as a business to have focus on accountability in relation to, for example, human rights. At 3C RETAIL A/S, we respect and support the internationally recognised human rights, although we do not have a specific human rights policy of our own as our impact on this is considered low as it is embedded in Danish and Scandinavian legislation, which we all have to embrace and respect.

During the recent years protection of personal data has been more actual – particular with the adoption of the EU act regarding protection of personal data (GDPR). To support this we have implemented a policy of data security in order to secure a level of security, which is in accordance with the demands and development of the business as well as current external (legislation) demands and the current level of generic risk. The current risks mitigated by the implemented measures are:

- Unsanctioned external access to (personal) data (cyber crime)
- Unsanctioned internal access to (personal) data (industrial espionage by employees)
- Unintended and unsuspected breach of data security i.e. due to large and complex data structure
- Lack of attention of data security by employees
- Lack in surveillance and follow up of the complete data security package
- Mistakes in handling of (personal) data due to lack in training and insight

Since implementation of the measures we have registered a few minor breaches of the security, which have been reported to the authorities. We will continue to work with the implemented measures in accordance with the policy in 2021.

### Anti-corruption and bribery

Furthermore, 3C RETAIL A/S has implemented an anti-corruption policy that specifies our opinion on corruption and the directions we observe in this respect. The anti-corruption policy deals with the following issues, which we recognize as the most significant CSR risks through our assessment of the impact and risk is minor.

- Conflict of interests
- Abuse of authority and blackmail
- Fraud and embezzlement
- Bribery
- Gifts

The anti-corruption policy has been implemented, for example, through a whistleblower scheme, and no incidents were reported through this scheme in 2020. 3C RETAIL A/S operates in the Scandinavian market, which is characterised by a low level of corruption, and we have not had any such cases. We will continue to use the whistleblower scheme next year.

## Management commentary

### Environmental and climate

As a business, we are aware of the importance of our operations and the environment going hand in hand, and we are working towards minimising our environmental impact while ensuring consistency with the expectations of our stakeholders, although we do not have a specific environmental and climate policy of our own. The most significant CSR risks regarding environment and climate are the disposal of electronic waste including obsolete and second hand products.

#### Waste disposal

One of the areas that we have particular focus on in our environmental responsibilities is to ensure sustainable disposal of electric waste and electronic equipment – our own equipment but also that of our customers which is typically taken back when new products are delivered. We place heavy demands on the suppliers who then handle the disposal of the waste equipment and packing material collected, and we have signed a contract with an environmentally accredited company which collects, processes and sells used packing material for recycling, and have so made waste a valuable resource. Not all used electronics ends up as waste since some of it is sold on as secondhand products, and in this way we reduce the amount of waste equipment and the environmental impact further. Through our focus we also ensure that we comply with the WEEE Directive and applicable environmental law.

#### Products and distribution

Our distribution network is a key area where we can put our efforts to reduce our environmental impact as we do most of our deliveries of goods to the customers ourselves, which is why we constantly seek to develop and optimise business processes. When acquiring trucks, we evaluate their environmental footprint along with other parameters, and all trucks are speed-limited.

#### Travel

Since some of the operations are geographically located abroad, this also means that we have some travel, primarily in Scandinavia. As activities have increased, so have the travelling expenses, but in the light of the corona crisis, our travel activities have been reduced significantly, and the use of digital tools such as TEAMS has gained ground. The objective is to continue replacing travel activities with video conferences and conference calls. Reducing travels and adopting alternatives to reduce the financial and environmental impact continue to be focal points, and internal guidelines have been laid down to meet this initiative.

The results of the above mentioned efforts are not directly measurable, but it is our belief that we contribute to the protection of the environment.

## Management commentary

### Working environment (social conditions and labour rights)

We have over 240 employees at 3C RETAIL A/S, and it is vital for our business model that they have a healthy and good working environment. We place high demands on our employees, which is why we also take much of the responsibility for being an attractive workplace where employees thrive. A healthy working climate provides the best conditions for motivated and committed employees. Our ambition is to recruit and retain competent and motivated employees, hence the most significant CSR risks are low job satisfaction and psychological and physical welfare including working accidents.

#### Job satisfaction

We are aware of the social responsibility we have towards our employees, and we want 3C RETAIL A/S to be an attractive workplace where employees thrive and staff turnover is low. Therefore, creating a good and healthy working environment for them is a key element of our staff policy, and we do that, for example, by having attractive staff benefits, an open dialogue, a canteen offering healthy food and by regularly following up on sick employees.

At the end of 2020, a job satisfaction measurement was launched among all employees. For 2020, we had a response rate of approximately 90%, which is considered very satisfactory. Overall, the Group scored just short of 4 on a scale from 1 to 5, which is regarded as very satisfactory. Compared to the latest measurement back in 2018, we have made some changes in the 2020 measurement, both in categories and in the questionnaire to obtain a more modern and up-to-date analysis with as relevant information as possible. Furthermore, we have introduced a new scale as we wanted to have a simpler and easily comprehensible scale as well as a more intuitive view on the individual statements in the questionnaire. For these reasons, we do not compare results with previous years as the benchmark has been changed. 2020 is therefore a “break-even measurement”.

Based on the measurement, all management teams and departments hold feedback meetings, identify priorities and develop action plans for the areas in need thereof. The employees are part of this process and so they have the opportunity to affect developments and their own work life.

3C RETAIL's staff turnover rate totals 32.9% for 2020. This is a result of changes in the organisation and adjustments, among other things due to the COVID-19 pandemic. We have many employees with high seniority, and when refilling vacant positions, we generally experience that 3C RETAIL is able to attract qualified candidates. We see this as an indication that we have a good and attractive workplace.

Besides job satisfaction measurements, sickness absenteeism is followed up on as well, and here the rate realised for 2020 was 3.6%, which is slightly over 2019. We have continuous focus on sickness absenteeism and implement initiatives to reduce it where needed.

## Management commentary

### Safety

To maintain a low level of sickness absenteeism and staff turnover, we every day have focus on improving the working environment – both the psychological one and the physical one. We seek to improve the psychological working environment by means of an open dialogue and a number of initiatives such as health insurance and support for crisis management and mental health counselling. It is vital to us that our employees experience a work life balance and that flexibility is demonstrated so as to make family life and leisure pursuits go hand in hand with their professional life.

The physical working environment is given priority too, and it is ensured at our distribution centres that the employees have approved tools and are instructed in correct ergonomic handling of goods - both at the warehouses and when making deliveries. The results of these efforts are directly reflected in a very low sickness absenteeism rate and in the number of accidents at work annually ranging between five and ten. Of course our goal is to not have any accidents at work at all, for which reason each incident is examined carefully for the purpose of avoiding similar accidents in future.

### Inclusivity and diversity

As a company in a modern society with all types of customers, we prioritise having a staff mix that reflects this type of diversity and inclusivity. We consider diversity a strength and aspire to be a work place with competent and motivated employees representing a cross section of gender, sexuality, ethnicity and religious orientation.

## Statutory report on gender composition of management

### Target figures for the representation of the underrepresented gender among those charged with governance

In 2020, the share of the underrepresented gender among the members of the Board of Directors elected at the general meeting is 0%, although this figure was expected to be 25% before the end of 2020. The target figure has not yet been reached as the right candidate has not yet been found, and there has not been any changes in these members. 3C RETAIL will be seeking to obtain the target figure by 2022.

### Target figures for the representation of the underrepresented gender at other management levels

At other management levels, the underrepresented gender represented 21% at the end of 2020, which is lower than the target of 35%. Focus will be maintained on achieving a more equal balance for which reason the target of 35% is maintained. To realize the targets set, the gender composition policy contains guidelines aimed at ensuring that both genders are represented and considered equal in all respects. For instance, everybody is offered the same opportunities for relevant further training and development, and no assessment based on gender is made when posting internal management positions. The work of ensuring objectivity is based in the Company's HR Department. The level at other management levels is acceptable, and efforts are been made to treat everybody equally despite gender and other demographic factors.

## Income statement for 2020

Parent			Group		
2019 DKK'000	2020 DKK'000		2020 DKK'000	2019 DKK'000	
		Notes			
<b>Continuing operations</b>					
501.894	375.740	Revenue, incl interest revenue (group: 567m, 2019: 725m, parent: 264m, 2019: 348m)	3	697.230	925.426
0	12.640	Net gain from derecognition of financial assets		51.102	0
-113.817	-54.229	Cost of sales	4	-45.412	-93.035
-191.304	-151.036	Other external expenses	5	-280.919	-442.555
<b>196.773</b>	<b>183.115</b>	<b>Gross profit</b>		<b>422.001</b>	<b>389.836</b>
73.552	33.697	Other operation income		0	0
-120.045	-110.553	Staff costs	6,7	-134.898	-148.130
-11.804	-13.808	Amortisation, depreciation and impairment losses	8	-20.186	-19.017
<b>138.476</b>	<b>92.451</b>	<b>Operating profit</b>		<b>266.917</b>	<b>222.689</b>
237.187	2.952	Income from investments in group enterprises	9	0	0
83.947	108.325	Other financial income	10	45.978	38.223
-160.682	-138.363	Financial expenses	11	-116.405	-110.568
<b>298.928</b>	<b>65.365</b>	<b>Profit before tax</b>		<b>196.490</b>	<b>150.344</b>
-24.244	-18.554	Tax on profit for the year	13	-47.280	-34.102
<b>274.684</b>	<b>46.811</b>	<b>Profit for the year from continuing operations</b>		<b>149.210</b>	<b>116.242</b>
0	0	Result from discontinued operations	35	-21.619	-45.091
<b>274.684</b>	<b>46.811</b>	<b>Profit for the year</b>		<b>127.591</b>	<b>71.151</b>
<b>Distribution of profit for the year</b>					
		Parent shareholders		127.591	71.151
				<b>127.591</b>	<b>71.151</b>

## Statement of comprehensive income for 2020

Parent			Group	
2019 DKK'000	2020 DKK'000	Notes	2020 DKK'000	2019 DKK'000
<u>274.684</u>	<u>46.811</u>		<u>127.591</u>	<u>71.151</u>
		<b>Profit for the year</b>		
		<b>Items that may be reclassified to profit or loss:</b>		
		Foreign currency translation adjustment regarding foreign entities		
0	0		0	1.043
		Fair value adjustment of financial instruments entered into to hedge future cash flows		
1	0		0	1
<u>1</u>	<u>0</u>	<b>Other comprehensive income</b>	<u>0</u>	<u>1.044</u>
<u>274.685</u>	<u>46.811</u>	<b>Comprehensive income</b>	<u>127.591</u>	<u>72.195</u>
		<b>Distribution of comprehensive income for the year</b>		
		Parent shareholders		
			127.591	72.195
			<u>127.591</u>	<u>72.195</u>



## Balance sheet at 31.12.2020

Parent					Group	
2019 DKK'000	2020 DKK'000		Notes	2020 DKK'000	2019 DKK'000	
15.000	15.000	Goodwill	15	62.362	62.362	
7.897	7.522	Licences and software	15	7.748	8.237	
<b>22.897</b>	<b>22.522</b>	<b>Intangible assets</b>		<b>70.110</b>	<b>70.599</b>	
1.488	1.249	Lease assets	16	18.436	17.126	
17.743	8.171	Other fixtures, fittings, tools and equipment	16	8.184	17.795	
59.304	60.044	Right-of-use assets	16	73.650	75.142	
35	4	Leasehold improvements	16	519	828	
<b>78.570</b>	<b>69.468</b>	<b>Property, plant and equipment</b>		<b>100.789</b>	<b>110.891</b>	
376.204	345.521	Investments in subsidiaries	18	0	0	
100.907	101.017	Receivables to group enterprises	17	101.017	100.907	
0	0	Other receivables	17	116.942	116.942	
36	36	Deposits	17	36	36	
<b>477.147</b>	<b>446.574</b>	<b>Financial assets</b>		<b>217.995</b>	<b>217.885</b>	
<b>152.398</b>	<b>132.833</b>	<b>Deferred tax assets</b>	23	<b>228.886</b>	<b>274.613</b>	
<b>731.012</b>	<b>671.397</b>	<b>Non-current assets</b>		<b>617.780</b>	<b>673.988</b>	
<b>23.295</b>	<b>15.542</b>	<b>Inventories</b>	19	<b>15.659</b>	<b>23.430</b>	
1.802.332	1.324.066	Receivables measured at amortised cost	20	2.673.210	3.461.573	
2.291.215	1.865.324	Receivables to group enterprises		701.174	693.460	
77.584	64.018	Income tax		64.905	80.989	
15.551	10.335	Other receivables		24.103	23.146	
5.647	6.911	Prepayments		7.040	5.955	
<b>4.192.329</b>	<b>3.270.654</b>	<b>Receivables</b>		<b>3.470.432</b>	<b>4.265.123</b>	
<b>500</b>	<b>1.114</b>	<b>Cash</b>	21	<b>11.297</b>	<b>4.000</b>	
<b>0</b>	<b>0</b>	<b>Assets held for sale</b>	35	<b>40.590</b>	<b>59.122</b>	
<b>4.216.124</b>	<b>3.287.310</b>	<b>Current assets</b>		<b>3.537.978</b>	<b>4.351.675</b>	
<b>4.947.136</b>	<b>3.958.707</b>	<b>Assets</b>		<b>4.155.758</b>	<b>5.025.663</b>	

## Balance sheet at 31.12.2020

Parent			Group	
2019 DKK'000	2020 DKK'000	Note	2020 DKK'000	2019 DKK'000
500	500	22	500	500
-3	-3		20.265	20.265
922.845	947.956		1.048.068	942.177
<b>923.342</b>	<b>948.453</b>		<b>1.068.833</b>	<b>962.942</b>
401.619	267.826	34	267.826	401.619
1.758.707	767.007	25	774.858	1.775.545
53.630	51.872	27	64.314	68.047
0	8.257	28	8.257	0
0	0	24	9.793	9.114
2.868	0		0	2.868
0	0	23	6.946	6.070
<b>2.216.824</b>	<b>1.094.962</b>		<b>1.131.994</b>	<b>2.263.263</b>
1.549.000	1.740.500	25	1.740.500	1.549.000
2.424	861		1.484	2.691
32.089	19.127	26	26.570	35.978
0	0		5.454	6.873
171.435	102.338		58.719	77.163
6.110	8.743	27	10.485	7.757
45.912	43.723	28	71.095	60.825
0	0		34	49
<b>1.806.970</b>	<b>1.915.292</b>		<b>1.914.341</b>	<b>1.740.336</b>
<b>0</b>	<b>0</b>	35	<b>40.590</b>	<b>59.122</b>
<b>4.023.794</b>	<b>3.010.254</b>		<b>3.086.925</b>	<b>4.062.721</b>
<b>4.947.136</b>	<b>3.958.707</b>		<b>4.155.758</b>	<b>5.025.663</b>
		29		
		30		
		34-40		

## Statement of changes in equity for 2020 (Parent)

	Contributed capital DKK'000	Other reserves DKK'000	Parent Retained earnings DKK'000	Total DKK'000
<b>Equity at 01.01.2019</b>	<b>500</b>	<b>-4</b>	<b>688.161</b>	<b>688.657</b>
Other comprehensive income	0	1	0	1
Profit for the year	0	0	274.684	274.684
Comprehensive income in 2019	0	1	274.684	274.685
Dividend paid	0	0	-40.000	-40.000
	0	0	-40.000	-40.000
<b>Equity at 01.01.2020</b>	<b>500</b>	<b>-3</b>	<b>922.845</b>	<b>923.342</b>
Profit for the year	0	0	46.811	46.811
Comprehensive income in 2020	0	0	46.811	46.811
Dividend paid	0	0	-21.700	-21.700
	0	0	-21.700	-21.700
<b>Equity at 31.12.2020</b>	<b>500</b>	<b>-3</b>	<b>947.956</b>	<b>948.453</b>

	Reserve for revaluation to fair value DKK'000	Reserve for value adjust- ment of hedging instruments DKK'000	Total DKK'000
<b>Other reserves at 01.01.2019</b>	<b>0</b>	<b>-4</b>	<b>-4</b>
Profit for the year	0	0	0
Fair value adjustment of financial instruments entered into to hedge future cash flows	0	1	1
<b>Other reserves at 01.01.2020</b>	<b>0</b>	<b>-3</b>	<b>-3</b>
Profit for the year	0	0	0
Fair value adjustment of financial instruments entered into to hedge future cash flows	0	0	0
<b>Other reserves at 31.12.2020</b>	<b>0</b>	<b>-3</b>	<b>-3</b>

## Statement of changes in equity for 2020 (Group)

	Contributed capital DKK'000	Group Other reserves DKK'000	Retained earnings DKK'000	Total DKK'000
<b>Equity at 01.01.2019</b>	<b>500</b>	<b>19.221</b>	<b>911.026</b>	<b>930.747</b>
Other comprehensive income	0	1.044	0	1.044
Profit for the year	0	0	71.151	71.151
Comprehensive income in 2019	0	1.044	71.151	72.195
Dividend paid	0	0	-40.000	-40.000
	0	0	-40.000	-40.000
<b>Equity at 01.01.2020</b>	<b>500</b>	<b>20.265</b>	<b>942.177</b>	<b>962.942</b>
Other comprehensive income	0	0	0	0
Profit for the year	0	0	127.591	127.591
Comprehensive income in 2020	0	0	127.591	127.591
Dividend paid	0	0	-21.700	-21.700
	0	0	-21.700	-21.700
<b>Equity at 31.12.2020</b>	<b>500</b>	<b>20.265</b>	<b>1.048.068</b>	<b>1.068.833</b>
		<b>Reserve for foreign currency translation adjustments DKK'000</b>	<b>Reserve for value adjust- ment of hedging instruments DKK'000</b>	<b>Total DKK'000</b>
<b>Other reserves at 01.01.2019</b>		<b>19.225</b>	<b>-4</b>	<b>19.221</b>
Foreign currency translation adjustments regarding foreign subsidiaries		1.043	0	1.043
Fair value adjustment of financial instruments entered into to hedge future cash flows		0	1	1
<b>Other reserves at 01.01.2020</b>		<b>20.268</b>	<b>-3</b>	<b>20.265</b>
Foreign currency translation adjustments regarding foreign subsidiaries		0	0	0
Fair value adjustment of financial instruments entered into to hedge future cash flows		0	0	0
<b>Other reserves at 31.12.2020</b>		<b>20.268</b>	<b>-3</b>	<b>20.265</b>

## Cash flow statement for 2020

Parent			Group	
2019 DKK'000	2020 DKK'000	Notes	2020 DKK'000	2019 DKK'000
274.684	46.811	Profit for the year from continuing operations	149.210	116.242
0	0	Profit/loss from discontinued operations	-21.619	-45.091
-131.187	72.975	Adjustments	138.059	98.386
27.478	488.824	Working capital changes	32 796.930	200.568
<b>170.975</b>	<b>608.610</b>	<b>Cash flows from ordinary operating activities</b>	<b>1.062.580</b>	<b>370.105</b>
82.936	94.451	Interest income and similar income, paid	44.690	37.015
-113.884	-116.400	Interest expenses and similar expenses, paid	-119.140	-109.873
<b>140.027</b>	<b>586.661</b>	<b>Cash flows from operating activities before tax</b>	<b>988.130</b>	<b>297.247</b>
-72.884	14.579	Income tax paid	19.027	-93.468
<b>67.143</b>	<b>601.240</b>	<b>Cash flows from operating activities</b>	<b>1.007.157</b>	<b>203.779</b>
0	-36.365	Capital injection to subsidiary	0	0
-8.256	-2.853	Acquisition of intangible assets	-2.907	-8.669
-5.117	-617	Acquisition of property, plant and equipment	-9.153	-13.980
-36	0	Investments	506	763
10.713	946	Sale of property, plant and equipment	3.986	17.607
<b>-2.696</b>	<b>-38.889</b>	<b>Cash flows from investing activities</b>	<b>-7.568</b>	<b>-4.279</b>
-40.000	-21.700	Dividend distributed	-21.700	-40.000
460.128	70.000	Dividend received	0	0
0	-8.241	Decrease in lease liability	31 -10.121	0
0	401.294	Loans to related parties	31 -2.709	-1.768
157.898	-202.890	Loans from related parties	31 -152.237	465.086
-643.469	-800.200	Reduction of long-term payables	31 -800.200	-643.469
<b>-65.443</b>	<b>-561.737</b>	<b>Cash flows from financing activities</b>	<b>-986.967</b>	<b>-220.151</b>
<b>-996</b>	<b>614</b>	<b>Increase/decrease in cash and cash equivalents</b>	<b>12.622</b>	<b>-20.651</b>
1.495	500	Cash and cash equivalents at 01.01.	-18.125	1.353
1	0	Foreign currency translation adjustments	-40	1.173
<b>500</b>	<b>1.114</b>	<b>Cash and cash equivalents at 31.12.</b>	<b>33 -5.543</b>	<b>-18.125</b>

## Notes

### 1. Accounting policies

The Annual Report of 3C RETAIL A/S for 2020, which comprises both the parent financial statements and the consolidated financial statements, is presented in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of reporting class C (large) enterprises. 3C RETAIL A/S is a public limited company registered in Denmark.

The consolidated financial statements and the parent financial statements are presented in Danish kroner (DKK), which is the presentation currency of the Group's activities and the functional currency of the Parent. Except for derivative financial instruments, the consolidated financial statements and the parent financial statements are presented on a historical cost basis.

The accounting policies applied to these financial statements are consistent with those applied last year. However, in the parent financial statements, a reclassification has been made within the operating profit/loss. The reclassification shows re-invoicing of group expenses as other operating income as opposed to previously as part of other external expenses and staff costs. The reclassification has not affected the financial performance, balance sheet total or equity in 2019 or 2020.

#### Implementation of new and revised Standards and Interpretations

The consolidated financial statements and the parent financial statements are presented in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of reporting class C (large) enterprises applicable for financial years beginning on or after 01.01.2020. Additional Danish disclosure requirements for financial statements are laid down in the Danish Executive Order on IFRS adoption issued in accordance with the Danish Financial Statements Act.

Effective from 1 January 2020, the Group has implemented the following revised standards and interpretations:

- Amendments to IAS 1 and IAS 8 on the definition of materiality
- Amendments to IFRS 3 on the definition of business combinations
- Amendments to IFRS 9, IAS 39 and IFRS 7 on the reform of benchmark interest rates
- Amendments to IFRS 16 on rent reliefs because of Covid-19

The effect of implementing the above changes is immaterial.

#### Standards and interpretations not yet in force

New standards and interpretations or amendments to existing standards which have not become effective at the time of issuance of this annual report have not been incorporated in the annual report. The following amendments to existing and new standards and interpretations have not yet become effective and are not applicable in the preparation of the financial statements for 2020:

- Amendments to IAS 16 on income from property, plant and equipment under construction
- Amendments to IAS 1 on classification of liabilities
- IAS16 (IBOR reform) – Phase 2
- Amendments to IAS 37, Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRSs 2018-2020 Cycle

Management has assessed that the implementation will not have any significant impact. Apart from the above, Management has not identified any other standards and interpretations not yet effective that may be relevant to the Group.

## Notes

### 1. Accounting policies (continued)

#### **Consolidated financial statements**

The consolidated financial statements comprise of 3C RETAIL A/S (Parent) and the enterprises (subsidiaries) that are controlled by the Parent. The Parent is deemed to have control when it (i) has power over the relevant activities of the entity in question, (ii) has exposure, or rights, to variable returns from its involvement with the investee, and (iii) has the ability to use its power over the investee to affect the amount of variable returns.

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.

#### **Consolidation principles**

The consolidated financial statements are prepared on the basis of the financial statements of 3C RETAIL A/S and its subsidiaries. The consolidated financial statements are prepared by adding together financial statement items of a uniform nature. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

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.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

#### **Minority interests**

On initial recognition, minority interests are either measured at fair value or at their pro rata share of the fair value of the acquiree's identifiable assets, liabilities or contingent liabilities. The choice of method is made for every single transaction. Minority interests are adjusted subsequently for their pro rata share of changes in the subsidiary's equity. Comprehensive income is allocated to the minority interests, irrespective of the minority interest being negative.

Acquisition of minority interests in a subsidiary and sale of minority interests in a subsidiary, which does not cause control to cease, are accounted for in the consolidated financial statements as an equity transaction, and the difference between the consideration and the carrying amount is allocated to the Parent's share of equity.

#### **Business combinations**

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Time of acquisition is the date on which control over the enterprise is actually acquired. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up. Time of divestment is the date on which control of the enterprise actually passes to a third party.

The purchase method is applied in the acquisition of new enterprises, under which identifiable assets, liabilities and contingent liabilities of these enterprises are measured at fair value at the acquisition date. Non-currents assets acquired for the purpose of resale, however, are measured at fair value less anticipated selling costs. Restructuring costs are only recognised in the pre-acquisition balance sheet if they constitute a liability of the acquiree. Allowance is made for the tax effect of the restatements made.

The acquisition consideration for an enterprise consists of the fair value of the consideration paid for the acquiree. If the final determination of the consideration is conditional upon one or several future events, they are recognised at fair value thereof at the time of acquisition. Costs which are directly attributable to the acquisition of the enterprise are recognised directly in profit and loss when incurred.

## Notes

### 1. Accounting policies (continued)

Positive differences (goodwill) between, on the one hand, the acquisition consideration for the acquiree, the value of minority interests in the acquiree and the fair value of the previously acquired investments, and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as an asset under intangible assets and tested for impairment at least once a year. If the asset's carrying amount is higher than its recoverable amount, it is written down to such lower recoverable amount.

For negative differences (negative goodwill), the calculated fair values, the calculated acquisition consideration for the enterprise, the value of minority interests in the acquiree and the fair value of the previously acquired investments are reassessed. If the difference continues to be negative, it is recognised as income in profit and loss.

If at the acquisition date, the identification or measurement of acquired assets, liabilities or contingent liabilities or determination of the acquisition consideration is subject to uncertainty, initial recognition is made on the basis of preliminary values. The preliminary values can be adjusted, or further assets or liabilities recognised, until 12 months after the acquisition if new information has occurred in relation to matters which existed at the acquisition date which would have affected the calculation of the values at the acquisition date, had the information been known.

Changes in estimates of conditional acquisition consideration are, as a general rule, recognised directly in profit or loss.

On transition to IFRS, business combinations that occurred before 01.01.2009 have not been restated to reflect the changes in accounting policies, except for the separation of any identifiable intangible assets. The carrying amount of goodwill at 01.01.2009 relating to business combinations performed before 01.01.2009 is considered to be the cost of goodwill. At 31.12.2020, the carrying amount of goodwill relating to business combinations performed before 01.01.2009 totals DKK 62,362k.

#### *Profit or loss from divestment or winding-up of subsidiaries*

Profits or losses from divestment or winding-up of subsidiaries and associates which result in cessation of control or significant influence are calculated as the difference between, on the one hand, the fair value of the sales proceeds or the settlement price and the fair value of any remaining investments and, on the other hand, the carrying amount of net assets at the time of divestment or winding-up, including goodwill, net of any minority interests. The calculated profit or loss is recognised in profit and loss together with accumulated foreign currency translation adjustments, which were previously recognised in other comprehensive income.

#### **Foreign currency translation**

On initial recognition, transactions in currencies other than the individual enterprise's functional currency 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 profit and loss as financial income or financial expenses. Property, plant equipment, intangible assets, inventories and other non-monetary assets purchased in foreign currencies and measured on the basis of historical cost are translated at the transaction date exchange rate. Non-monetary items that are restated at fair value are translated using the exchange rate at the date of restatement.

When enterprises which present their financial statements in a functional currency different from Danish kroner (DKK) are recognised in the consolidated financial statements, the income statements are translated at the months' average exchange rates unless they vary significantly from the actual exchange rates at the transaction dates. In the latter case, the actual exchange rates are applied. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered as belonging to the relevant acquiree and is translated using the exchange rate at the balance sheet date.



## Notes

### 1. Accounting policies (continued)

Exchange differences arising out of the translation of foreign enterprises' balance sheet items at the beginning of the year using the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised in other comprehensive income. Similarly, exchange differences arising out of changes that have been made directly in the foreign enterprise's equity are recognised in other comprehensive income as well.

Translation adjustments of receivables from or payables to subsidiaries which are considered part of the Parent's total investment in the subsidiary in question are recognised in other comprehensive income in the consolidated financial statements, whereas they are recognised in profit and loss of the parent financial statements.

#### Derivative financial instruments

On initial recognition, derivative financial instruments are measured at fair value at the date of settlement. Costs directly attributable to the purchase or issue of the individual financial instrument (transactions costs) are added to fair value on initial recognition unless the financial asset or the financial liability is measured at fair value in the income statement including fair value adjustments. Subsequent to initial recognition, derivative financial instruments are measured at fair value at the balance sheet date. Positive and negative fair values of derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for effectively hedging future transactions are recognised in other comprehensive income. The ineffective portion is recognised immediately in profit and loss. When the hedged transactions are made, the accumulated changes are recognised as part of cost of the relevant transactions.

Changes in the fair value of derivative financial instruments that are applied for hedging net investments in foreign enterprises are recognised in the consolidated financial statements in other comprehensive income if hedging is effective. The ineffective portion is recognised immediately in the income statement. If the relevant foreign enterprise is divested, the accumulated changes in value are taken to profit or loss. Derivative financial instruments that do not qualify as hedging instruments are regarded as trading portfolios and measured at fair value with current recognition of fair value adjustments in financial income or financial expenses through profit and loss.

#### Income tax

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 profit or loss for the year and taken other comprehensive income by the portion attributable to entries directly in other comprehensive income. Foreign currency translation adjustments of deferred tax are recognised as part of the year's adjustments of deferred tax. The 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.

## Notes

### 1. Accounting policies (continued)

When computing the current tax for the year, the tax rates and tax rules in effect at the balance sheet date are used. Deferred tax is recognised under the balance-sheet liability method on all temporary differences between carrying amounts and tax-based values of assets and liabilities, except for deferred tax on temporary differences arising from either initial recognition of goodwill or initial recognition of a transaction that is not a business combination, and where such temporary difference identified at the time of initial recognition affects the carrying amount or the taxable income.

Deferred tax is recognised on all temporary differences related to investments in subsidiaries and associates, unless the Parent is able to control when the deferred tax is realised, and it is probable that the deferred tax will not crystallise as current tax in the foreseeable future. Deferred tax is computed based on the planned use of each asset and the settlement of each liability, respectively.

Deferred tax is measured by using the tax rates and tax rules in the relevant countries which are based on acts passed or acts passed in reality at the balance sheet date and which are expected to apply when the deferred tax is expected to be triggered as current tax. Changes in deferred tax resulting from changed tax rates or tax rules are recognised in the income statement unless the deferred tax is attributable to transactions previously recognised directly in equity. If so, such changes are also recognised in other comprehensive income.

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 for set-off against future positive taxable income. At every balance sheet date, it is assessed whether sufficient taxable income is likely to arise in the future for the deferred tax asset to be used.

The Parent is jointly taxed with all Danish subsidiaries of the 3C Holding 2020 ApS Group. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income.

#### Statement of comprehensive income

##### *Revenue*

Revenue comprises income from the sale of goods and services falling within the Company's ordinary operations, including sale of goods, income from the lease-out and sale of lease assets, interest on cash lending and contract receivables etc, servicing contracts and commissions.

Revenue is measured at amortised cost of the consideration received or receivable. If interest-free credit has been arranged for payment of the consideration receivable that is longer than the usual credit period, the fair value of the consideration is determined by discounting the future payments. Revenue is calculated net of VAT, duties etc collected on behalf of a third party and discounts.

##### *Derecognition of financial assets*

A financial asset is only derecognized when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

## Notes

### 1. Accounting policies (continued)

#### *Cost of sales*

Cost of sales comprises consumer goods for sale and direct expenses.

#### *Other external expenses*

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

#### *Other operating income*

Other operating income comprises income of a secondary nature as viewed in relation to the Group's primary activities, including re-invoicing of group expenses, etc.

#### *Staff costs*

Staff costs comprise salaries and wages, costs concerning pension plans as well as other social security costs etc taken to the income statement in the financial year.

#### *Financial income and financial expenses*

These items comprise interest income except for interest income from contract receivables recognised in revenue and interest expenses, realised and unrealised capital gains and losses on securities, payables and foreign currency transactions.

#### *Public grants*

Public grants are recognised when it is virtually certain that the conditions underlying the grants have been met and that the grant will be received. Grants to cover expenses incurred are recognised in the income statement proportionally over the periods during which the related expenses are recognised in the income statement. The grants are set off against the expenses incurred. Public grants related to an asset are deducted from its costs.

#### *Discontinued activities and non-current assets held for sale*

Discontinued activities are material business areas or geographical areas sold or held for sale according to an overall plan. Subsidiaries acquired only for resale are regarded as discontinued operations. Results from discontinued operations are presented in the income statement as a separate line item consisting of operating profit or loss after tax of the relevant operation and any gains or losses from fair value adjustments or sale of the assets and liabilities related to the operation.

Non-current assets and groups of assets held for sale are presented separately in the balance sheet as current assets. Liabilities directly related to the relevant assets are presented as current liabilities in the balance sheet.

Non-current assets held for sale are not depreciated, but are written down to fair value less estimated selling expenses if this value is lower than the carrying amount.

#### **Balance sheet**

##### *Goodwill*

On initial recognition, goodwill is recognised and measured as the difference between cost of the acquiree and the fair value of the acquired assets, liabilities and contingent liabilities, refer to the description in the section on consolidated financial statements. Acquired intellectual property rights are written down to any lower recoverable amount, refer to the section below on impairment losses.

## Notes

### 1. Accounting policies (continued)

When goodwill is recognised, the amount goodwill is allocated to the activities of the Group generating separate payments (cash-generating units). Determination of cash-generating units complies with the management structure and management accounting and reporting of the Group.

Goodwill is not amortised but tested at least once a year for impairment, refer to the section on impairment losses for intangible assets and property, plant and equipment and investments in subsidiaries and associates.

#### *Other intangible assets*

Acquired intellectual property rights in the form of licences and software are measured at cost less accumulated amortisation and impairment losses. Licences are amortised over the term of the agreement. If the actual useful life is shorter than the remaining duration and the contract period, respectively, amortisation is made over such shorter useful life. Software acquired is recognised at cost which includes the costs incurred for using the software. Software acquired is amortised on a straight-line basis over a period of three to ten years.

#### *Property, plant and equipment*

Other fixtures, fittings, tools and equipment, leasehold improvements and lease assets 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. For own-manufactured assets, cost comprises costs directly attributable to the manufacture of the asset, including materials, components, sub-suppliers and wages. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value. The residual value is the estimated amount that would be earned if selling the asset today net of selling costs, if the asset is of an age and a condition that is expected after the end of useful life. Cost of a combined asset is divided into small components depreciated individually if their useful lives vary.

Straight-line depreciation is made on the basis of the estimated useful lives of the assets:

Leasehold improvements	2-10 years
Other fixtures, fittings, tools and equipment and lease assets	2-10 years

Depreciation methods, useful lives and residual amounts are reassessed annually.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount, refer to the section below on impairment losses.

#### *Leases applicable*

A lease asset and a lease liability are recognised in the balance sheet when, according to a lease inception on a specifically identifiable asset, the lease asset is made available to the Group over the lease term and when the Group obtains the right to substantially all of the economic benefits from use of the identified asset and the right to direct (control) the use of the identified asset.

On initial recognition, lease liabilities are measured at the present value of future lease payments discounted using an alternative borrowing rate.

## Notes

### 1. Accounting policies (continued)

The lease liability is measured at amortised cost under the effective interest rate method. The lease liability is recalculated when changes occur in the underlying contractual cash flows arising from index or interest rate changes.

On initial recognition, the lease asset is measured at cost which is equivalent to the amount of the lease liability. Subsequently, the asset is measured at cost net of accumulated depreciation and impairment losses. The lease asset is depreciated over the shorter of its lease term and its useful life. Depreciation is recognised on a straight-line basis in profit or loss. The lease asset is adjusted for changes in the lease liability caused by amendments to the terms and conditions of the lease or changes in contractual cash flows concurrently with index or interest rate changes.

Lease assets are depreciated on a straight-line basis over the expected lease term, which is:

Properties	9 years
Equipment	5 years

The Group presents lease assets and lease liabilities separately on the balance sheet.

The Group has opted not to recognise low-value lease assets and short-term lease assets in the balance sheet. Instead, lease payments regarding these leases are recognised on a straight-line basis in profit or loss.

#### ***Impairment losses on property, plant and equipment, intangible assets and investments in subsidiaries and associates***

The carrying amounts of property, plant and equipment and intangible assets with definite useful lives as well as investments in subsidiaries and associates are tested at the balance sheet date for any indication of impairment. If impaired, the recoverable amount of the asset is estimated to determine the need for any writedown for impairment and the extent thereof.

For goodwill, the recoverable amount is calculated annually irrespective of whether indications of impairment have been identified. If the asset does not generate cash flows separately from other assets, the recoverable amount is calculated for the smallest cashgenerating unit in which the asset is included.

The recoverable amount is determined as the higher of the asset's or the cash-generating unit's fair value, net of selling costs, and the value in use. When the value in use is determined, estimated future cash flows are discounted to present value using a discount rate that reflects current market estimates of the time value of money, as well as the particular risks related to the asset and the cashgenerating unit, respectively, and for which no adjustment is made in estimated future cash flows.

If the recoverable amount of the asset or the cash-generating unit is estimated to be lower than carrying amount, the carrying amount is written down to recoverable amount. For cashgenerating units, the writedown for impairment is allocated to the effect that amounts of goodwill are written down first, and then any remaining impairment loss is allocated on the other assets of the unit, however, the individual asset may not be written down to an amount below its fair value net of any expected selling costs. Impairment losses are recognised in the income statement. In case of any subsequent reversals of impairment losses resulting from changes in assumptions of the estimated recoverable amount, the carrying amount of the asset and the cash-generating unit, respectively, is increased to the adjusted estimate of the recoverable amount, however, to no more than the carrying amount which the asset or the cash generating unit would have had if the writedown for impairment had not been performed. Writedown of goodwill for impairment is not reversed.

## Notes

### 1. Accounting policies (continued)

#### *Investments in subsidiaries in the parent financial statements*

Investments in subsidiaries are measured at cost in the parent financial statements. If cost exceeds the recoverable amount of the investments, the investments are written down to such lower value, refer to the section above on impairment losses. If more dividends are distributed than have in aggregate been earned by the enterprise since the Parent's acquisition of the investments, this is regarded as an indication of impairment, refer to the section above on impairment losses.

#### *Deposits*

Deposits are measured at amortised cost.

#### *Inventories*

Inventories are measured at the lower of cost using the FIFO method and net realisable value. Cost of goods for resale comprises cost plus delivery costs. The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute the sale.

#### *Loans measured at amortised cost*

On initial recognition, loans are recognised at fair value net of fees received and transactions cost which form an integral part of the effective interest rate. Subsequently, loans are measured at amortised cost net of expected credit loss. Adjustments of provisions for bad debts because of a credit risk are recognised in the income statement in the line item "Other external expenses".

The expected loss impairment rules entail that, on initial recognition, a loan is written down by an amount equivalent to the expected credit loss over a 12-month period (Stage 1). If, subsequently, credit risk has increased significantly since initial recognition, the loan is written down by an amount equivalent to the expected credit loss over the remaining maturity period of the loan (Stage 2). A significant increase in credit risk is established by determining non-payments where one non-payments in succession will constitute a significant increase. If the value of the loan is impaired (Stage 3), the loan will be written down by an amount equivalent to the expected credit loss over the remaining maturity period of the asset, however, interest income is recognised in profit or loss applying the effective interest method to the amount written down. A credit-impaired asset is established by determining non-payments where 3 non-payments cause the asset to be classified as credit-impaired. Impairment losses on credit-impaired loans (Stage 3) have been calculated by discounting expected future cash flows up to 15 year period. The calculated cash flows are discounted using the weighted, original, credit-adjusted effective interest rate.

## Notes

### 1. Accounting policies (continued)

#### *Prepayments*

Prepayments comprise incurred costs relating to subsequent financial years.

Prepayments are measured at cost.

#### *Dividend*

Dividend is recognised as a liability at the time of adoption at the Annual General Meeting.

#### *Pension obligations and similar obligations*

Under defined contribution plans, the Company pays fixed contributions to independent pension providers etc on a current basis. The contributions are recognised in the income statement in the period in which the employees have provided the services conferring a right to the pension contribution. Contributions payable are recognised in the balance sheet under liabilities.

In defined benefit plans, the Group is obliged to pay a defined benefit upon retirement of the employees, for example, a fixed amount or a percentage of the exit salary.

For defined benefit plans, an actuarial calculation is made annually of the value in use of future benefits to which the employees have earned a right through their past employment in the Group and which will be payable under the plan. The Projected Unit Credit Method is used to determine the value in use. The value in use is calculated on the basis of market assumptions about future developments in, for example, pay level, interest rates, inflation, mortality and disability.

The value in use of pension obligations net of fair value of any assets related to the plan is recognised in the balance sheet under pension assets or pension obligations, depending on whether the net amount is an asset or a liability.

#### *Provisions*

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events in the financial year or prior years, and it is probable that settlement of such obligation will lead to an outflow of the Group's financial resources.

#### *Other financial liabilities*

Other financial liabilities comprise bank loans, trade payables and other payables to public authorities etc.

On initial recognition, other financial liabilities are measured at fair value less any transaction costs. Subsequently, these liabilities are measured at amortised cost applying the effective interest method to the effect that the difference between proceeds and nominal amount is recognised in the income statement as a financial expense over the term of the loan.

## Notes

### 1. Accounting policies (continued)

#### *Deferred income*

Deferred income comprises income received relating to subsequent financial years and gift and credit vouchers. On initial recognition, gift and credit vouchers are measured at cost usually equaling the consideration received. The consideration received is allocated on gift and credit vouchers expected to be spent and recognised in revenue when the individual gift or credit vouchers are spent. The estimate of gift and credit vouchers expected to be spent is reassessed on an ongoing basis. Other items of deferred income are measured at cost.

#### **Cash flow statement**

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

Cash flows from acquired and divested enterprises are shown as separate line items within cash flows from investing activities. Cash flows from enterprises acquired are recognised in the cash flow statement from the time of their acquisition, and cash flows from enterprises divested are recognised up to the time of sale.

Cash flows from operating activities are presented using the indirect method and calculated as profit or loss for the year adjusted for non-cash operating items, working capital changes as well as financial income, financial expenses and income tax paid. Adjustments in the cash flow statement consists of amortisation, depreciation and impairment losses, financial income, financial expenses and tax.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises and financial assets as well as acquisition, development, improvement and sale, etc of intangible assets and property, plant and equipment. Cash flows from financing activities comprise changes in the Parent's share capital and any related costs as well as the raising and settlement of loans, instalments on interest-bearing debt, purchase of treasury shares and payment of dividends.

Cash flows in currencies other than the functional currency are recognised in the cash flow statement, using the average exchange rates for the months, unless they vary significantly from the actual exchange rates at the transaction dates. In the latter case, the actual exchange rates at the individual dates are used.



## Notes

### 1. Accounting policies (continued)

#### Financial highlights

Financial highlights are defined as follows:

<u>Financial ratios</u>	<u>Calculation formula</u>
Profit margin (%)	$\frac{\text{Operating profit/loss} \cdot 100}{\text{Revenue}}$
Return on capital employed (%)	$\frac{\text{EBIT} \cdot 100}{\text{Average operating assets}}$
Solvency ratio (%)	$\frac{\text{Equity incl minority interests} \cdot 100}{\text{Balance sheet total}}$
Return on equity (%)	$\frac{\text{Parent's share of profit/loss for the year} \cdot 100}{\text{Parent's average share of group equity}}$
Debt multiple	$\frac{\text{Net interest-bearing debt}}{\text{EBITDA}}$

*Average operating assets* are calculated as the balance sheet total net of cash, interest-bearing assets (including shares) and investments in associates.

*EBITDA* comprises interest income from the Group's primary activity.

*EBIT* comprises interest income from the Group's primary activity.

*Net interestbearing debt* is defined as interestbearing liabilities net of interest-bearing receivables.

### 2. Significant judgements and estimates, assumptions and uncertainties

Recognition and measurement of assets and liabilities often depend on future events that are subject to some uncertainty. In this connection it is necessary to assume courses of events etc reflecting Management's assessment of the most likely course of events. In the financial statements for 2020, the following assumptions and uncertainties should especially be noted as they have had considerable impact on the assets and liabilities recognised in the financial statements and may call for corrections in the subsequent financial years if the courses of events assumed are not realised as expected:

#### *Loans measured at amortised cost*

The calculation of expected future losses and expected future cash flows is based on the Company's history for similar loan portfolios. Applying history and the estimates made are subject to some uncertainty, and the variation may be material both in positive and negative direction. Refer also to note 34.

#### **Right-of-use assets and lease liabilities**

Determining the right-of-use period is subject to estimation, for which reason any change therein might be both positive and negative. A longer right-of-use period would cause an increase in the lease asset and the lease liability.

#### **Recovery of deferred tax assets**

Deferred tax assets are recognised for all unutilised tax losses insofar as it is deemed probable that taxable income will be generated in the foreseeable future against which these losses may be offset/used. Determining the size of the amount recognisable as a deferred tax asset is based on estimation of the probable time and size of future taxable income.

## Notes

Parent		Group	
2019 DKK'000	2020 DKK'000	2020 DKK'000	2019 DKK'000
<b>3. Revenue</b>			
134.318	61.411	64.809	154.893
2.749	2.249	15.285	7.817
16.784	48.009	50.585	37.993
348.043	264.071	566.551	724.723
<b>501.894</b>	<b>375.740</b>	<b>697.230</b>	<b>925.426</b>

Revenue is mainly to private customers, and delivery obligation are always fulfilled at a specific time

In the B2C segment, leases are set up with a minimum term to maturity of 12 months whereas leases in the B2B segment have more varying terms to maturity. Contractually guaranteed rental income from operating leases can be specified as follows:

302	250	Within one year of the balance sheet date	7.047	5.821
1	2	Between one and two years from the balance sheet date	4.916	3.891
0	0	Between two and three years from the balance sheet date	2.523	2.389
0	0	Between three and four years from the balance sheet date	652	889
0	0	Between four and five years from the balance sheet date	148	200
0	0	More than five years after the balance sheet date	0	0
<b>303</b>	<b>252</b>		<b>15.286</b>	<b>13.190</b>

## Notes

Parent			Group	
2019	2020		2020	2019
DKK'000	DKK'000		DKK'000	DKK'000
<b>4. Cost of sales</b>				
110.712	52.318	Cost of products sold	43.238	89.453
-289	-188	Reversal of impairment losses on inventories	-188	-289
3.394	2.099	Other cost of sales	2.362	3.871
<b>113.817</b>	<b>54.229</b>		<b>45.412</b>	<b>93.035</b>

#### 5. Fees to auditors appointed by the Annual General Meeting

Other external expenses include fees to auditors appointed by the Annual General Meeting at:

634	854	Audit services	1.364	1.181
198	173	Tax assistance	186	329
191	171	Other non-audit services	304	336
0	112	Other assurance engagements	193	0
<b>1.023</b>	<b>1.310</b>		<b>2.047</b>	<b>1.846</b>

#### 6. Staff costs

107.927	99.779	Wages and salaries	118.156	129.027
9.710	8.853	Pension contributions	10.180	11.063
2.408	1.921	Other social security expenses	6.562	8.040
<b>120.045</b>	<b>110.553</b>		<b>134.898</b>	<b>148.130</b>

The groups have received 3,753k in salary compensation, due to the COVID19 pandemic. The compensation have been deducted primary in wages and salaries.

<b>277</b>	<b>247</b>	Average headcount	<b>297</b>	<b>332</b>
Remuneration for members of Management:				
4.210	4.994	Wages and salaries (incl staff benefits)	8.822	7.923
141	176	Defined contribution plans	376	326
<b>4.351</b>	<b>5.170</b>		<b>9.198</b>	<b>8.249</b>
Board of Directors				
400	475	Directors' remuneration	475	400
<b>400</b>	<b>475</b>		<b>475</b>	<b>400</b>

## Notes

<b>Parent</b>		<b>Group</b>	
2019 DKK'000	2020 DKK'000	2020 DKK'000	2019 DKK'000
<b>7. Pension plans</b>			
<p>Members of the Executive Board of the Parent and the Group are subject to special bonus plans relying on individually determined performance targets. None of the bonus plans may result in bonus payments of more than 50% of the individual member's basic salary.</p> <p>The Group has entered into defined contribution plans for the majority of its employees. Pursuant to these plans, a monthly amount of 5.6% to 10.0% of the relevant employees' basic pay is paid into independent pension providers.</p> <p>The Group makes very little use of defined benefit plans which are adjusted based on actuarial calculations.</p> <p>Contributions taken to profit or loss:</p>			
9.710	8.853	9.824	10.661
0	0	356	402
<b>9.710</b>	<b>8.853</b>	<b>10.180</b>	<b>11.063</b>
<b>8. Amortisation, depreciation and impairment losses</b>			
875	3.228	3.370	908
399	332	4.400	5.984
7.635	9.897	11.876	9.555
4.222	1.388	1.427	4.261
33	31	181	115
-1.360	-1.068	-1.068	-1.806
<b>11.804</b>	<b>13.808</b>	<b>20.186</b>	<b>19.017</b>

## Notes

Parent		Group	
2019 DKK'000	2020 DKK'000	2020 DKK'000	2019 DKK'000
<b>9. Income from investments in group enterprises</b>			
45.168	0		
		Dividend from Thorn Sweden Holdings AB	
114.960	0	Dividend from Thorn Norway Holdings AS	-
300.000	70.000	Dividend from 3C Ejendomme ApS	-
-222.941	-67.048	Impairment losses on group enterprises*	-
<b>237.187</b>	<b>2.952</b>		<b>0</b>
* Refer to note 18 for a description of impairment losses on group enterprises			
<b>10. Other financial income</b>			
1	0	Interest on bank deposits etc	6
82.935	92.947	Interest from group enterprises	39.249
0	0	Interest income from finance leases	0
0	1.504	Other interest	5.109
<b>82.936</b>	<b>94.451</b>	<b>Interest income from financial assets</b>	<b>44.364</b>
1.011	13.874	Foreign currency translation adjustments	1.614
<b>83.947</b>	<b>108.325</b>		<b>38.223</b>
<b>11. Financial expenses</b>			
103.531	94.195	Interest on bank loans	94.393
7.979	20.281	Interest to group enterprises	18.283
2.374	1.924	Other interest	3.230
<b>113.884</b>	<b>116.400</b>	<b>Interest expenses from financial liabilities</b>	<b>115.906</b>
1.707	344	Foreign currency translation adjustments	499
45.091	21.619	Impairment of receivables from group enterprises	0
<b>160.682</b>	<b>138.363</b>		<b>110.320</b>
<b>12. Public grants</b>			
0	18.084	Public grants	20.090
<b>0</b>	<b>18.084</b>		<b>0</b>

Public grants relates to the state compensation of fixed costs and salary, due to the COVID19 pandemic. Public grants is deducted in the following related expenses: other external expenses, staff costs, financial expenses and result from discontinued operations.

## Notes

Parent		Group	
2019 DKK'000	2020 DKK'000	2020 DKK'000	2019 DKK'000
<b>13. Income tax</b>			
0	0	5.347	6.059
23.556	18.440	42.793	26.869
688	114	-860	1.174
<b>24.244</b>	<b>18.554</b>	<b>47.280</b>	<b>34.102</b>

The current income tax for the financial year is computed on the basis of a tax rate of 22%.

For foreign enterprises, the current tax rate in the country in question is used.

<b>Effective tax rate:</b>			
22,0%	22,0%	22,0%	22,0%
-14,1%	6,3%	0,0%	0,0%
0,0%	0,0%	1,4%	-0,4%
0,0%	0,0%	0,6%	0,3%
0,2%	0,1%	0,1%	0,8%
<b>8,1%</b>	<b>28,4%</b>	<b>24,1%</b>	<b>22,7%</b>

**14. Dividend**

On 22.06.2020, 3C RETAIL A/S distributed DKK 21,7m in ordinary dividend to the shareholders.

The Board of Directors proposes that DKK 23m be distributed for the financial year 2020, which amount will be paid to the shareholder immediately after the Company's Annual General Meeting, provided that the proposal by the Board of Directors is adopted at the Annual General Meeting.

Since the distribution of dividend is conditional upon the adoption by the Annual General Meeting, this has not been recognised.

## Notes

	<b>Parent</b>	
	<b>Goodwill DKK'000</b>	<b>Licences and software DKK'000</b>
<b>15. Intangible assets</b>		
Cost at 01.01.2020	15.000	107.522
Additions	0	2.853
<b>Cost at 31.12.2020</b>	<b>15.000</b>	<b>110.375</b>
Amortisation and impairment losses at 01.01.2020	0	99.625
Amortisation for the year	0	3.228
<b>Amortisation and impairment losses at 31.12.2020</b>	<b>0</b>	<b>102.853</b>
<b>Carrying amount at 31.12.2020</b>	<b>15.000</b>	<b>7.522</b>
Cost at 01.01.2019	15.000	108.988
Additions	0	8.256
Disposals	0	-9.722
<b>Cost at 31.12.2019</b>	<b>15.000</b>	<b>107.522</b>
Amortisation and impairment losses at 01.01.2019	0	98.750
Amortisation for the year	0	875
<b>Amortisation and impairment losses at 31.12.2019</b>	<b>0</b>	<b>99.625</b>
<b>Carrying amount at 31.12.2019</b>	<b>15.000</b>	<b>7.897</b>

## Notes

	<b>Group</b>	
	<b>Goodwill DKK'000</b>	<b>Licences and software DKK'000</b>
<b>15. Intangible assets</b>		
Cost at 01.01.2020	62.362	127.359
Foreign currency translation adjustments	0	-25
Additions	0	2.907
<b>Cost at 31.12.2020</b>	<b>62.362</b>	<b>130.241</b>
Amortisation and impairment losses at 01.01.2020	0	119.122
Foreign currency translation adjustments	0	1
Amortisation for the year	0	3.370
<b>Amortisation and impairment losses at 31.12.2020</b>	<b>0</b>	<b>122.493</b>
<b>Carrying amount at 31.12.2020</b>	<b>62.362</b>	<b>7.748</b>
Cost at 01.01.2019	62.362	128.452
Additions	0	8.629
Disposals	0	-9.722
<b>Cost at 31.12.2019</b>	<b>62.362</b>	<b>127.359</b>
Amortisation and impairment losses at 01.01.2019	0	118.214
Amortisation for the year	0	908
<b>Amortisation and impairment losses at 31.12.2019</b>	<b>0</b>	<b>119.122</b>
<b>Carrying amount at 31.12.2019</b>	<b>62.362</b>	<b>8.237</b>



## Notes

### 15. Intangible assets (continued)

#### Goodwill

Goodwill arising from business acquisitions etc is allocated at the time of acquisition to the cash-generating units, which are expected to achieve financial benefits from the business combination.

The carrying amount of goodwill is allocated as follows by cash-generating unit:

	<b>2020</b>	<b>2019</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Thorn Svenska AB	21.639	21.639
Thorn Norge AS	25.723	25.723
3C RETAIL A/S	15.000	15.000
	<b>62.362</b>	<b>62.362</b>

Goodwill is tested at least once a year for impairment and more frequently in the event of indications of impairment. The annual impairment test is made at 31.12.

The recoverable amount for the individual cash-generating units to which the goodwill amounts have been allocated, are stated based on computations of the units' value in use.

The cash flows disclosed in the 2021 budget and the forecast for the next four years plus the terminal value based on forecast year 5 have been used to calculate the cash-generating units' value in use. No terminal value growth rate has been used.

The discount rates determined reflect the market assessments of the time value of money expressed as a riskfree interest rate and the specific risks attached to each cash-generating unit. The discount rate is determined on an "after tax" basis based on assessed Weighted Average Cost of Capital (WACC). A pre-tax discount rate of 5,5% has been used (2019: 5,9%).

The recoverable amount of the cash-generating units at the balance sheet date exceeds the carrying amount by over 95%.

## Notes

	Parent			
	Lease assets DKK'000	Other fixtures etc DKK'000	Right-of- use assets DKK'000	Leasehold improve- ments DKK'000
<b>16. Property, plant and equipment</b>				
Cost at 01.01.2020	4.128	69.798	66.939	5.373
Adjustment to balance 01.01.2020	0	-12.418	12.418	0
Foreign currency translation adjustments	33	-11	0	-58
Additions	617	0	2.772	0
Disposals	-1.095	-2.494	0	0
<b>Cost at 31.12.2020</b>	<b>3.683</b>	<b>54.875</b>	<b>82.129</b>	<b>5.315</b>
Depreciation and impairment losses at 01.01.2020	2.640	52.055	7.635	5.338
Adjustment to balance 01.01.2020	0	-4.553	4.553	0
Foreign currency translation adjustments	33	-11	0	-58
Depreciation for the year	332	1.388	9.897	31
Reversal of depreciation of assets sold	-571	-2.175	0	0
<b>Depreciation and impairment losses at 31.12.2020</b>	<b>2.434</b>	<b>46.704</b>	<b>22.085</b>	<b>5.311</b>
<b>Carrying amounts at 31.12.2020</b>	<b>1.249</b>	<b>8.171</b>	<b>60.044</b>	<b>4</b>
Cost at 01.01.2019	4.742	68.020	0	5.362
Effect of transition at 01.01.2019	0	0	68.717	0
Foreign currency translation adjustments	-15	2	0	11
Additions	688	4.429	0	0
Disposals	-1.287	-2.653	-1.778	0
<b>Cost at 31.12.2019</b>	<b>4.128</b>	<b>69.798</b>	<b>66.939</b>	<b>5.373</b>
Depreciation and impairment losses at 01.01.2019	2.862	50.420	0	5.295
Foreign currency translation adjustments	-15	2	0	10
Depreciation for the year	399	4.222	7.635	33
Reversal of depreciation of assets sold	-606	-2.589	0	0
<b>Depreciation and impairment losses at 31.12.2019</b>	<b>2.640</b>	<b>52.055</b>	<b>7.635</b>	<b>5.338</b>
<b>Carrying amounts at 31.12.2019</b>	<b>1.488</b>	<b>17.743</b>	<b>59.304</b>	<b>35</b>

## Notes

	Group			
	Lease assets DKK'000	Other fixtures etc DKK'000	Right-of- use assets DKK'000	Leasehold improve- ments DKK'000
<b>16. Property, plant and equipment</b>				
Cost at 01.01.2020	38.054	71.547	83.893	6.249
Adjustment to balance 01.01.2020	0	-12.418	12.418	0
Foreign currency translation adjustments	12	48	-148	-120
Additions	9.153	0	2.772	0
Disposals	-7.792	-2.494	0	-68
<b>Cost at 31.12.2020</b>	<b>39.427</b>	<b>56.683</b>	<b>98.935</b>	<b>6.061</b>
Depreciation and impairment losses at 01.01.2020	20.928	53.752	8.751	5.421
Adjustment to balance 01.01.2020	0	-4.553	4.553	0
Foreign currency translation adjustments	1	47	105	-60
Depreciation for the year	4.400	1.427	11.876	181
Reversal of depreciation of assets sold	-4.338	-2.174	0	0
<b>Depreciation and impairment losses at 31.12.2020</b>	<b>20.991</b>	<b>48.499</b>	<b>25.285</b>	<b>5.542</b>
<b>Carrying amounts at 31.12.2020</b>	<b>18.436</b>	<b>8.184</b>	<b>73.650</b>	<b>519</b>
Cost at 01.01.2019	19.495	69.796	0	5.362
Effect of transition at 01.01.2019	0	0	85.923	0
Foreign currency translation adjustments	-29	-25	58	10
Adjustment to balance 01.01.2019	33.749	0	0	0
Additions	8.619	4.429	6.928	877
Disposals	-23.780	-2.653	-9.016	0
<b>Cost at 31.12.2019</b>	<b>38.054</b>	<b>71.547</b>	<b>83.893</b>	<b>6.249</b>
Depreciation and impairment losses at 01.01.2019	11.416	52.103	0	5.295
Adjustment to balance 01.01.2019	19.754	0	0	0
Foreign currency translation adjustments	-20	-23	8	11
Depreciation for the year	5.984	4.261	9.547	115
Reversal of depreciation of assets sold	-16.206	-2.589	-804	0
<b>Depreciation and impairment losses at 31.12.2019</b>	<b>20.928</b>	<b>53.752</b>	<b>8.751</b>	<b>5.421</b>
<b>Carrying amounts at 31.12.2019</b>	<b>17.126</b>	<b>17.795</b>	<b>75.142</b>	<b>828</b>

## Notes

	<b>Parent</b>		
	<b>Receivables from group enterprises DKK'000</b>	<b>Deposits DKK'000</b>	
<b>17. Other financial assets</b>			
Value at 01.01.2020	121.407	36	
Additions	9.952	0	
Disposals	-9.842	0	
	<b>121.517</b>	<b>36</b>	
Negative net assets in subsidiaries*	-20.500	0	
<b>Value at 31.12.2020</b>	<b>101.017</b>	<b>36</b>	
Value at 01.01.2019	123.049	0	
Additions	9.689	36	
Disposals	-11.331	0	
	<b>121.407</b>	<b>36</b>	
Negative net assets in subsidiaries*	-20.500	0	
<b>Value at 31.12.2019</b>	<b>100.907</b>	<b>36</b>	
	<b>Group</b>		
	<b>Receivables from group enterprises DKK'000</b>	<b>Other receivables DKK'000</b>	<b>Deposits DKK'000</b>
Value at 01.01.2020	121.407	116.942	36
Additions	9.952	3.406	0
Disposals	-9.842	-3.406	0
	<b>121.517</b>	<b>116.942</b>	<b>36</b>
Negative net assets in subsidiaries*	-20.500	0	0
<b>Value at 31.12.2020</b>	<b>101.017</b>	<b>116.942</b>	<b>36</b>
Value at 01.01.2019	121.493	200.709	0
Additions	9.689	4.048	36
Disposals	-9.775	-87.815	0
	<b>121.407</b>	<b>116.942</b>	<b>36</b>
Negative net assets in subsidiaries*	-20.500	0	0
<b>Value at 31.12.2019</b>	<b>100.907</b>	<b>116.942</b>	<b>36</b>

\* Receivables from group enterprises has been written down because of negative net assets in subsidiaries.

Based on an individual assesment there has not been made any write down regarding expected loss on other receivables

Other recievables:

Due within one year 3.406 DKK'000 between one and five years 46.700 DKK'000 and after five years 66.836 DKK'000

Recievables from group enterprises is due within one year

## Notes

Parent		
2019 DKK'000	2020 DKK'000	
<b>18. Investments in subsidiaries</b>		
667.314	667.314	Cost at 01.01.
0	-997	Adjustment to balance 01.01.2020
0	36.365	Additions inclusive of capital increase
<b>667.314</b>	<b>702.682</b>	<b>Cost at 31.12.</b>
74.178	342.210	Impairment losses at 01.01.
0	-997	Adjustment to balance 01.01.2020
222.941	67.048	Disposals
45.091	21.619	Impairment losses for the year
<b>342.210</b>	<b>429.880</b>	<b>Impairment losses at 31.12.</b>
<b>325.104</b>	<b>272.802</b>	
51.100	72.719	Negative net assets in subsidiaries
<b>376.204</b>	<b>345.521</b>	<b>Carrying amount at 31.12.</b>

The impairment loss and disposals is due to loss-making activities in VÆRSGO A/S and dividend from 3C Ejendomme ApS. The impairment is made corresponding to the Equity of VÆRSGO A/S and 3C Ejendomme ApS, as management has assessed this to be a fair estimated of the fair value.

The subsidiaries are:

	Registered office	Equity interest*		Activity
		2020 %	2019 %	
D:E:R A/S	Denmark	100	100	Sale and lease-out of durable consumer goods in Denmark and cash lending
Thorn Sweden Holdings AB	Sweden	100	100	Holding company
(Thorn Svenska AB)	Sweden	100	100	Sale and lease-out of durable consumer goods in Sweden and cash lending
Thorn Norway Holdings AS	Norway	100	100	Holding company
(Thorn Norge AS)	Norway	100	100	Sale and lease-out of durable consumer goods in Norway and cash lending
Thorn Norge Finans AS	Norway	100	100	Cash lending
3C Ejendomme ApS	Denmark	100	100	Holding company
(3C Ejendomme I ApS)	Denmark	100	100	Holding company
VÆRSGO A/S	Denmark	100	100	Retail trade
Føniks Inkasso A/S	Denmark	100	0	Inkasso company

\*Equity interest and voting share are complete equivalents

## Notes

Parent			Group	
2019 DKK'000	2020 DKK'000		2020 DKK'000	2019 DKK'000
		<b>19. Inventories</b>		
23.295	15.542	Goods for resale	15.659	23.430
<b>23.295</b>	<b>15.542</b>		<b>15.659</b>	<b>23.430</b>
		<b>20. Receivables measured at amortised cost</b>		
1.802.332	1.324.066	Carrying amount of receivables and loans	2.673.210	3.461.573
<b>1.802.332</b>	<b>1.324.066</b>		<b>2.673.210</b>	<b>3.461.573</b>

## Notes

Parent			Group	
2019	2020		2020	2019
<u>DKK'000</u>	<u>DKK'000</u>		<u>DKK'000</u>	<u>DKK'000</u>
<b>21. Cash</b>				
<u>500</u>	<u>1.114</u>	Cash and bank deposits	<u>11.297</u>	<u>4.000</u>
<b><u>500</u></b>	<b><u>1.114</u></b>		<b><u>11.297</u></b>	<b><u>4.000</u></b>

The Group's cash primarily consists of deposits with reputable banks. No particular credit risks are considered to be related to such cash. The bank deposits carry interest at floating rates.

The Group have total undrawn credit facilities of DKK 78,967k (2019: DKK 44,281k).  
The Parent have total undrawn credit facilities of DKK 68,268k (2019: DKK 41,470k).

## 22. Contributed capital

The Company's share capital amounts to DKK 500,000 divided into shares of DKK 1,000 or multiples thereof. The share capital is not divided into classes. There have not been any changes in share capital in the past five years.

## Notes

	Deferred tax 01.01. DKK'000	Other adjustments DKK'000	Recognised in profit and loss DKK'000	Recognised in other comprehen- sive income DKK'000	Deferred tax 31.12. DKK'000
<b>23. Deferred tax</b>					
<b>2020 - Group</b>					
Intangible assets	1.737	0	-82	0	1.655
Property, plant and equipment	13.311	49	-3.414	0	9.946
Receivables	-252.684	3.841	150.510	0	-98.334
Liabilities	-15.656	-3.811	3.191	0	-16.276
Tax losses	-15.251	3.732	-107.412	0	-118.931
	<b>-268.543</b>	<b>3.811</b>	<b>42.793</b>	<b>0</b>	<b>-221.940</b>
<b>2019 - Group</b>					
Intangible assets	2.252	0	-515	0	1.737
Property, plant and equipment	-7.655	-17	20.983	0	13.311
Receivables	-291.131	-867	39.314	0	-252.684
Liabilities	2.012	-6	-17.662	0	-15.656
Tax losses	0	0	-15.251	0	-15.251
	<b>-294.522</b>	<b>-890</b>	<b>26.869</b>	<b>0</b>	<b>-268.543</b>
<b>2020 - Parent</b>					
Intangible assets	1.737	0	-82	0	1.655
Property, plant and equipment	16.029	0	-4.432	0	11.597
Receivables	-149.533	111	84.872	0	-64.550
Liabilities	-14.214	-3.905	1.642	0	-16.477
Tax losses	-6.417	4.919	-63.560	0	-65.058
	<b>-152.398</b>	<b>1.125</b>	<b>18.440</b>	<b>0</b>	<b>-132.833</b>
<b>2019 - Parent</b>					
Intangible assets	2.252	0	-515	0	1.737
Property, plant and equipment	-930	0	16.959	0	16.029
Receivables	-179.494	-937	30.898	0	-149.533
Liabilities	3.155	0	-17.369	0	-14.214
Tax losses	0	0	-6.417	0	-6.417
	<b>-175.017</b>	<b>-937</b>	<b>23.556</b>	<b>0</b>	<b>-152.398</b>



## Notes

Parent		Group	
2019 DKK'000	2020 DKK'000	2020 DKK'000	2019 DKK'000
<b>23. Deferred tax (continued)</b>			
Deferred tax is recognised as follows in the balance sheet:			
152.398	132.833	228.886	274.613
0	0	6.946	6.070
<b>-152.398</b>	<b>-132.833</b>	<b>-221.940</b>	<b>-268.543</b>
<b>24. Other provisions</b>			
0	0	9.114	8.845
0	0	323	-133
0	0	356	402
<b>0</b>	<b>0</b>	<b>9.793</b>	<b>9.114</b>
<b>25. Bank loans</b>			
3.307.707	2.507.507	2.515.358	3.324.545
<b>3.307.707</b>	<b>2.507.507</b>	<b>2.515.358</b>	<b>3.324.545</b>
Payables are recognised as follows in the			
1.758.707	767.007	774.858	1.775.545
1.549.000	1.740.500	1.740.500	1.549.000
<b>3.307.707</b>	<b>2.507.507</b>	<b>2.515.358</b>	<b>3.324.545</b>
The amounts are payable as follows:			
1.549.000	1.740.500	1.740.500	1.549.000
910.000	767.007	774.858	910.000
848.707	0	0	865.545
<b>3.307.707</b>	<b>2.507.507</b>	<b>2.515.358</b>	<b>3.324.545</b>

At 31.12.2020, the Group has a tax asset of DKK 5m (2019: DKK 5m) composed of losses allowed for carryforward and temporary differences that have not been recognised because it is uncertain whether they can be used within a period of three to five years. The tax loss may be carried forward indefinitely, however, the annual use thereof is restricted by the rules applicable for the use of losses.

## Notes

	<u>Currency</u>	<u>Maturity</u>	<u>Fixed or floating interest rate</u>	<u>Amortised cost DKK'000</u>	<u>Nominal value DKK'000</u>	<u>Fair value DKK'000</u>
<b>25. Bank loans(continued)</b>						
<b>The payables can be specified as follows:</b>						
Bank loan	DKK	2021-2022	Variable	1.695.109	1.695.109	1.695.109
Bank loan	SEK	2021-2022	Variable	424.309	424.309	424.309
Bank loan	NOK	2021-2022	Variable	395.940	395.940	395.940
<b>31.12.2020 - group</b>				<b>2.515.358</b>	<b>2.515.358</b>	<b>2.515.358</b>
Bank loan	EUR	2020-2022	Variable	450	450	450
Bank loan	DKK	2020-2022	Variable	2.519.979	2.519.979	2.519.979
Bank loan	SEK	2020-2022	Variable	364.164	364.164	364.164
Bank loan	NOK	2020-2022	Variable	439.952	439.952	439.952
<b>31.12.2019 - group</b>				<b>3.324.545</b>	<b>3.324.545</b>	<b>3.324.545</b>
Bank loan	DKK	2021-2022	Variable	1.687.334	1.687.334	1.687.334
Bank loan	SEK	2021-2022	Variable	424.233	424.233	424.233
Bank loan	NOK	2021-2022	Variable	395.940	395.940	395.940
<b>31.12.2020 - parent</b>				<b>2.507.507</b>	<b>2.507.507</b>	<b>2.507.507</b>
Bank loan	EUR	2020-2022	Variable	450	450	450
Bank loan	DKK	2020-2022	Variable	2.510.243	2.510.243	2.510.243
Bank loan	SEK	2020-2022	Variable	360.690	360.690	360.690
Bank loan	NOK	2020-2022	Variable	436.324	436.324	436.324
<b>31.12.2019 - parent</b>				<b>3.307.707</b>	<b>3.307.707</b>	<b>3.307.707</b>

## Notes

	01.01 DKK'000	Cashflows DKK'000	Additions on acquisitions DKK'000	Non-cash changes Changes in foreign exchange DKK'000	Fair value rates DKK'000	31.12 DKK'000
<b>25. Bank loans (continued)</b>						
Bank loan	3.324.545	-793.482	0	-15.704	0	2.515.358
<b>2020 - Group</b>	<b>3.324.545</b>	<b>-793.482</b>	<b>0</b>	<b>-15.704</b>	<b>0</b>	<b>2.515.358</b>
Bank loan	3.964.604	-640.766	0	707	0	3.324.545
<b>2019 -Group</b>	<b>3.964.604</b>	<b>-640.766</b>	<b>0</b>	<b>707</b>	<b>0</b>	<b>3.324.545</b>
Bank loan	3.307.707	-783.414	0	-16.786	0	2.507.507
<b>2020 - Parent</b>	<b>3.307.707</b>	<b>-783.414</b>	<b>0</b>	<b>-16.786</b>	<b>0</b>	<b>2.507.507</b>
Bank loan	3.951.176	-644.164	0	695	0	3.307.707
<b>2019 - Parent</b>	<b>3.951.176</b>	<b>-644.164</b>	<b>0</b>	<b>695</b>	<b>0</b>	<b>3.307.707</b>

## Notes

<b>Parent</b>			<b>Group</b>	
2019 DKK'000	2020 DKK'000		2020 DKK'000	2019 DKK'000
<b>26. Trade payables</b>				
32.089	19.127	Trade payables	26.570	35.978
<b>32.089</b>	<b>19.127</b>		<b>26.570</b>	<b>35.978</b>
The carrying amount is equivalent to the fair value of the liabilities.				
<b>27. Lease liability</b>				
Maturity of lease liability				
7.641	10.669	Within 1 year	12.777	9.647
32.520	38.121	Between 1 and 5 years	47.093	41.061
25.587	17.224	More than 5 years	21.665	33.569
<b>65.748</b>	<b>66.014</b>	<b>Total non-discounted lease liability at 31.12.2020</b>	<b>81.535</b>	<b>84.277</b>
<b>59.740</b>	<b>60.615</b>	<b>Lease liability recognised in the balance sheet</b>	<b>74.799</b>	<b>75.804</b>
6.110	8.743	Short-term	10.485	7.757
53.630	51.872	Long-term	64.314	68.047
<b>Amounts recognised in the income statement</b>				
1.646	1.690	Interest expenses related to the lease liability	2.085	2.295
0	0	Variable lease payments not recognised within the lease liability	0	0
0	0	Expenses related to short-term leases (less than 12 months)	0	0
7.733	10.532	Total cash outflow regarding leases	12.291	9.628
1.212	805	Expenses related to low-value leases	836	1.250
<b>28. Other payables</b>				
<b>Long-term</b>				
0	8.257	Holiday pay and holiday pay obligation	8.257	0
<b>0</b>	<b>8.257</b>		<b>8.257</b>	<b>0</b>
<b>Short-term</b>				
11.515	3.321	Holiday pay and holiday pay obligation	4.137	12.664
7.065	2.783	VAT	6.837	9.806
27.332	37.619	Other payables	60.121	38.355
<b>45.912</b>	<b>43.723</b>		<b>71.095</b>	<b>60.825</b>

The carrying amount is equivalent to the fair value of the liabilities.

## Notes

<b>Parent</b>		<b>Group</b>	
2019 DKK'000	2020 DKK'000	2020 DKK'000	2019 DKK'000
<b>29. Assets charged and collateral</b>			
<u>337.552</u>	<u>270.504</u>		
		Bank loans of DKK 2,539m have been secured by way of shares in group enterprise	
		<u>348</u>	<u>413</u>
		To secure payment of taxes, cash and cash equivalent have been deposited	
<b>30. Contingent liabilities</b>			
<u>13.211</u>	<u>17.275</u>		
		The Parent has issued a letter of subordination on receivables from subsidiaries for such subsidiaries' bank loans (carrying amount). The receivables amount to DKK 874m.	
		<u>116.942</u>	<u>116.942</u>
		To secure Bank loans Nordea has mortgage in other receivables carrying amount of other receivables	
<u>24.832</u>	<u>17.275</u>	<u>0</u>	<u>0</u>
		The Parent has issued a recourse guarantee for group enterprises' bank loans. The bank loans of the relevant enterprises amount to	
<u>27.371</u>	<u>27.977</u>	<u>0</u>	<u>0</u>
		The maximum limit of the recourse guarantee is	
		The Parent has issued a letter of intend regarding the liquidity for 2020 for a subsidiary.	
		Through its bankers, the Group has issued guarantees to third parties in entering into leases, business agreements etc.	
		These guarantees total DKK 4,367k at 31.12.2020 (2019: DKK 7,696k).	
		The Company participates in a Danish joint taxation arrangement with 3C Holding 2020 ApS serving as the administration company and is therefore jointly and severally liable with its jointly taxed companies for the total income tax and for obligations, if any, to withhold tax on interest, royalties and dividends for the jointly taxed companies.	

## Notes

## 31. Changes in liabilities arising from financing activities

	01.01 DKK'000	Financing Cashflows DKK'000	Non-Cash changes Disposal of subsidiary DKK'000	Other changes DKK'000	31.12 DKK'000
Lease liability	-75.804	-10.121	0	-9.116	-74.799
Loans to related parties	794.367	-2.709	29.602	-24.487	802.191
Loans from related parties	-478.782	-152.237	0	0	-326.545
Long-term payables	-3.307.707	-800.200	0	0	-2.507.507
<b>31.12.2020 – Group</b>	<b>-3.067.926</b>	<b>-965.267</b>	<b>29.602</b>	<b>-33.603</b>	<b>-2.106.660</b>
Loans to related parties	811.526	-1.768	23.295	-42.222	794.367
Loans from related parties	-13.696	465.086	0	0	-478.782
Long-term payables	-3.951.176	-643.469	0	0	-3.307.707
<b>31.12.2019 – Group</b>	<b>-3.153.346</b>	<b>-180.151</b>	<b>23.295</b>	<b>-42.222</b>	<b>-2.992.122</b>
Lease liability	-59.740	-8.241	0	-9.116	-60.615
Loans to related parties	2.392.122	401.294	0	-24.487	1.966.341
Loans from related parties	-573.054	-202.890	0	0	-370.164
Long-term payables	-3.307.707	-800.200	0	0	-2.507.507
<b>31.12.2020 – Parent</b>	<b>-1.548.379</b>	<b>-610.037</b>	<b>0</b>	<b>-33.603</b>	<b>-971.945</b>
Loans to related parties	2.435.973	1.629	0	-42.222	2.392.122
Loans from related parties	-416.785	156.269	0	0	-573.054
Long-term payables	-3.951.176	-643.469	0	0	-3.307.707
<b>31.12.2019 – Parent</b>	<b>-1.931.988</b>	<b>-485.571</b>	<b>0</b>	<b>-42.222</b>	<b>-1.488.639</b>

## Notes

Parent			Group	
2019 DKK'000	2020 DKK'000		2020 DKK'000	2019 DKK'000
<b>32. Working capital changes</b>				
2.160	7.753	Increase/decrease in inventories	16.127	43.365
49.238	482.218	Increase/decrease in receivables	790.311	228.031
-23.920	-1.147	Increase/decrease in trade payables and other payables	-9.508	-70.828
<b>27.478</b>	<b>488.824</b>		<b>796.930</b>	<b>200.568</b>
<b>33. Cash and cash equivalents</b>				
500	1.114	Cash	11.297	4.000
0	0	Bank loans (short-term)	-7.851	-16.839
<b>500</b>	<b>1.114</b>		<b>3.446</b>	<b>-12.839</b>
0		Cash equivalents - assets held for sale	-8.989	-5.286
<b>500</b>	<b>1.114</b>		<b>-5.543</b>	<b>-18.125</b>
<b>34. Financial risks and financial instruments</b>				
1.802.332	1.324.066	Receivables measured at amortised cost	2.673.210	3.461.573
2.392.122	1.966.341	Receivables to group enterprises	802.191	794.367
77.584	64.018	Income tax	64.905	80.989
15.551	10.335	Other receivables	141.045	140.088
<b>4.287.589</b>	<b>3.364.760</b>	<b>Loans and receivables</b>	<b>3.681.351</b>	<b>4.477.017</b>
3.307.707	2.507.507	Bank loans	2.515.358	3.324.545
401.619	267.826	Subordinated loan from group enterprises	267.826	401.619
32.089	19.127	Trade payables	26.570	35.978
0	0	Income tax	5.454	6.873
59.740	60.615	Lease liabilities	74.799	75.804
171.435	102.338	Payables from group enterprises	58.719	77.163
45.912	51.980	Other payables	79.352	60.825
<b>4.018.502</b>	<b>3.009.393</b>	<b>Financial instruments measured at amortised cost</b>	<b>3.028.078</b>	<b>3.982.807</b>

## Notes

### 34. Financial risks and financial instruments (continued)

#### Financial risk management policy

Due to its operations, the 3C RETAIL A/S Group assumes a number of credit, market and operational risks. Consequently, assuming risk is a key element of the Group's business foundation.

Management lays down and approves the overall risk policy and the related limits for the size of the risk considered acceptable. The Executive Board lays down the operating policies for risk management and delegates some of the limits approved to the rest of the organisation. Management of the individual subsidiaries is responsible for managing business risks and the related internal control.

#### Objective and strategy

Calculated risks are undertaken to achieve the Group's objectives. The nature of the risks related to each business area varies considerably, but overall, the risk parameters may be broken down into three main types: Business risk, financial risk and operational risk.

#### Business risks

The Group attaches weight to identifying, measuring and managing business risks. For this purpose, directions are drawn up for each business unit.

#### Credit policy

Management has adopted a credit policy describing the positions and directions applicable to the granting of loans, credits, guarantees as well as other credit risks. Each decision regarding a credit is based on an assessment of the customer and their finances. It is group policy to ensure to the extent possible that the credit risk related to a customer reasonably correlates with such customer's income etc and that the Group is not significantly exposed to single customers.

#### Market risks

Group Management has defined frameworks for risk exposure to interest rate, foreign exchange and equity markets and for regular reporting thereon to Management.

Market risks are the risks of losses because of changes in the market value of assets and liabilities. Market value will change when changes occur in the market conditions, such as changes in market interest rates, equity prices and exchange rates. The Group undertakes different types of market risks through trading and placements and as part of current liquidity management. The Group uses derivative financial instruments on a regular basis to manage and reduce market risks. The purpose of managing financial risks is to balance the aggregate financial risk on assets and liabilities in order to obtain a satisfactory weighting of yield and risk. Attempts are made to achieve the risk management objective through risk management policies that lay down directions for exposure to different types of financial risks. The investment and risk management policy for the individual companies of the Group has been adjusted to the conditions, under which the companies operate.



## Notes

### 34. Financial risks and financial instruments (continued)

The Group's assets and liabilities are exposed to market risks such as interest rate risks, currency risks and price risks.

#### Financial risks

##### *Cash flow interest rate risks*

Cash flow interest rate risks are the risks of losses due to changes in future cash flows that may affect profit or loss at a future point in time.

##### *Interest rate risks*

Interest rate risk reflects the risk of losses arising from a general increase in market interest rates by one percentage point. A duration model is used to determine the interest rate risk related to fixed interest receivables and liabilities.

##### *Currency risks*

Currency risk is the risk of losses because of changes in exchange rates. The Group manages currency risks by hedging its net assets with bank debt in corresponding currency. The net assets are monitored on an ongoing basis. The effect of any mismatch is recognized in other comprehensive income.

#### Credit risks

Credit risks are a natural and significant part of engaging in lending. Credit risk reflects the risk of losses that may arise from a customer's inability to repay the loan or credit upon maturity.

#### Liquidity risks

Liquidity risk is the risk that the liquidity required will not be available to honour financial obligations. To handle the liquidity risk, the Company is in ongoing dialogue with the main funding source about the management of interest rate risks and liquidity, and liquidity is monitored on a monthly basis, with shortterm and longterm liquidity needs being assessed against the financial resources.

#### Operational risks

Operational risks may arise from human error, technical error or as a result of external events that may cause substantial unforeseen expenses or interruption of activities. Operational risks may lead to direct or indirect financial losses for the Group. Consequently, considerable resources are spent on reducing the operational risks. The Group has a number of control procedures in the form of work routines, business processes and reconciliation processes that are embedded both locally and centrally in the organisation. These procedures and the organisational segregation of functions between the executing and controlling departments help minimise the operational risks. The Group continuously works on improving the operational security, which includes ensuring the continued operation of the business areas and restoration in the event of lengthy breakdowns. The Group attempts to reduce operational risks through ongoing training of staff and investments in new technology so as to be at a level that matches the requirements and expectations of customers and business partners.

## Notes

**34. Financial risks and financial instruments (continued)****Currency risks**

The Group does business in SEK and NOK and is therefore exposed to these currencies.

Furthermore, the Group has obtained loans denominated in EUR, SEK and NOK. The net positions are regularly monitored, and any need for hedging is assessed based on the overall policy.

	Cash and cash equivalents DKK'000	Receivables DKK'000	Payables DKK'000	Net position DKK'000	Hedged thereof DKK'000	Unhedged net position DKK'000
EUR	874	212	63	1.023	0	1.023
SEK	1.115	456.397	454.726	2.786	0	2.786
NOK	9.081	412.834	422.687	-772	0	-772
<b>31.12.2020 - Group</b>	<b>11.070</b>	<b>869.443</b>	<b>877.476</b>	<b>3.037</b>	<b>0</b>	<b>3.037</b>
EUR	143	902	453	592	0	592
SEK	966	375.970	378.182	-1.246	0	-1.246
NOK	2.586	462.643	458.582	6.647	0	6.647
<b>31.12.2019 - Group</b>	<b>3.695</b>	<b>839.515</b>	<b>837.217</b>	<b>5.993</b>	<b>0</b>	<b>5.993</b>
EUR	874	212	63	1.023	0	1.023
SEK	37	435.395	424.235	11.197	0	11.197
NOK	16	388.773	436.729	-47.940	0	-47.940
<b>31.12.2020 - Parent</b>	<b>927</b>	<b>824.380</b>	<b>861.027</b>	<b>-35.720</b>	<b>0</b>	<b>-35.720</b>
EUR	143	902	453	592	0	592
SEK	41	355.825	360.706	-4.840	0	-4.840
NOK	51	468.741	462.779	6.013	0	6.013
<b>31.12.2019 - Parent</b>	<b>235</b>	<b>825.468</b>	<b>823.938</b>	<b>1.765</b>	<b>0</b>	<b>1.765</b>

## Noter

### 34. Financial risks and financial instruments (continued)

#### Sensitivity relating to currency

The Group's most important currency risks relate to EUR, SEK and NOK. The table below shows the effect of varying exchange rates on equity and profit/loss for the year, respectively. The levels of variation deemed relevant by Management have been used, taking into consideration each currency and monetary cooperation.

	Closing rate	Sensitivity rate	Unhedged net position DKK'000	Effect on equity DKK'000	Effect on profit/loss for the year DKK'000	Effect on other comprehensive income DKK'000
EUR	743,93	745,00	1.023	1	1	0
SEK	73,97	70,00	2.786	-117	0	-117
NOK	70,53	70,00	-772	5	0	5
<b>Total effect 2020 - Group</b>				<b>-111</b>	<b>1</b>	<b>-112</b>
EUR	746,97	745,00	592	-1	1	0
SEK	71,55	70,00	-1.246	21	0	21
NOK	75,87	75,00	6.647	-59	0	-59
<b>Total effect 2019 - Group</b>				<b>-40</b>	<b>1</b>	<b>-38</b>
EUR	743,93	745,00	1.023	1	1	0
SEK	73,97	70,00	11.197	-469	-469	0
NOK	70,53	70,00	-47.940	281	281	0
<b>Total effect 2020 – Parent</b>				<b>-187</b>	<b>-187</b>	<b>0</b>
EUR	746,97	745,00	592	-1	-1	0
SEK	71,55	70,00	-4.840	82	82	0
NOK	75,87	75,00	6.013	-54	-54	0
<b>Total effect 2019 – Parent</b>				<b>27</b>	<b>27</b>	<b>0</b>

## Notes

**34. Financial risks and financial instruments (continued)****Interest rate risks**

The Group has a considerable amount of interestbearing financial assets and liabilities and is consequently exposed to interest rate risks. The following contractual repricing or maturity dates can be stated for the Group's financial assets and liabilities, depending on which date is first and the amount of the interestbearing assets and liabilities that carry fixed interest rates. Floatingrate loans are considered to have a repricing date within one year. Insofar as interest rate swaps have been used, allowance has been made for the effect thereof.

	Within one year DKK'000	Between one and five years DKK'000	After more than five years DKK'000	Total DKK'000	Fixed- rate thereof DKK'000
Receivables	1.283.363	1.689.779	619.201	3.592.343	2.790.152
Bank deposits	11.297	0	0	11.297	0
Payables from group enterprises	-58.719	0	0	-58.719	0
Subordinatet loan from group enterprises*	-150.000	-117.826	0	-267.826	-267.826
Lease liabilities	-74.799	0	0	-74.799	0
Bank loans	-2.515.358	0	0	-2.515.358	0
<b>31.12.2020 – Group</b>	<b>-1.504.216</b>	<b>1.571.953</b>	<b>619.201</b>	<b>686.938</b>	<b>2.522.326</b>
Receivables	1.311.608	2.075.793	985.481	4.372.882	3.578.515
Bank deposits	4.000	0	0	4.000	0
Payables from group enterprises	-77.163	0	0	-77.163	0
Subordinatet loan from group enterprises*	-200.000	-201.619	0	-401.619	-401.619
Lease liabilities	-75.804	0	0	-75.804	0
Bank loans	-3.324.545	0	0	-3.324.545	0
<b>31.12.2019 – Group</b>	<b>-2.361.904</b>	<b>1.874.174</b>	<b>985.481</b>	<b>497.751</b>	<b>3.176.896</b>
Receivables	2.199.131	788.493	302.783	3.290.407	1.324.066
Bank deposits	1.114	0	0	1.114	0
Payables from group enterprises	-102.338	0	0	-102.338	0
Subordinatet loan from group enterprises*	-150.000	-117.826	0	-267.826	-267.826
Lease liabilities	-60.615	0	0	-60.615	0
Bank loans	-2.507.507	0	0	-2.507.507	0
<b>31.12.2020 – Parent</b>	<b>-620.215</b>	<b>670.667</b>	<b>302.783</b>	<b>353.235</b>	<b>1.056.240</b>
Receivables	2.670.182	1.046.599	477.673	4.194.454	1.802.332
Bank deposits	500	0	0	500	0
Payables from group enterprises	-171.435	0	0	-171.435	0
Subordinatet loan from group enterprises*	-200.000	-201.619	0	-401.619	-401.619
Lease liabilities	-59.740	0	0	-59.740	0
Bank loans	-3.307.707	0	0	-3.307.707	0
<b>31.12.2019 – Parent</b>	<b>-1.068.200</b>	<b>844.980</b>	<b>477.673</b>	<b>254.453</b>	<b>1.400.713</b>

\* The Subordinatet loan has no special terms and resigns for all other creditors

## Notes

### **34. Financial risks and financial instruments (continued)**

#### **Interest rate risks (continued)**

##### **Sensitivity relating to interest rates**

An increase by 1 percentage point per year on the interest rate level at the balance sheet date would affect the Group's profit and equity adversely by DKK 14.316k (2019: DKK 19.985k), whereas the Parent's profit and equity would be adversely affected by DKK 5.483k (2019: DKK 8.941k). An equivalent decline would have the same positive consequences.

## Notes

**34. Financial risks and financial instruments (continued)****Liquidity risks**

The time of maturity of financial liabilities exclusive of interest is specified below.

	Within one year DKK'000	Between one and five years DKK'000	After more than five years DKK'000	Total DKK'000
Bank loans	-1.740.500	-774.858	0	-2.515.358
Trade payables	-26.570	0	0	-26.570
Income tax payable	-5.454	0	0	-5.454
Payables from group enterprises	-58.719	0	0	-58.719
Lease liabilities	-10.485	-41.043	-23.271	-74.799
Subordinatet loan from group enterprises	-150.000	-117.826	0	-267.826
Other payables	-71.095	-826	-7.431	-79.352
<b>31.12.2020 - Group</b>	<b>-2.062.823</b>	<b>-934.553</b>	<b>-30.702</b>	<b>-3.028.078</b>
Bank loans	-1.740.500	-767.007	0	-2.507.507
Trade payables	-19.127	0	0	-19.127
Payables from group enterprises	-102.338	0	0	-102.338
Lease liabilities	-8.743	-33.195	-18.677	-60.615
Subordinatet loan from group enterprises	-150.000	-117.826	0	-267.826
Other payables	-43.723	-826	-7.431	-51.980
<b>31.12.2020 – Parent</b>	<b>-2.064.431</b>	<b>-918.854</b>	<b>-26.108</b>	<b>-3.009.393</b>
Bank loans	-1.549.000	-910.000	-865.545	-3.324.545
Trade payables	-35.978	0	0	-35.978
Income tax payable	-6.873	0	0	-6.873
Payables from group enterprises	-77.163	0	0	-77.163
Lease liabilities	-7.757	-35.742	-32.305	-75.804
Subordinatet loan from group enterprises	-200.000	-201.619	0	-401.619
Other payables	-60.825	0	0	-60.825
<b>31.12.2019 - Group</b>	<b>-1.937.596</b>	<b>-1.147.361</b>	<b>-897.850</b>	<b>-3.982.807</b>
Bank loans	-1.549.000	-910.000	-848.707	-3.307.707
Trade payables	-32.089	0	0	-32.089
Payables from group enterprises	-171.435	0	0	-171.435
Lease liabilities	-6.110	-28.165	-25.465	-59.740
Subordinatet loan from group enterprises	-200.000	-201.619	0	-401.619
Other payables	-45.912	0	0	-45.912
<b>31.12.2019 – Parent</b>	<b>-2.004.546</b>	<b>-1.139.784</b>	<b>-874.172</b>	<b>-4.018.502</b>

## Notes

### 34. Financial risks and financial instruments (continued)

#### Liquidity risks (continued)

The Group's and the Parent's cash reserves consist of cash funds and undrawn credit facilities.

Parent			Group	
2019	2020		2020	2019
DKK'000	DKK'000		DKK'000	DKK'000
		The cash reserves are composed as follows:		
500	1.114	Cash	11.297	4.000
41.740	68.268	Undrawn credit facilities	78.967	44.281
<b>42.240</b>	<b>69.382</b>		<b>90.264</b>	<b>48.281</b>

The Parent deploys the entire credit limit to the subsidiaries as necessary.

#### Optimisation of capital structure

Management regularly considers whether the Group's capital structure is in accordance with the Company's and the shareholder's interests. The overall objective is to ensure a capital structure that supports longterm financial growth and at the same time maximises the yield to the Group's stakeholders by optimising the debt-to-equity ratio. The Group's overall strategy is consistent with that of last year.

The Group's capital structure consists of debt, comprising financial liabilities in the form of bank loans, income tax payable, cash, interestbearing receivables and equity, including undistributable and distributable reserves as well as retained earnings.

#### Financial gearing

The financial gearing reflected in the debt multiple may be calculated as follows at the balance sheet date:

	2020	2019
	DKK'000	DKK'000
<b>EBITDA*</b>	<b>287.103</b>	<b>241.706</b>
<b>Net interest-bearing debt</b>	<b>-753.480</b>	<b>-573.555</b>
<b>Debt multiple</b>	<b>-2,62</b>	<b>-2,37</b>

\*EBITDA and net interest-bearing debt are defined in note 1.

## Notes

### 34. Financial risks and financial instruments (continued)

#### Credit risks

The Group's primary credit risk relates to receivables measured at amortised cost. The Group primarily has private customers in Denmark, Sweden and Norway, where no collateral is required. Instead, the customers are subjected to a credit assessment procedure prior to any lending. This credit assessment procedure sets a maximum loan amount based on the customer's income conditions and disposable amount etc. Furthermore, attempts are made to minimise the total credit risk by having a limited exposure per commitment.

Total loss and changes in impairment for the Group DKK 121,998 (2019: DKK 203,288)

Total loss and changes in impairment for parent DKK 51,310 (2019: DKK 66,477)

In 2020, no negative development was observed in the loan portfolio's creditworthiness during the year, despite COVID-19. Due to the fact that no increased losses have been observed, no extraordinary covid-19 provisions have been made for loan losses.

#### Impairment model

Expected Stage 1 and Stage 2 credit losses are calculated using an impairment model. The impairment model is based on Probability of Default (PD), expected Exposure at Default (EAD) and expected Loss Given Default (LGD). The model incorporates historical observations for each input.

Determining PD uses observed default events over a 12-month period and then these default events are converted into an estimated probability applicable for a given point in time (12-month PD). Lifetime PD is calculated using historical, observed default events.

To determine EAD, the expected change in the exposure after the balance sheet date is used, including debt servicing and further credit facility drawdowns. Determining EAD is based on historical information about expected changes in exposures over the lives of the loans within each credit line.

Expected LGD is estimated based on the difference between contractual cash flows and cash flows which the Company expects to receive after default. LGD is determined based on contractual selling prices of defaulted claims or by discounting expected future cash flows from defaulted claims to present value. Present value is calculated by discounting expected future cash flows based on the originally established credit-adjusted effective interest rate.



## Notes

**34. Financial risks and financial instruments (continued)**

Receivables measured at amortised cost

	<b>Group</b>			<b>Total DKK'000</b>
	<b>Stage 1 DKK'000</b>	<b>Stage 2 DKK'000</b>	<b>Stage 3 DKK'000</b>	
<b>2020</b>				
Gross loan 01.01.2020	2.646.868	124.181	2.457.646	5.228.695
Change of the year	-941.336	133.425	19.429	-788.482
<b>Gross loan 31.12.2020</b>	<b>1.705.532</b>	<b>257.606</b>	<b>2.477.075</b>	<b>4.440.213</b>
Impairment 01.01.2020	161.848	35.762	1.569.512	1.767.122
Change of the year	-61.595	10.646	50.830	-119
<b>Impairment 31.12.2020</b>	<b>100.253</b>	<b>46.408</b>	<b>1.620.342</b>	<b>1.767.003</b>
Net loan 01.01.2020	2.485.020	88.419	888.134	3.461.573
Change of the year	-879.741	122.779	-31.401	-788.363
<b>Net loan 31.12.2020</b>	<b>1.605.279</b>	<b>211.198</b>	<b>856.733</b>	<b>2.673.210</b>
	<b>Stage 1 DKK'000</b>	<b>Stage 2 DKK'000</b>	<b>Stage 3 DKK'000</b>	<b>Total DKK'000</b>
<b>2019</b>				
Gross loan 01.01.2019	2.860.969	124.110	2.235.002	5.220.081
Change of the year	-214.101	71	222.644	8.614
<b>Gross loan 31.12.2019</b>	<b>2.646.868</b>	<b>124.181</b>	<b>2.457.646</b>	<b>5.228.695</b>
Impairment 01.01.2019	188.827	36.194	1.411.405	1.636.426
Change of the year	-26.979	-432	158.107	130.696
<b>Impairment 31.12.2019</b>	<b>161.848</b>	<b>35.762</b>	<b>1.569.512</b>	<b>1.767.122</b>
Net loan 01.01.2019	2.672.142	87.916	823.597	3.583.655
Change of the year	-187.122	503	64.537	-122.082
<b>Net loan 31.12.2019</b>	<b>2.485.020</b>	<b>88.419</b>	<b>888.134</b>	<b>3.461.573</b>

The Group's maximum credit risk amounts to DKK 3,681m at 31.12.2020 (2019: DKK 4,477m).

## Notes

**34. Financial risks and financial instruments (continued)****Receivables measured at amortised cost (continued)**

	Parent			Total DKK'000
	Stage 1 DKK'000	Stage 2 DKK'000	Stage 3 DKK'000	
<b>2020</b>				
Gross loan 01.01.2020	1.324.675	33.441	1.578.531	2.936.647
Change of the year	-527.546	23.219	72.880	-431.447
<b>Gross loan 31.12.2020</b>	<b>797.129</b>	<b>56.660</b>	<b>1.651.411</b>	<b>2.505.200</b>
Impairment 01.01.2020	75.890	17.148	1.041.277	1.134.315
Change of the year	-29.451	-260	76.530	46.819
<b>Impairment 31.12.2020</b>	<b>46.439</b>	<b>16.888</b>	<b>1.117.807</b>	<b>1.181.134</b>
Net loan 01.01.2020	1.248.785	16.293	537.254	1.802.332
Change of the year	-498.095	23.479	-3.650	-478.266
<b>Net loan 31.12.2020</b>	<b>750.690</b>	<b>39.772</b>	<b>533.604</b>	<b>1.324.066</b>
	Stage 1 DKK'000	Stage 2 DKK'000	Stage 3 DKK'000	Total DKK'000
<b>2019</b>				
Gross loan 01.01.2019	1.418.251	33.684	1.467.429	2.919.364
Change of the year	-93.576	-243	111.102	17.283
<b>Gross loan 31.12.2019</b>	<b>1.324.675</b>	<b>33.441</b>	<b>1.578.531</b>	<b>2.936.647</b>
Impairment 01.01.2019	108.578	18.766	957.373	1.084.717
Change of the year	-32.688	-1.618	83.904	49.598
<b>Impairment 31.12.2019</b>	<b>75.890</b>	<b>17.148</b>	<b>1.041.277</b>	<b>1.134.315</b>
Net loan 01.01.2019	1.309.673	14.918	510.056	1.834.647
Change of the year	-60.888	1.375	27.198	-32.315
<b>Net loan 31.12.2019</b>	<b>1.248.785</b>	<b>16.293</b>	<b>537.254</b>	<b>1.802.332</b>

The Parent's maximum credit risk amounts to DKK 3,365m at 31.12.2020 (2019: DKK 4,288m).

## Notes

### 35. Discontinued operations

The subsidiary VÆRSGO A/S are expected to be discontinued in 2021.

Net assets held for sale can be specified as follows:

	<b>31.12.2020</b> <b>DKK'000</b>	<b>31.12.2019</b> <b>DKK'000</b>
Goodwill	308	491
Property, plant and equipment	4.074	8.413
Financial assets	3.247	3.752
Tax assets	13.102	11.990
Inventories	18.033	26.388
Receivables	1.034	5.026
Other stocks and investments	357	357
Cash	435	2.705
<b>Assets held for sale</b>	<b>40.590</b>	<b>59.122</b>
Trade payables	13.318	10.385
Mortgage debt and bank loans	9.424	7.993
Payables to group enterprise	5.115	-2.868
Income tax	0	0
Provisions	1.635	7.184
Other payables	11.098	36.428
<b>Liabilities related to assets held for sale</b>	<b>40.590</b>	<b>59.122</b>
<b>Net assets held for sale</b>	<b>0</b>	<b>0</b>

## Notes

### 35. Discontinued operations (continued)

Profit/loss from discontinued operations can be specified as follows:

	2020 DKK'000	2019 DKK'000
Revenue	50.777	126.361
Cost of sales	-44.702	-83.463
Other external expenses	-16.982	-39.713
<b>Gross profit/loss</b>	<b>-10.907</b>	<b>3.185</b>
Staff costs	-11.975	-40.424
Other operating expenses	0	-14.016
Amortisation, depreciation and impairment losses	-1.927	-4.693
<b>Operating profit/loss</b>	<b>-24.809</b>	<b>-55.948</b>
Other financial income	326	0
Financial expenses	-3.234	-1.848
<b>Profit/loss before tax</b>	<b>-27.717</b>	<b>-57.796</b>
Tax on profit/loss for the year	6.098	12.705
<b>Profit/loss for the year</b>	<b>-21.619</b>	<b>-45.091</b>
Proceeds from sale of discontinued operations	0	0
<b>Total effect on profit/loss</b>	<b>-21.619</b>	<b>-45.091</b>
<b>Distribution of profit for the year</b>		
Parent shareholders	-21.619	-45.091
	<b>-21.619</b>	<b>-45.091</b>

During the financial year, the operation has affected the cash flow statement as follows:

Cash flows from operating activities	-33.851	-36.904
Cash flows from investing activities	548	702
Cash flows from financing activities	29.602	22.768
	<b>-3.701</b>	<b>-13.434</b>

## Notes

### 36. Related parties

#### Related parties with a controlling interest

The following related parties have a controlling interest in 3C RETAIL A/S:

Niels Thorborg, Odense, Denmark – ultimate owner

3C RETAIL Holding A/S, Odense, Denmark – principal shareholder

#### Subsidiaries

For a list of subsidiaries, refer to note 18.

#### Related party transactions

During the financial year, the Group and the Parent have had the following related party transactions:

	<b>Group</b>			<b>Total DKK'000</b>
	<b>Key management personnel DKK'000</b>	<b>Controlling entities DKK'000</b>	<b>Other related parties DKK'000</b>	
<b>2020</b>				
Sale of goods	24	0	9	33
Purchase of goods	0	0	2.151	2.151
Sale of services	0	66	57.416	57.482
Purchase of services	0	299	11.125	11.424
Remuneration etc, refer to note 6	9.673	0	0	9.673
Financial income	0	24.215	15.034	39.249
Financial expenses	0	18.283	0	18.283
Sale of receivables measured at amortised cost	0	0	295.022	295.022
Receivables	0	718.987	147.222	866.209
Liabilities, including joint taxation contribution	0	326.275	270	326.545
Dividend	0	21.700	0	21.700

## Notes

	Group				
	Key management personnel DKK'000	Controlling entities DKK'000	Other related parties DKK'000	Total DKK'000	
<b>36. Related parties (continued)</b>					
<b>2019</b>					
Sale of goods	0	0	185	185	
Purchase of goods	0	0	3.119	3.119	
Sale of services	0	467	991	1.458	
Purchase of services	0	374	14.963	15.337	
Remuneration etc, refer to note 6	8.649	0	0	8.649	
Financial income	0	16.770	13.414	30.184	
Financial expenses	0	2.559	0	2.559	
Sale of intangible assets	0	0	14.010	14.010	
Receivables	0	730.038	141.912	871.950	
Liabilities, including joint taxation contribution	0	478.782	0	478.782	
Dividend	0	40.000	0	40.000	
Sale of other receivables	0	0	63.698	63.698	
<b>Parent</b>					
	Subsi- diaries DKK'000	Key management personnel DKK'000	Controlling entities DKK'000	Other related parties DKK'000	Total DKK'000
<b>2020</b>					
Sale of goods	33.435	0	0	9	33.444
Purchase of goods	3.875	0	0	2.151	6.026
Sale of services	36.106	0	66	56.047	92.219
Purchase of services	171	0	299	9.815	10.285
Remuneration etc, refer to note 6	0	5.645	0	0	5.645
Financial income	53.698	0	24.215	15.034	92.947
Financial expenses	1.998	0	18.283	0	20.281
Sale of receivables measured at amortised cost	0	0	0	72.832	72.832
Receivables, including joint taxation	1.164.150	0	718.987	147.222	2.030.359
Liabilities, including joint taxation contribution	51.876	0	326.275	270	378.421
Dividend	70.000	0	21.700	0	91.700
Contingent liabilities, refer to note 30	17.275	0	0	0	17.275

## Notes

	Parent				Total DKK'000
	Subsidiaries DKK'000	Key management personnel DKK'000	Controlling entities DKK'000	Other related parties DKK'000	
<b>36. Related parties (continued)</b>					
<b>2019</b>					
Sale of goods	62.180	0	0	107	62.287
Purchase of goods	6.473	0	0	2.833	9.306
Sale of services	82.229	0	467	969	83.665
Purchase of services	318	0	374	11.243	11.935
Remuneration etc, refer to note 6	0	4.751	0	0	4.751
Financial income	54.442	0	16.770	11.723	82.935
Financial expenses	5.420	0	2.559	0	7.979
Sale of intangible assets	0	0	0	14.010	14.010
Receivables, including joint taxation	1.597.755	0	730.038	141.912	2.469.705
Liabilities, including joint taxation contribution	94.272	0	478.782	0	573.054
Dividend	460.128	0	40.000	0	500.128
Contingent liabilities, refer to note 30	24.832	0	0	0	24.832

Transactions with subsidiaries are eliminated in the consolidated financial statements in accordance with the accounting policies.

**37. Shareholder information**

3C RETAIL A/S has registered the following shareholder as holding more than 5% of the voting rights or nominal value of the share capital:  
3C RETAIL Holding A/S, Odense, Denmark

**38. Events after the balance sheet date**

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

**39. Authorisation of the Annual Report for issue**

On 2 March 2021, Management has authorised this Annual Report for issue.

The Annual Report will be submitted to the shareholders of 3C RETAIL A/S for adoption at the Annual General Meeting on

## Notes

### 40. Consolidation

The following companies are included in the consolidation of the 3C RETAIL A/S Group:

3C RETAIL A/S

D:E:R A/S

Thorn Sweden Holdings AB

Thorn Svenska AB

Thom Norway Holdings AS

Thorn Norge AS

Thorn Norge Finans AS

3C Ejendomme ApS

3C Ejendomme I ApS

VÆRSGO A/S

Føniks Inkasso A/S

The smallest group in which the Company is included: The 3C RETAIL Holding A/S Group.

The largest group in which the Company is included: The 3C Holding 2020 ApS Group.



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## Claus Wårsøe

Bestyrelsesmedlem

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## Lisbeth Helene Borg

Bestyrelsesmedlem

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## Mads Winther Andersen

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## Peter Schou Jørgensen

Adm. direktør

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## Niels Thorborg

Bestyrelsesformand

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## Anders Oldau Gjelstrup

Revisor

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## Lars Claudi Mortensen

Direktionsmedlem

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## Heino Tholsgaard

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## Jørn Tolstrup Rohde

Bestyrelsesmedlem

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## Terje Laurberg Lyngø List

Bestyrelsesmedlem

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