BY APPOINTMENT TO THE ROYAL DANISH COURT

PETER JUSTESEN

Peter Justesen Company A/S

Gribskovvej 2, 2., 2100 København Ø

Company reg. no. 27 13 03 64

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 4 April 2022.

Niels Kornerup
Chairman of the meeting

Contents

Notes to users of the English version of this document:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Peter Justesen Company A/S for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

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

København Ø, 4 April 2022

Managing Director

Carsten Ørnbo
Chief Executive Officer

Board of directors

Niels Kornerup Chairman	Erik Justesen	Marie Louise Hahn-Petersen
Tina Rie Grome Employee representative	Kim Byrgesen Jensen Employee representative	

Independent auditor's report

To the Shareholders of Peter Justesen Company A/S

Opinion

We have audited the financial statements of Peter Justesen Company A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flows, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent auditor's report

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Statement on Management's Review

Management is responsible for Management's Review.

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

Independent auditor's report

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

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

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

Copenhagen, 4 April 2022

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

Claus Koskelin
State Authorised Public Accountant
mne30140

Company information

The company	Peter Justesen Company A/S Gribskovvej 2, 2. 2100 København Ø	
	Company reg. no.	27 13 03 64
	Established:	29 April 2003
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December
Board of directors	Niels Kornerup, Chairman Erik Justesen Marie Louise Hahn-Petersen Tina Rie Grome, Employee representative Kim Byrgesen Jensen, Employee representative	
Managing Director	Carsten Ørnbo, Chief Executive Officer	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Bankers	Danske Bank	
Parent company	Peter Justesen Holding A/S	

Financial highlights

DKK in thousands.	2021	2020	2019	2018	2017
Income statement:					
Revenue	317.447	221.270	246.771	227.306	230.418
Gross profit	35.280	24.381	24.198	35.601	40.804
Profit from operating activities	5.089	-5.947	-9.670	7	728
Net financials	-1.992	-2.401	-2.096	-1.786	-5.525
Net profit or loss for the year	7.810	-5.624	-11.766	736	-4.797
Statement of financial position:					
Balance sheet total	72.200	57.794	64.210	65.800	70.270
Investments in property, plant and equipment	226	25	129	249	119
Equity	8.973	1.163	6.787	10.439	9.703
Cash flows:					
Operating activities	19.009	7.161	5.392	4.436	6.394
Investing activities	-1.696	-1.437	-9.198	-4.072	-2.667
Financing activities	52	-2.004	8.115	0	0
Total cash flows	17.313	5.723	4.309	364	3.727
Employees:					
Average number of full-time employees	28	32	37	47	54
Key figures in %:					
Gross margin ratio	11,1	11,0	9,8	15,7	17,7
Profit margin (EBIT-margin)	1,6	-2,7	-3,9	0,0	0,3
Acid test ratio	99,6	82,0	82,4	91,3	-
Solvency ratio	12,4	2,0	10,6	15,9	13,8
Return on equity	154,1	-141,5	-136,6	7,3	-

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Gross margin ratio $$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

Profit margin (EBIT margin) $$\frac{\text{Operating profit or loss (EBIT) x 100}}{\text{Revenue}}$$

Financial highlights

Acid test ratio	$\frac{\text{Current assets x 100}}{\text{Short term liabilities other than provisions}}$
Solvency ratio	$\frac{\text{Equity, closing balance x 100}}{\text{Total assets, closing balance}}$
Return on equity	$\frac{\text{Net profit or loss for the year x 100}}{\text{Average equity}}$

Management´s review

The principal activities of the company

Peter Justesen Company A/S (PJC) offers original high-quality Beverage, Luxury and Living products based on global consumer insights, unique service packages and attractive prices focusing on customers' individual needs.

PJC vision is to be the leading customer oriented and knowledge-based supplier being the most cost-effective duty free partner for diplomats, Embassies, duty free shops and organizations with duty free status.

Development in activities and financial matters

The revenue for the year totals DKK 317.447.000 against DKK 221.270.000 in 2020. Gain from ordinary activities after tax totals DKK 7.809.829 against a loss of DKK 5.623.904 in 2020.

Diplomatic sales had a double-digit growth across all regions whereas the top 10 markets had growth rates above 20%. Certain regions like Africa was - once gain- negatively impacted by Covid 19. Initiatives within extension of assortments in wine and cosmetics category have had significant customer focus and thus increased sales Furthermore have initiatives in duty free shops and organizations had a huge growth with high value categories like cosmetics and electronics.

Investment activities increased from DKK 1.437.000 in 2020 to DKK 1.696.000 in 2021.

The change in company's cash and cash equivalents increased from DKK 5.723.000 in 2020 to DKK 17.313.000 in 2021.

Management considers the result for the year as satisfactory despite negative Covid 19 effects.

Know how resources

The company is in position of sufficient knowledge resources, including key persons to make sure and maintain the future earnings.

Regularly assessment of organizational competencies combined with training and development of key people have been a priority. Further to this a strong emphasize on knowledge sharing and saving processes supported by efficient It tools.

Expected developments

Strategic and operational focus for 2022 will be to continue developing Diplomatic channel with an unchanged strong omni channel approach.
Duty Free shops and organizations will grow further supported by intensified organizational support.

Management´s review

Net Revenue is expected to develop with an 8-12 % increase vs 2021 and will continue the positive sales development of the last 8 years.
Web platform and marketing automation platform supports a continued improved customer oriented approach and communication. This in combination with a coordinated approach through local sales agents who is becoming increasingly more digital in their sales approach.

New subcategories will gradually be added to the portfolio in combination with slightly increased number of vendors.

Focused initiatives to further improve working capital through initiatives to reduce receivables is an on-going activity.

Operational focus for 2022 will be to intensify actions to safeguard current customer basis and bring it back to level before Covid 19 in January 2020.

Efficiency programs will be concentrated around supply chain and automated digital paper flows.

Investment’s level will continue to be very low jeopardizing from previous years actions to further digitalize the business.

Events occurring after the end of the financial year

The company's management assess the effect of the development of Covid 19 in a more positive perspective. Supplier shortage and logistical solutions are partly under control although most markets are expected still to have none or very limited events I.e., National days etc.
Implications form Covid 19 is amongst other things more expensive logistical solutions which is aimed to be compensated for by more optimized freight solutions.

The current conflict between Russia and Ukraine will have short to midterm negative impact on the business due to current international sanctions and the fact that customer base in the conflicted area is uncertain. Separate contingency plans around the conflict is in place incl supporting own organization in the specific areas.

Finally, no events have occurred which would have a material impact on the position of the company.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2021	2020
	Revenue	317.447.052	221.269.576
	Change in inventories of finished goods and work in progress	1.345.453	894.788
	Work performed for own account and capitalised	1.470.027	2.232.750
	Other operating income	0	798.780
	Costs of raw materials and consumables	-266.011.486	-180.482.816
	Other external expenses	-18.970.652	-20.332.528
	Gross profit	**35.280.394**	**24.380.550**
2	Staff costs	-26.635.878	-24.183.119
	Depreciation and impairment of non-current assets	-3.555.839	-6.144.835
	Operating profit	**5.088.677**	**-5.947.404**
3	Other financial income from group enterprises	51.322	0
	Other financial income	1.784.749	3.109.061
	Other financial expenses	-3.828.056	-5.510.047
	Pre-tax net profit or loss	**3.096.692**	**-8.348.390**
	Tax on net profit or loss for the year	4.713.137	2.724.486
4	**Net profit or loss for the year**	**7.809.829**	**-5.623.904**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2021	2020
	Non-current assets		
5	Softwareplatform (development project)	10.602.267	12.553.570
	Total intangible assets	10.602.267	12.553.570
6	Other fixtures and fitting, tools and equipment	271.220	180.054
	Total property, plant, and equipment	271.220	180.054
	Total non-current assets	**10.873.487**	**12.733.624**
	Current assets		
	Manufactured goods and goods for resale	6.281.143	7.626.596
	Total inventories	6.281.143	7.626.596
	Trade receivables	17.497.994	17.194.998
	Receivables from group enterprises	1.837.919	965.082
7	Deferred tax assets	5.204.342	0
	Tax receivables from group enterprises	0	5.253.811
	Other receivables	5.955.892	6.714.340
8	Prepayments	582.449	912.237
	Total receivables	31.078.596	31.040.468
	Cash and cash equivalents	23.966.638	6.393.621
	Total current assets	**61.326.377**	**45.060.685**
	Total assets	**72.199.864**	**57.794.309**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2021	2020
	Equity		
	Contributed capital	5.000.000	5.000.000
	Reserve for development costs	8.269.768	9.791.785
	Retained earnings	-4.296.617	-13.628.463
	Total equity	**8.973.151**	**1.163.322**
	Long term labilities other than provisions		
	Other payables	1.682.823	1.657.954
9	Total long term liabilities other than provisions	1.682.823	1.657.954
	Bank loans	10.155.276	10.103.400
	Trade payables	47.944.769	41.457.425
	Other payables	3.443.845	3.412.208
	Total short term liabilities other than provisions	61.543.890	54.973.033
	Total liabilities other than provisions	**63.226.713**	**56.630.987**
	Total equity and liabilities	**72.199.864**	**57.794.309**

1 Special items

10 Charges and security

11 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 January 2020	5.000.000	10.261.944	-8.474.718	6.787.226
Retained earnings for the year	0	0	-5.623.904	-5.623.904
Provisions for development project	0	-470.159	470.159	0
Equity 1 January 2021	5.000.000	9.791.785	-13.628.463	1.163.322
Retained earnings for the year	0	0	7.809.829	7.809.829
Provisions for development projects	0	-1.522.017	1.522.017	0
	5.000.000	**8.269.768**	**-4.296.617**	**8.973.151**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		2021	2020
	Net profit or loss for the year	7.809.829	-5.623.904
	Adjustments	368.346	8.512.445
	Change in working capital	7.776.840	5.728.000
	Cash flows from operating activities before net financials	15.955.015	8.616.541
	Interest received, etc.	101.265	946.322
	Interest paid, etc.	-2.301.254	-2.401.957
	Cash flows from ordinary activities	13.755.026	7.160.726
	Income tax paid	5.253.811	0
	Cash flows from operating activities	**19.008.837**	**7.160.726**
	Purchase of intangible assets	-1.470.027	-2.232.750
	Purchase of property, plant, and equipment	-225.675	-25.071
	Sale of property, plant, and equipment	0	820.568
	Cash flows from investment activities	**-1.695.702**	**-1.437.253**
	Change in cash and cash equivalents	**17.313.135**	**5.723.473**
	Cash and cash equivalents at 1 January 2021	-3.709.779	-8.487.902
	Foreign currency translation adjustments (cash and cash equivalents)	208.006	-945.350
	Cash and cash equivalents at 31 December 2021	**13.811.362**	**-3.709.779**

Cash and cash equivalents		
Cash and cash equivalents	23.966.638	6.393.621
Short-term bank loans	-10.155.276	-10.103.400
Cash and cash equivalents at 31 December 2021	**13.811.362**	**-3.709.779**

Notes

All amounts in DKK.

1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	2021	2020
Income:		
COVID-19 Compensation fixed costs	0	778
	0	778
Special items are recognised in the following items in the financial statements:		
Other operating income	0	778
Profit of special items, net	**0**	**778**

2. Staff costs

	2021	2020
Salaries and wages	25.154.873	22.710.006
Pension costs	1.277.553	1.305.731
Other costs for social security	203.452	167.382
	26.635.878	**24.183.119**
Executive board	2.172.469	1.898.032
Board of directors	38.000	40.000
Executive board and board of directors	**2.210.469**	**1.938.032**
Average number of employees	28	32

Notes

All amounts in DKK.

		2021	2020
3.	**Other financial income from group enterprises**		
	Other financial income from Peter Justesen Holding	51.322	0
		51.322	**0**
4.	**Proposed appropriation of net profit**		
	Transferred to retained earnings	7.809.829	0
	Allocated from retained earnings	0	-5.623.904
	Total allocations and transfers	**7.809.829**	**-5.623.904**
5.	**Softwareplatform (development project)**		
	Cost 1 January 2021	59.454.649	57.221.783
	Additions during the year	1.470.027	2.232.750
	Cost 31 December 2021	**60.924.676**	**59.454.533**
	Amortisation and writedown 1 January 2021	-46.900.963	-40.878.326
	Amortisation and depreciation for the year	-3.421.446	-6.022.637
	Amortisation and writedown 31 December 2021	**-50.322.409**	**-46.900.963**
	Carrying amount, 31 December 2021	**10.602.267**	**12.553.570**
6.	**Other fixtures and fitting, tools and equipment**		
	Cost 1 January 2021	8.311.468	9.106.965
	Additions during the year	225.675	25.071
	Disposals during the year	0	-820.568
	Cost 31 December 2021	**8.537.143**	**8.311.468**
	Depreciation and writedown 1 January 2021	-8.131.414	-8.009.216
	Amortisation and depreciation for the year	-134.509	-122.198
	Depreciation and writedown 31 December 2021	**-8.265.923**	**-8.131.414**
	Carrying amount, 31 December 2021	**271.220**	**180.054**

Notes

All amounts in DKK.

		31/12 2021	31/12 2020
7.	**Deferred tax assets**		
	Deferred tax assets 1 January 2021	0	0
	Deferred tax of the net profit or loss for the year	5.204.342	0
		5.204.342	**0**
	The following items are subject to deferred tax:		
	Intangible assets	-2.332.499	0
	Property, plant, and equipment	18.018	0
	Losses carried forward from previous years	7.518.823	0
		5.204.342	**0**
8.	**Prepayments**		
	Other prepayments	582.449	912.237
		582.449	**912.237**

9. Long term labilities other than provisions

	Total payables 31 Dec 2021	Current portion of long term payables	Long term payables 31 Dec 2021	Outstanding payables after 5 years
Other payables	1.682.823	0	1.682.823	1.682.823
	1.682.823	**0**	**1.682.823**	**1.682.823**

Notes

All amounts in DKK.

10. Charges and security

For bank debts, t.DKK 10.155, the company has provided security in company assets representing a nominal value of DKK 50.000.000. This security comprises the below assets, stating the book values:

	DKK in thousands
Inventories	6.281
Trade receivables	17.498
Property, plant and equipment	271
Total security	24.050

11. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities	1.038
Rent liabilities	1.041
Total contingent liabilities	**2.079**

During the financial year, the company was fully upheld in a tax case concerning deductions for development costs, which the Ministry of Taxation subsequently brought before the High Court. Management does not expect the case to have a different outcome than the previous decision and that recognized in the accounts.

Joint taxation

With Peter Justesen Holding A/S, company reg. no 33 77 42 57 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Notes

All amounts in DKK.

		2021	2020
12.	**Adjustments**		
	Depreciation, amortisation, and impairment	3.555.954	6.144.835
	Other financial income	-1.836.071	-3.109.061
	Other financial expenses	3.828.056	5.510.047
	Tax on net profit or loss for the year	-4.713.137	-2.724.486
	Other adjustments	-466.456	2.691.110
		368.346	**8.512.445**

		2021	2020
13.	**Change in working capital**		
	Change in inventories	1.345.453	894.000
	Change in receivables	-87.597	3.588.000
	Change in trade payables and other payables	6.518.984	1.246.000
		7.776.840	**5.728.000**

Accounting policies

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

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

Recognition and measurement in general

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

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

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

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

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

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

Foreign currency translation

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

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

Accounting policies

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

Income statement

Revenue

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

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

Cost of sales

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

Own work capitalised

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

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external expenses

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

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

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

Accounting policies

Tax on net profit or loss for the year

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

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Softwareplatform

The development of the softwareplatform comprise e.g. salaries, wages, and amortisation which directly and indirectly refer to the development of the softwareplatform.

Clearly defined and identifiable development of the software platform are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market and utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Softwareplatform costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown. The amortisation period is 7 years.

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

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

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

Accounting policies

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

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

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

	Useful life
Leasehold improvements	10 years
Other fixtures and fittings, tools and equipment	3-4 years

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

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

Leases

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

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

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

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

Impairment loss relating to non-current assets

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

Accounting policies

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

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

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

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

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

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

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

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

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

Accounting policies

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

Prepayments and accrued income

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

Cash and cash equivalents

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

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

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

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

According to the rules of joint taxation, Peter Justesen Company A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Accounting policies

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

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

Liabilities other than provisions

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

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

Accruals and deferred income

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

Statement of cash flows

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

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

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Niels Jørgen Kornerup
Bestyrelsesformand
Serienummer: PID:9208-2002-2-948152476476
IP: 213.237.xxx.xxx
2022-04-04 16:31:01 UTC
NEM ID

Marie Louise Hahn-Petersen
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-729256709078
IP: 188.177.xxx.xxx
2022-04-05 14:15:45 UTC
NEM ID

Erik Justesen
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-481557892942
IP: 176.23.xxx.xxx
2022-04-05 14:51:35 UTC
NEM ID

Carsten Ørnbo
Adm. direktør
Serienummer: PID:9208-2002-2-382502719712
IP: 77.241.xxx.xxx
2022-04-05 17:08:37 UTC
NEM ID

Kim Byrgesen Jensen
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-799454511800
IP: 213.150.xxx.xxx
2022-04-06 05:29:22 UTC
NEM ID

Tina Rie Grome
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-044550206187
IP: 80.208.xxx.xxx
2022-04-11 08:31:15 UTC
NEM ID

Claus Koskelin
Statsautoriseret revisor
Serienummer: CVR:34209936-RID:33454146
IP: 62.243.xxx.xxx
2022-04-11 15:32:45 UTC
NEM ID

Niels Jørgen Kornerup
Dirigent
Serienummer: PID:9208-2002-2-948152476476
IP: 188.120.xxx.xxx
2022-04-11 15:35:24 UTC
NEM ID