Bertoni af 1972 A/S

Tofteledet 15, 8330 Beder

Annual report

2020

Company reg. no. 29 39 02 74

The annual report was submitted and approved by the general meeting on the 9 June 2021.

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Lars Jørgensen
Chairman of the meeting

Contents

Page

Reports

1 Management's report

2 Independent auditor's report

Management commentary

5 Company information

6 Management commentary

Financial statements 1 January - 31 December 2020

8 Accounting policies

17 Income statement

18 Statement of financial position

20 Statement of changes in equity

21 Notes

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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

Today, the board of directors and the managing director have presented the annual report of Bertoni af 1972 A/S for the financial year 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company’s assets, equity and liabilities, and financial position at 31 December 2020 and of the company’s results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Beder, 9 June 2021

Managing Director

Bent Birger Rasmussen

Board of directors

Lars Langelund Jørgensen	David Owen	Carsten Pedersen Rise

Independent auditor's report

To the shareholders of Bertoni af 1972 A/S

Opinion

We have audited the financial statements of Bertoni af 1972 A/S for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 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 section “Auditor’s responsibilities for the audit of the financial statements”. We are independent of the company in accordance with international ethical requirements for auditors (IESBA’s Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 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 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism 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 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 and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 commentary
Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 9 June 2021

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

Leif Tomasson
State Authorised Public Accountant
mne25346

Company information

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

Management commentary

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 were, by december 31, 2020 run by Bertoni Norway AS and the company AWH Retail A/S.

Development in activities and financial matters

The gross profit for the year totals DKK 15.086.300 against DKK -3.873.067 last year. Income or loss from ordinary activities after tax totals DKK -16.261.756 against DKK -12.837.273 last year. Management considers the net profit or loss for the year unsatisfactory.

IThe gross profit is incl. the debt forgivness in connection with the legal restructering (rekonstruktion) , that was approved on november 19, 2020, which incl. covid-19 public reimbursement had an positive impact on the annual accounts of 12,1 mio DKK as described in note number 1.

IAfter 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.

A restart of the business we experience an increase in activities and sales activities during the summer period, but a recurring lockdown and forced closing of all of Bertoni's shops due to the COVID-19 pandemic resulted in an inability for the company to honor its financial obligations and make payments to its creditors in due time. Late payout of state subsidiary compensations ultimately had the consequences of the company being forced to file for and complete a legal restructuring.

A successful restructuring was concluded at November 19, 2020, and made possible by the financial support from the owners, resulting in heavily improved financial situation of the company, with all creditors paid accordingly, capital injection from the owners and renegotiated contracts of the majority of retail tenancies.

Further lockdown was recognized by the end of the year 2020, but the successful restructuring and improved state compensation programs made the company able to absorb the shock of the second lockdown.

The company have used the lockdown periods to reformulate the short strategic incentives, and have managed to optimize the organization, initiated new transformed purchase and design procedures to reduce structural inventory and focus product range to improve gross margin significantly. The effect of these initiatives is expected to show partly in 2021 and vastly in 2022. Optimization measures will continue to be a main focus areas for the coming years, as will strengthening of the retail, wholesale and webstore activities towards a common omni-channel strategy for the group.

Management commentary

Expected developments

After a difficult beginning of 2021, where all Bertoni's shops being forced to be closed to customers until March and 90 % of all employees being sent home, positive signs of customers purchase patterns to return to normal have shown. Following the legal restructuring (rekonstruktion) of AWH Retial A/S in february 2021, Bertoni took over all the activities in AWH Retail A/S

By April 1, 2021, the activities and assets of Bertoni af 1972 A/S, included ownership of companies Bertoni Norway AS and TSO Retail AS have been acquired by Bertoni Group A/S. Bertoni Group A/S will continue to run the activities, providing new capital injection and finance, as well as implementing the strategic plans laid out by the management.

The cashflow arrising from the sale of the activity will be sufficient to run the business for the rest of 2021.

Accounting policies

The annual report for Bertoni af 1972 A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

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

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

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.

Accounting policies

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.

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

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

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

Income statement

Gross profit

Gross profit 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.

The enterprise will be applying IAS 11 and 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 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.

Accounting policies

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. Furthermore, this item comprises received subsidies, damages, and compensation due to the coronavirus situation.

Other external costs comprise costs 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.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

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, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in group enterprises and associates

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.

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.

Accounting policies

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

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised over the estimated useful life, which is determined on the basis of management's experience in the individual business areas. Goodwill is amortised on a straightline basis over the amortisation period, which is set at between 5 and 25 years. The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategical acquirees with a strong market position and an expected longterm earnings profile.

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.

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 and the residual value of the individual assets:

Accounting policies

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0 %

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.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises og associates 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 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.

Investments

Equity in group enterprises and associates

Equity in group enterprises and associates are recognised and measured by applying the equity method. The equity method is used as a measurement method.

Accounting policies

Equity in group enterprises and associates recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

Equity in group enterprises and associates with a negative equity value measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises and associates 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 associates.

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.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Other financial instruments and equity investments

Other unlisted financial instruments are measured at fair value. The measurement is made on the basis of a returnbased cash flow model based on expected future net cash flows over a period of 5 years and a terminal period. Furthermore, the fair value is adjusted for net interestbearing payables.

Deposits

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

Accounting policies

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 goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

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.

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.

Accounting policies

Cash on hand and demand deposits

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

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.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

According to the rules of joint taxation, Bertoni af 1972 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.

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.

Accounting policies

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2020	2019
	Gross profit	**15.086.300**	**-3.873.067**
2	Staff costs	-10.681.815	-10.502.424
	Depreciation, amortisation, and impairment	-5.253.541	-1.742.872
	Other operating costs	0	-292.234
	Operating profit	**-849.056**	**-16.410.597**
	Income from equity investments in group enterprises	-5.874.455	450.621
	Other financial income	174.884	661.496
3	Other financial costs	-824.596	-1.276.401
	Pre-tax net profit or loss	**-7.373.223**	**-16.574.881**
4	Tax on net profit or loss for the year	-8.888.533	3.737.608
	Profit or loss from ordinary activities after tax	**-16.261.756**	**-12.837.273**
	Net profit or loss for the year	**-16.261.756**	**-12.837.273**
	Proposed appropriation of net profit:		
	Allocated from retained earnings	-16.261.756	-12.837.273
	Total allocations and transfers	**-16.261.756**	**-12.837.273**

Statement of financial position at 31 December

All amounts in DKK.

Note	Assets	2020	2019
	Non-current assets		
5	Concessions, patents, licenses, trademarks, and similar rights acquired	767.695	826.604
6	Goodwill	476.289	4.761.072
	Total intangible assets	1.243.984	5.587.676
7	Other fixtures and fittings, tools and equipment	799.421	1.061.472
	Total property, plant, and equipment	799.421	1.061.472
8	Equity investments in group enterprises	0	235.167
9	Receivables from group enterprises	0	6.069.600
10	Other financial instruments and equity investments	3.563.162	3.563.162
11	Deposits	457.330	489.340
	Total investments	4.020.492	10.357.269
	Total non-current assets	**6.063.897**	**17.006.417**
	Current assets		
	Raw materials and consumables	1.696.410	4.515.296
	Manufactured goods and goods for resale	6.113.343	6.021.668
	Prepayments for goods	0	403.190
	Total inventories	7.809.753	10.940.154
	Trade receivables	1.375.429	4.322.121
	Receivables from group enterprises	3.432.188	176.270
	Deferred tax assets	0	3.611.522
	Tax receivables from group enterprises	64.517	5.341.528
	Other receivables	46.340	162.714
	Prepayments and accrued income	548.609	424.027
	Total receivables	5.467.083	14.038.182
	Cash on hand and demand deposits	848.111	17.220
	Total current assets	**14.124.947**	**24.995.556**
	Total assets	**20.188.844**	**42.001.973**

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities

Note		2020	2019
	Equity		
	Contributed capital	400.000	11.000.000
	Retained earnings	2.583.466	5.171.571
	Total equity	**2.983.466**	**16.171.571**
	Liabilities other than provisions		
12	Other payables	1.729.766	726.020
	Total long term liabilities other than provisions	1.729.766	726.020
	Bank loans	7.023.450	9.560.877
	Prepayments received from customers	106.136	141.048
	Trade payables	1.194.632	10.034.578
	Payables to group enterprises	571.876	38.188
	Other payables	6.579.518	5.329.691
	Total short term liabilities other than provisions	15.475.612	25.104.382
	Total liabilities other than provisions	**17.205.378**	**25.830.402**
	Total equity and liabilities	**20.188.844**	**42.001.973**

1 Special items
13 Charges and security
14 Contingencies
15 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
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
Equity 1 January 2020	11.000.000	5.171.571	16.171.571
Cash capital increase	400.000	0	400.000
Profit or loss for the year brought forward	0	-16.261.756	-16.261.756
Capital reduction	-11.000.000	11.000.000	0
Exchange rate adjustment of foreign companies	0	-536.130	-536.130
Adjustment regarding compulsory composition	0	3.209.781	3.209.781
	400.000	**2.583.466**	**2.983.466**

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.

	2020	2019
Income:		
Debt forgiveness in connection with legal restructuring (rekonstruktion)	12.937.242	0
Public reimbursement during the covid-19 pandemic	3.268.930	0
	16.206.172	0
Expenses:		
Impairment of non-current assets	4.014.095	0
	4.014.095	0
Special items are recognised in the following items in the financial statements:		
Other operating income	16.206.172	0
Depreciation, amortisation, and impairment	-4.014.095	0
Profit of special items, net	**12.192.077**	**0**

2. Staff costs

	2020	2019
Salaries and wages	10.241.692	10.159.498
Pension costs	165.108	32.924
Other costs for social security	275.015	310.002
	10.681.815	**10.502.424**
Average number of employees	55	57

Notes

All amounts in DKK.

		2020	2019
3.	**Other financial costs**		
	Financial costs, group enterprises	158.356	420.000
	Other financial costs	666.240	856.401
		824.596	**1.276.401**
4.	**Tax on net profit or loss for the year**		
	Tax of the results for the year, parent company	5.277.011	-4.191.066
	Adjustment for the year of deferred tax	3.611.522	453.458
		8.888.533	**-3.737.608**
5.	**Concessions, patents, licenses, trademarks, and similar rights acquired**		
	Cost 1 January 2020	3.069.388	2.980.175
	Additions during the year	615.851	89.213
	Cost 31 December 2020	**3.685.239**	**3.069.388**
	Amortisation and writedown 1 January 2020	-2.242.784	-1.431.457
	Amortisation for the year	-674.760	-811.327
	Amortisation and writedown 31 December 2020	**-2.917.544**	**-2.242.784**
	Carrying amount, 31 December 2020	**767.695**	**826.604**
6.	**Goodwill**		
	Cost 1 January 2020	8.025.843	8.025.843
	Cost 31 December 2020	**8.025.843**	**8.025.843**
	Amortisation and writedown 1 January 2020	-3.264.771	-2.863.483
	Amortisation for the year	-4.284.783	-401.288
	Amortisation and writedown 31 December 2020	**-7.549.554**	**-3.264.771**
	Carrying amount, 31 December 2020	**476.289**	**4.761.072**

Notes

All amounts in DKK.

		31/12 2020	31/12 2019
7.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2020	5.850.155	5.754.803
	Additions during the year	31.947	95.352
	Cost 31 December 2020	**5.882.102**	**5.850.155**
	Depreciation and writedown 1 January 2020	-4.788.683	-4.478.767
	Depreciation for the year	-293.998	-309.916
	Depreciation and writedown 31 December 2020	**-5.082.681**	**-4.788.683**
	Carrying amount, 31 December 2020	**799.421**	**1.061.472**
8.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2020	5.165.003	6.016.564
	Additions during the year	6.067.200	186.250
	Disposals during the year	-186.250	0
	Cost 31 December 2020	**11.045.953**	**6.202.814**
	Revaluations, opening balance 1 January 2020	-5.967.647	-6.349.763
	Translation by use of the exchange rate valid on b	-527.020	2.357
	Results for the year before goodwill amortisation	-4.764.539	450.621
	Change in internal margins on inventories	104.285	-70.862
	Revaluation 31 December 2020	**-11.154.921**	**-5.967.647**
	Offsetting against debtors	108.968	0
	Set off against debtors and provisions for liabilities	**108.968**	**0**
	Carrying amount, 31 December 2020	**0**	**235.167**
9.	**Receivables from group enterprises**		
	Cost 1 January 2020	6.069.600	0
	Additions during the year	0	6.069.600
	Disposals during the year	-6.069.600	0
	Cost 31 December 2020	**0**	**6.069.600**
	Carrying amount, 31 December 2020	**0**	**6.069.600**

Notes

All amounts in DKK.

		31/12 2020	31/12 2019
10.	**Other financial instruments and equity investments**		
	Cost 1 January 2020	2.593.379	2.593.379
	Cost 31 December 2020	**2.593.379**	**2.593.379**
	Revaluation 1 January 2020	969.783	969.783
	Revaluation 31 December 2020	**969.783**	**969.783**
	Carrying amount, 31 December 2020	**3.563.162**	**3.563.162**
11.	**Deposits**		
	Cost 1 January 2020	489.340	508.294
	Additions during the year	24.240	8.861
	Disposals during the year	-56.250	-27.815
	Cost 31 December 2020	**457.330**	**489.340**
	Carrying amount, 31 December 2020	**457.330**	**489.340**
12.	**Other payables**		
	Holiday pay obligations, salaried staff	1.729.766	726.020
		1.729.766	**726.020**
	Share of liabilities due after 5 years	1.729.766	726.020

13. Charges and security

A share in the housing cooperative Østerbrogade, Copenhagen, of t.DKK 3.250 thousand has been provided as security for the debt owed to Vektor Kapital Holding A/S in the amount of t.DKK 514. at 31 December 2020.

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.

Notes

All amounts in DKK.

13. Charges and security (continued)

For bank loans, t.DKK 6.295, the company has provided a floating charge security in company assets representing a nominal value of t.DKK 15.000. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Inventories	7.810
Intangible assets	1.244
Other fixtures and fittings, tools and equipment	799

Coface Finans A/S has a pledge ban on the company's trade debtors, which have been mortgaged in the amount of t.DKK 1.302.

14. Contingencies

Contingent assets

The company has a non-capitalized deferred tax asset of t.DKK 11.866.

Contingent liabilities

	DKK in thousands
Rent liabilities	2.867
Total contingent liabilities	**2.867**

Lease liabilities

In addition to rent and finance leases, the company has entered into operational leases with an average annual lease payment of t.DKK 329. The leases have from 1 to 48 months to maturity and total outstanding lease payments total t.DKK 988.

Joint taxation

With VEKTOR KAPITAL Holding A/S, company reg. no 35512446 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 total tax payable under the joint taxation scheme totals t.DKK 1.524.

Notes

All amounts in DKK.

14. Contingencies (continued)

15. Related parties

Controlling interest

Vektor Kapital Holding A/S, København Ø	Majority shareholder