# Bertoni af 1972 A/S

**Tofteledet 15, 8330 Beder**

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# Annual report

# 2019

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**Company reg. no. 29 39 02 74**

The annual report was submitted and approved by the general meeting on the 2 July 2020.

Rasmus Berger
Chairman of the meeting

## Contents



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

## Management's report

The board of directors and the managing director have today presented the annual report of Bertoni af 1972 A/S for the financial year 1 January to 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Beder, 2 July 2020

**Managing Director**

Bent Birger Rasmussen

**Board of directors**

| | | |
|---|---|---|
| Lars Langelund Jørgensen | Klavs Breckling | Carsten Pedersen Rise |

## Independent auditor's report

**To the shareholders of Bertoni af 1972 A/S**

**Opinion**

We have audited the annual accounts of Bertoni af 1972 A/S for the financial year 1 January to 31 December 2019, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

**Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section “Auditor’s responsibilities for the audit of the annual accounts”. We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

**The management's responsibilities for the annual accounts**

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

**Auditor’s responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

## Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

**Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

## Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management’s review and in that connection consider whether the management’s review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not find any material misstatement in the management's review.

Copenhagen, 2 July 2020

**Martinsen**
State Authorised Public Accountants
Company reg. no. 32 28 52 01

Leif Tomasson
State Authorised Public Accountant
mne25346

## Company data

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|---|---|---|
| **The company** | Bertoni af 1972 A/S<br>Tofteledet 15<br>8330 Beder | |
| | Company reg. no. | 29 39 02 74 |
| | Financial year: | 1 January - 31 December |
| **Board of directors** | Lars Langelund Jørgensen<br>Klavs Breckling<br>Carsten Pedersen Rise | |
| **Managing Director** | Bent Birger Rasmussen | |
| **Auditors** | Martinsen<br>Statsautoriseret Revisionspartnerselskab<br>Øster Allé 42<br>2100 København Ø | |

## Management's review

**The principal activities of the company**

The group designs, manufactures and sells men's wear under the Bertoni brand, on the basis of trademark rights acquired in a number of countries. The group sells its products mainly in the European market, partly through its own Bertoni outlets, partly through wholeselling to external distributors. The Bertoni group outlets are run by Bertoni Norway AS and the company AWH Retail A/S.

**Unusual matters**

At 31 December 2018 there was a failure to recognize trade payables of t.DKK 1.082. It is the opinion of the management that the non-recognition has been material to the annual repport for 2018. The non-recognition in 2018 has been made as a correction of materiel errors and the equity. As a result the comparative figures has been corrected.

Furthermore an incorrect valuation of the outdated inventory of finished goods at the total value of t.DKK 4.146 has been uncovered. By the judgement of the management the error concerns items dated before 2018, thus the incorrect value will be regulated on equity and inventory.

We refer to the applied accounting policies for a more detailed description and to the equity statement for the amount of the effect.

**Development in activities and financial matters**

The gross loss for the year is DKK -3.873.067 against DKK 10.723.138 last year. The results from ordinary activities after tax are DKK -12.837.273 against DKK -1.566.355 last year. The management consider the results unsatisfactory.

**The expected development**

After a solid start of 2020 the world and herby also Bertoni af 1972 A/S experienced the consequences of the COVID-19 pandemic. The business sat idle in all of Bertoni's shops, apart from the online sales and 90% of all employees were sent home.

After restart of the business we experience an increase in activities and sales activities are getting back to normal. We do not expect to reach full capacity before the end of the year 2020 at earliest. We see the pandemic as an opportunity to revise the strategy of the company and put even more effort in the strategic work of transforming towards a future minded wholesale and retail company. The strategic work made in 2018 and 2019 transforming the purchase and design processes towards a more agile setup has given the company a competitive advantage moving forward. We expect to see the full effect in the last months of 2020 and in 2021. Optimization measures will continue to be a main focus areas for the coming years, and so will strengthening of the retail, wholesale and webstore activities towards a common omni-channel strategy for the group.

The owner of the company has strengthening the Balance of the company by converting debt to Equity in the financial year 2019, giving the company an Equity of 16.172. The equity ratio amounts to 38,5 per cent at year end.

## Management's review

The owner of the company har expresed its willingness to support the company in 2020, and have allready provided the company with a short term loan during the COVID-19 Pandemic.

We do not expect to realize a profit from operating activities in 2020 due to the impact of COVID-19.

## Accounting policies used

The annual report for Bertoni af 1972 A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of Bertoni af 1972 A/S and its group enterprises are included in the consolidated annual accounts for Vektor Kapital Holding A/S, København, CVR nr. 35512446.

**Significant errors in previous years**

At 31 December 2018 there was a failure to recognize trade payables of t.DKK 1.082 and inventories of 4.146 t.DKK. It is the opinion of the management that the non-recognition has been material to the annual repport for 2018.

The amount effect of the correction t.DKK 4.079 after tax is recognized directly in equity at 31.12.2018, while the comparative figures for 2018 also have been adjusted. Thus, the correction of material errors does not affect the income statement for the current financial year. Trade creditors are increased by t.DKK 1.083, inventories decreased by 4.146 and deferred tax has been reduced by t.DKK 1.150 and profit brought forward has been reduced by t.DKK 4.079.

We refer to the equity statement in this annual report for the effect on the company's financial position.

**Change in financial estimates**

Due to new legislation the holiday pay obligation, salaried staff for 2019 calculated on the basis of a concrete method against the previous summary method. The change in method has resulted in further holiday pay obligation of 482 t.DKK.

**Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

## Accounting policies used

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concern matters existing on the balance sheet date.

**Translation of foreign currency**

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.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

Currency adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in the equity. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised in the equity.

### Income statement

**Gross loss**

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

## Accounting policies used

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 include costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

**Staff costs**

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

**Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

**Other operating costs**

Other operating costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including losses on disposal of intangible and tangible fixed assets.

**Net financials**

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concern the financial year.

**Results from equity investments in group enterprises and associated enterprises**

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

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

## Accounting policies used

**Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

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

## The balance sheet

**Intangible fixed assets**

**Development projects, patents, and licences**

Development costs and internally generated rights are recognised in the profit and loss account as costs in the acquisition year.

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years.

**Goodwill**

Goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 5 and 25 years. The amortisation period is determined on the basis of an expected payback period, being the longer for strategical acquirees with a strong market position and an expected long-term earnings profile.

**Tangible fixed assets**

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of 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 book value, the amortisation discontinues.

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

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

## Accounting policies used

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

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

| | Useful life | Residual value |
|---|---|---|
| Buildings | 10-20 years | 0 % |
| Other plants, operating assets, fixtures and furniture | 3-5 years | 0 % |

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

**Writedown of fixed assets**

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

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

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exists. Writedown relating to goodwill is not reversed.

**Decoration of rented premises**

Decoration of rented premises are measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 5 years.

## Accounting policies used

**Financial fixed assets**

**Equity in group enterprises and associated enterprises**

Equity in group enterprises and associated enterprises recognised in the statement of financial position as a proportional share of the enterprise's equity value. This is calculated on the basis of the accounting policies of the parent less/plus unrealised intercompany profits and losses, and less/plus residual value of positive or negative goodwill measured by applying the purchase method.

Group enterprises and associated enterprises with negative equity are recognised at no value and, to the extent they are considered irrevocable, amounts owed by these companies are made subject to impairment by the parent's share of the equity. If the negative equity exceeds the receivables, the residual amount is recognised under liability provisions to the extent that the parent has a legal or actual liability to cover the negative equity of these subsidiaries.

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

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Profit or loss in connection with the disposal of group enterprises and associated enterprises are measured as the difference between the sales amount and the carrying amount of net assets at the time of sale, inclusive of remaining consolidated goodwill and expected costs of sale or liquidation. Profit and loss are recognised in the income statement under net financials.

For the acquisition of new group enterprises, the purchase method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for pre-determined restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of revaluations is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises and associated enterprises and are amortised over their estimated useful economic life. The useful life is determined on the basis of management's experience in the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a longterm earnings potential. The carrying amount of goodwill is subject to impairment tests on a continuing basis and written down in the income statement in those cases when the carrying amount exceeds the expected future net income from the enterprise or the activity to which the goodwill is attached.

## Accounting policies used

**Deposits**

Deposits are measured at amortised cost and represent rent deposits, etc.

**Inventories**

Inventories are measured at cost on the basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

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

**Receivables**

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

**Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

**Available funds**

Available funds comprise cash at bank and in hand.

**Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Bertoni af 1972 A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

## Accounting policies used

Deferred tax assets, including the tax value of tax losses eligible for carry-over, 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.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

**Liabilities**

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

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

## Profit and loss account 1 January - 31 December

All amounts in DKK.

| Note | | 2019 | 2018 |
|---|---|---|---|
| | **Gross loss** | **-3.873.067** | **10.723.138** |
| 1 | Staff costs | -10.502.424 | -9.197.473 |
| | Depreciation, amortisation and writedown relating to tangible and intangible fixed assets | -1.742.872 | -1.556.548 |
| | Other operating costs | -292.234 | -1.265.735 |
| | **Operating profit** | **-16.410.597** | **-1.296.618** |
| 2 | Income from equity investments in group enterprises | 450.621 | -54.533 |
| | Other financial income | 661.496 | 478.674 |
| | Other financial costs | -1.276.401 | -922.103 |
| | **Pre-tax net profit or loss** | **-16.574.881** | **-1.794.580** |
| 3 | Tax on ordinary results | 3.737.608 | 228.225 |
| | **Net profit or loss for the year** | **-12.837.273** | **-1.566.355** |

**Proposed distribution of the results:**

| | | |
|---|---|---|
| Allocated from results brought forward | -12.837.273 | -1.566.355 |
| **Distribution in total** | **-12.837.273** | **-1.566.355** |

## Balance sheet 31 December

All amounts in DKK.

| Note | Assets | 2019 | 2018 |
|---|---|---|---|
| | **Non-current assets** | | |
| 4 | Acquired concessions, patents, licenses, trademarks and similar rights | 826.604 | 1.548.718 |
| 5 | Goodwill | 4.761.072 | 5.162.360 |
| | Total intangible assets | 5.587.676 | 6.711.078 |
| 6 | Land and property | 0 | 7.027.511 |
| 7 | Other plants, operating assets, and fixtures and furniture | 1.061.472 | 1.276.036 |
| | Total property, plant, and equipment | 1.061.472 | 8.303.547 |
| 8 | Equity investments in group enterprises | 235.167 | 0 |
| 9 | Receivables from group enterprises | 6.069.600 | 0 |
| 10 | Other securities and equity investments | 3.563.162 | 3.563.162 |
| 11 | Deposits | 489.340 | 508.294 |
| | Total investments | 10.357.269 | 4.071.456 |
| | **Total non-current assets** | **17.006.417** | **19.086.081** |
| | **Current assets** | | |
| | Raw materials and consumables | 4.515.296 | 5.739.810 |
| | Manufactured goods and trade goods | 6.021.668 | 3.918.496 |
| | Prepayments for goods | 403.190 | 2.437.865 |
| | Total inventories | 10.940.154 | 12.096.171 |
| | Trade debtors | 4.322.121 | 5.678.289 |
| | Amounts owed by group enterprises | 176.270 | 6.728.091 |
| | Deferred tax assets | 3.611.522 | 5.215.442 |
| | Tax receivables from group enterprises | 5.341.528 | 0 |
| | Other debtors | 162.714 | 12.066 |
| 12 | Accrued income and deferred expenses | 424.027 | 670.160 |
| | Total receivables | 14.038.182 | 18.304.048 |
| | Available funds | 17.220 | 17.534 |
| | **Total current assets** | **24.995.556** | **30.417.753** |
| | **Total assets** | **42.001.973** | **49.503.834** |

## Balance sheet 31 December

All amounts in DKK.

| Note | Equity and liabilities | 2019 | 2018 |
|---|---|---|---|
| | **Equity** | | |
| | Contributed capital | 11.000.000 | 7.000.000 |
| | Results brought forward | 5.171.571 | 6.481.909 |
| | **Total equity** | **16.171.571** | **13.481.909** |
| | **Provisions** | | |
| | Other provisions | 0 | 333.199 |
| | **Total provisions** | **0** | **333.199** |
| | **Liabilities other than provisions** | | |
| 13 | Mortgage debt | 0 | 4.940.871 |
| | Other debts | 726.020 | 0 |
| 14 | Total long term liabilities other than provisions | 726.020 | 4.940.871 |
| 14 | Short-term part of long-term liabilities | 0 | 24.600 |
| | Bank debts | 9.560.877 | 11.047.764 |
| | Prepayments received from customers | 141.048 | 0 |
| | Trade creditors | 9.972.746 | 13.546.920 |
| | Debt to group enterprises | 38.188 | 5.443 |
| | Other debts | 5.391.523 | 6.123.128 |
| | Total short term liabilities other than provisions | 25.104.382 | 30.747.855 |
| | **Total liabilities other than provisions** | **25.830.402** | **35.688.726** |
| | **Total equity and liabilities** | **42.001.973** | **49.503.834** |

**15 Mortgage and securities**

**16 Contingencies**

**17 Related parties**

## Statement of changes in equity

All amounts in DKK.

| | Contributed capital | Retained earnings | Total |
|---|---|---|---|
| Equity 1 January 2018 | 7.000.000 | 11.282.995 | 18.282.995 |
| Correction due to changes in accounting policies 1 | 0 | -4.078.843 | -4.078.843 |
| Profit or loss for the year brought forward | 0 | -721.738 | -721.738 |
| Exchange rate adjustment of foreign companies | 0 | -505 | -505 |
| Equity 1 January 2019 | 7.000.000 | 6.481.909 | 13.481.909 |
| Cash capital increase | 4.000.000 | 0 | 4.000.000 |
| Profit or loss for the year brought forward | 0 | -12.837.273 | -12.837.273 |
| Transferred from share premium | 0 | 11.524.578 | 11.524.578 |
| Exchange rate adjustment of foreign companies | 0 | 2.357 | 2.357 |
| | **11.000.000** | **5.171.571** | **16.171.571** |

## Notes

All amounts in DKK.

| | | 2019 | 2018 |
|---|---|---|---|
| **1.** | **Staff costs** | | |
| | Salaries and wages | 10.159.498 | 8.908.111 |
| | Pension costs | 32.924 | 32.160 |
| | Other costs for social security | 310.002 | 257.202 |
| | | **10.502.424** | **9.197.473** |
| | Average number of employees | 57 | 52 |

The Company has leased out emplyees to AWH Retail A/S.

| | | 2019 | 2018 |
|---|---|---|---|
| **2.** | **Income from equity investments in group enterprises** | | |
| | Income from subsidiary | 450.621 | -54.533 |
| | | **450.621** | **-54.533** |
| **3.** | **Tax on ordinary results** | | |
| | Tax of the results for the year, parent company | -4.191.066 | 0 |
| | Adjustment for the year of deferred tax | 453.458 | -228.225 |
| | | **-3.737.608** | **-228.225** |
| **4.** | **Acquired concessions, patents, licenses, trademarks and similar rights** | | |
| | Cost 1 January 2019 | 2.980.175 | 2.200.493 |
| | Additions during the year | 89.213 | 779.682 |
| | **Cost 31 December 2019** | **3.069.388** | **2.980.175** |
| | Amortisation and writedown 1 January 2019 | -1.431.457 | -635.205 |
| | Amortisation for the year | -811.327 | -796.252 |
| | **Amortisation and writedown 31 December 2019** | **-2.242.784** | **-1.431.457** |
| | **Book value 31 December 2019** | **826.604** | **1.548.718** |

## Notes

All amounts in DKK.

| | | 31/12 2019 | 31/12 2018 |
|---|---|---|---|
| **5.** | **Goodwill** | | |
| | Cost 1 January 2019 | 8.025.843 | 7.725.843 |
| | Additions during the year | 0 | 300.000 |
| | **Cost 31 December 2019** | **8.025.843** | **8.025.843** |
| | Amortisation and writedown 1 January 2019 | -2.863.483 | -2.473.445 |
| | Amortisation for the year | -401.288 | -390.038 |
| | **Amortisation and writedown 31 December 2019** | **-3.264.771** | **-2.863.483** |
| | **Book value 31 December 2019** | **4.761.072** | **5.162.360** |

| | | 31/12 2019 | 31/12 2018 |
|---|---|---|---|
| **6.** | **Land and property** | | |
| | Cost 1 January 2019 | 8.453.554 | 8.453.554 |
| | Disposals during the year | -8.453.554 | 0 |
| | **Cost 31 December 2019** | **0** | **8.453.554** |
| | Depreciation and writedown 1 January 2019 | -1.426.043 | -1.205.703 |
| | Depreciation for the year | -220.340 | -220.340 |
| | Reversal of depreciation, amortisation and writedown, assets disposed of | 1.646.383 | 0 |
| | **Depreciation and writedown 31 December 2019** | **0** | **-1.426.043** |
| | **Book value 31 December 2019** | **0** | **7.027.511** |

| | | 31/12 2019 | 31/12 2018 |
|---|---|---|---|
| **7.** | **Other plants, operating assets, and fixtures and furniture** | | |
| | Cost 1 January 2019 | 5.754.803 | 4.837.621 |
| | Additions during the year | 95.352 | 917.182 |
| | **Cost 31 December 2019** | **5.850.155** | **5.754.803** |
| | Depreciation and writedown 1 January 2019 | -4.478.767 | -4.328.850 |
| | Depreciation for the year | -309.916 | -149.917 |
| | **Depreciation and writedown 31 December 2019** | **-4.788.683** | **-4.478.767** |
| | **Book value 31 December 2019** | **1.061.472** | **1.276.036** |

## Notes

All amounts in DKK.

| | | 31/12 2019 | 31/12 2018 |
|---|---|---|---|
| **8.** | **Equity investments in group enterprises** | | |
| | Acquisition sum, opening balance 1 January 2019 | 6.016.564 | 6.016.564 |
| | Additions during the year | 186.250 | 0 |
| | **Cost 31 December 2019** | **6.202.814** | **6.016.564** |
| | Revaluations, opening balance 1 January 2019 | -6.349.763 | -6.540.766 |
| | Translation by use of the exchange rate valid on b | 2.357 | -505 |
| | Results for the year before goodwill amortisation | 450.621 | -54.533 |
| | Change in internal margins on inventories | -70.862 | 246.041 |
| | **Revaluation 31 December 2019** | **-5.967.647** | **-6.349.763** |
| | Transferred to provisions | 0 | 333.199 |
| | **Set off against debtors and provisions for liabilities** | **0** | **333.199** |
| | **Book value 31 December 2019** | **235.167** | **0** |

| | | | |
|---|---|---|---|
| **9.** | **Receivables from group enterprises** | | |
| | Additions during the year | 6.069.600 | 0 |
| | **Cost 31 December 2019** | **6.069.600** | **0** |
| | **Carrying amount, 31 December 2019** | **6.069.600** | **0** |

| | | | |
|---|---|---|---|
| **10.** | **Other securities and equity investments** | | |
| | Cost 1 January 2019 | 2.593.379 | 2.593.379 |
| | **Cost 31 December 2019** | **2.593.379** | **2.593.379** |
| | Revaluation 1 January 2019 | 969.783 | 969.783 |
| | **Revaluation 31 December 2019** | **969.783** | **969.783** |
| | **Book value 31 December 2019** | **3.563.162** | **3.563.162** |

## Notes

All amounts in DKK.

| | | 31/12 2019 | 31/12 2018 |
|---|---|---|---|
| **11.** | **Deposits** | | |
| | Cost 1 January 2019 | 508.294 | 414.663 |
| | Additions during the year | 8.861 | 93.631 |
| | Disposals during the year | -27.815 | 0 |
| | **Cost 31 December 2019** | **489.340** | **508.294** |
| | **Book value 31 December 2019** | **489.340** | **508.294** |

| | | 31/12 2019 | 31/12 2018 |
|---|---|---|---|
| **12.** | **Accrued income and deferred expenses** | | |
| | Other prepayments/deferred income | 424.027 | 670.160 |
| | | **424.027** | **670.160** |

Other prepayments relate to prepaid expenses for the financial year 2020.

| | | 31/12 2019 | 31/12 2018 |
|---|---|---|---|
| **13.** | **Mortgage debt** | | |
| | Mortgage debt in total | 0 | 4.965.471 |
| | Share of amount due within 1 year | 0 | -24.600 |
| | | **0** | **4.940.871** |
| | Share of liabilities due after 5 years | 0 | -4.842.155 |

**14. Liabilities**

| | Debt in total 31 Dec 2019 | Short-term part of long-term liabilities | Long-term debt 31 Dec 2019 | Outstanding debt after 5 years |
|---|---|---|---|---|
| Other debts | 726.020 | 0 | 726.020 | 726.020 |
| | **726.020** | **0** | **726.020** | **726.020** |

**15. Mortgage and securities**

A share in the housing cooperative Østerbrogade, Copenhagen, of t.DKK 3.250 thousand has been provided as security for the debt owed to Jyske Bank in the amount of t.DKK 32. The carrying amount of the share is DKK 3.563 thousand.

## Notes

All amounts in DKK.

**15. Mortgage and securities (continued)**

The company guarantees for the payment of rent in the amount of t.DKK 4.152.

The company has provided a guarantee whereby the guarantor assumes primary liability for group enterprises' debt to trade payables. The guarantee is maximised at t.DKK 361.

For bank debts, t.DKK 8.069, the company has provided security in company assets representing a nominal value of t.DKK 15.000, and unlisted shares in Bertoni Norway AS in the amount of t.DKK 2.950. This security comprises the below assets, stating the book values:

| | DKK in thousands |
|---|---|
| Inventories | 10.357 |
| Receivable from sales and services | 4.322 |
| Intangible assets | 5.588 |

Coface Finans A/S has a pledge ban on the company's trade debtors, which have been mortgaged in the amount of t.DKK 3.674.

**16. Contingencies**

**Contingent liabilities**

Leasing liabilities

The company has concluded rent og lease agreements with terms to maturity up till 118 months and total lease payments of t.DKK 4.133.

**Joint taxation**

VEKTOR KAPITAL Holding A/S, company reg. no 35512446 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

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

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

## Notes

All amounts in DKK.

**17. Related parties**

**Controlling interest**

| | |
|---|---|
| Vektor Puljeinvest IV ApS, København Ø | Majority shareholder |