



## Scandomestic A/S

Linåvej 20  
8600 Silkeborg  
CVR No. 29774242

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 29.03.2022

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**Jon Skovhus Knudsen**

Chairman of the General Meeting

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# Entity details

## Entity

Scandomestic A/S

Linåvej 20

8600 Silkeborg

Business Registration No.: 29774242

Registered office: Silkeborg

Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Jon Skovhus Knudsen, Chairman

Preben Lindbjerg Mehlsen

Peter Dornonville de la Cour Andsager

Jan Petersen

Niels Henrik Kinch

## Executive Board

Lars Overby, Director

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Papirfabrikken 26

8600 Silkeborg

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Scandomestic A/S for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Silkeborg, 29.03.2022

## Executive Board

**Lars Overby**

Director

## Board of Directors

**Jon Skovhus Knudsen**

Chairman

**Preben Lindbjerg Mehlsen**

**Peter Dornonville de la Cour Andsager**

**Jan Petersen**

**Niels Henrik Kinch**

# Independent auditor's report

## To the shareholders of Scandomestic A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Scandomestic A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' 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 consolidated financial statements and the parent financial statements

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

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

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Silkeborg, 29.03.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Peter Mølkjær**

State Authorised Public Accountant  
Identification No (MNE) mne24821

**Rasmus Villadsen Madsen**

State Authorised Public Accountant  
Identification No (MNE) mne45822

# Management commentary

## Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
<b>Key figures</b>					
Gross profit/loss	32,105	30,969	29,983	25,469	23,539
Operating profit/loss	14,183	14,574	14,861	14,307	13,586
Net financials	(510)	(978)	(491)	(958)	(1,112)
Profit/loss for the year	10,679	10,484	11,198	10,372	9,684
Balance sheet total	109,723	82,460	102,853	100,887	95,979
Equity	31,437	29,955	31,106	30,673	28,666
Cash flows from operating activities	(11,924)	23,851	7,585	9,659	9,931
Cash flows from investing activities	(1,936)	(25)	(60)	(32)	2
Cash flows from financing activities	(10,000)	(11,000)	(10,370)	(12,458)	(12,000)
Average number of employees	29	29	27	23	21
<b>Ratios</b>					
Return on equity (%)	34.79	34.34	36.25	34.96	32.65
Equity ratio (%)	28.65	36.33	30.24	30.40	29.87

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

### Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Balance sheet total



### Primary activities

Scandomestic's main activities are import, warehousing, and sales of Major Domestic Appliances and Coolers for commercial use.

### Development in activities and finances

EBT was 13.7 mkr. (13.6 mkr. in 2020). Total assets by year-end was at a high level of 109.7 mkr. as stock has been prepared to meet unstable, international logistics in 2022.

1st March Scandomestic moved operations to a new location with new offices and 10.000 sqm warehouse. The relocation was executed successfully, and Scandomestic resumed to normal operations within few days.

The year 2021 has been very challenging due to historical increases in freight rates, extreme increases in suppliers' costs, and turbulent market conditions in general.

### Profit/loss for the year in relation to expected developments

Scandomestic has had to adapt to several challenging conditions of 2021. With that in mind profit for the year is considered most satisfactory.

### Outlook

Scandomestic is very sensitive to freight rates (Asia to Europe). By 2022 the rates will have increased 10-fold since 2020. Consequently the management expect that EBT of 2022 will not meet the level of 2021.

The management expect some kind of return to normal within foreseeable future, so Scandomestic will continue to invest in its long-term competitiveness.

The Russian invasion of Ukraine has no direct impact to the business of Scandomestic. The indirect impact is yet to be seen.

### Environmental performance

Scandomestic is a member of Elretur, which is responsible for the administration of producers' responsibility concerning electrical/electronic equipment and batteries. Elretur collects most of the electrical equipment disposed in Denmark. There are no other significant effects on environment related to the activities of the company.

### Research and development activities

The group has no notable research and development activities.

### Events after the balance sheet date

No event or change of circumstances since 31.12.2021 give reason to affect the evaluation of the annual report.

# Consolidated income statement for 2021

	Notes	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>32,105,476</b>	<b>30,969,138</b>
Staff costs	1	(17,652,102)	(16,318,063)
Depreciation, amortisation and impairment losses	2	(270,798)	(76,920)
<b>Operating profit/loss</b>		<b>14,182,576</b>	<b>14,574,155</b>
Other financial income	3	0	1,427
Financial expenses from group enterprises		(17,563)	0
Other financial expenses	4	(491,976)	(979,600)
<b>Profit/loss before tax</b>		<b>13,673,037</b>	<b>13,595,982</b>
Tax on profit/loss for the year	5	(2,993,578)	(3,111,569)
<b>Profit/loss for the year</b>	6	<b>10,679,459</b>	<b>10,484,413</b>

# Consolidated balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Acquired intangible assets		1,000,474	0
<b>Intangible assets</b>	7	<b>1,000,474</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		1,074,132	56,735
Leasehold improvements		155,863	8,956
<b>Property, plant and equipment</b>	8	<b>1,229,995</b>	<b>65,691</b>
Deposits		4,000,000	4,000,000
<b>Financial assets</b>	9	<b>4,000,000</b>	<b>4,000,000</b>
<b>Fixed assets</b>		<b>6,230,469</b>	<b>4,065,691</b>
Manufactured goods and goods for resale		32,349,730	15,587,821
Prepayments for goods		23,217,087	18,595,129
<b>Inventories</b>		<b>55,566,817</b>	<b>34,182,950</b>
Trade receivables		42,713,713	40,100,460
Deferred tax	10	515,217	923,896
Other receivables	11	2,428,722	1,033,246
Prepayments	12	382,498	199,894
<b>Receivables</b>		<b>46,040,150</b>	<b>42,257,496</b>
<b>Cash</b>		<b>1,885,467</b>	<b>1,954,306</b>
<b>Current assets</b>		<b>103,492,434</b>	<b>78,394,752</b>
<b>Assets</b>		<b>109,722,903</b>	<b>82,460,443</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital	13	1,500,000	1,500,000
Reserve for fair value adjustments of hedging instruments		796,620	0
Retained earnings		18,490,217	18,454,965
Proposed dividend for the financial year		10,650,000	10,000,000
<b>Equity</b>		<b>31,436,837</b>	<b>29,954,965</b>
Other provisions	14	3,175,000	3,862,000
<b>Provisions</b>		<b>3,175,000</b>	<b>3,862,000</b>
Other payables	15	976,940	1,214,640
<b>Non-current liabilities other than provisions</b>	<b>16</b>	<b>976,940</b>	<b>1,214,640</b>
Bank loans		52,803,325	29,011,761
Trade payables		10,696,023	12,612,186
Payables to group enterprises		1,517,563	0
Tax payable		546,817	264,672
Joint taxation contribution payable		601,199	660,588
Other payables	17	7,969,199	4,879,631
<b>Current liabilities other than provisions</b>		<b>74,134,126</b>	<b>47,428,838</b>
<b>Liabilities other than provisions</b>		<b>75,111,066</b>	<b>48,643,478</b>
<b>Equity and liabilities</b>		<b>109,722,903</b>	<b>82,460,443</b>
Unrecognised rental and lease commitments	19		
Contingent liabilities	20		
Assets charged and collateral	21		
Transactions with related parties	22		
Group relations	23		
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# Consolidated statement of changes in equity for 2021

	Contributed capital DKK	Reserve for fair value adjustments of hedging instruments DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Total DKK
Equity beginning of year	1,500,000	0	18,454,965	10,000,000	29,954,965
Ordinary dividend paid	0	0	0	(10,000,000)	(10,000,000)
Other entries on equity	0	1,021,308	5,793	0	1,027,101
Tax of entries on equity	0	(224,688)	0	0	(224,688)
Profit/loss for the year	0	0	29,459	10,650,000	10,679,459
<b>Equity end of year</b>	<b>1,500,000</b>	<b>796,620</b>	<b>18,490,217</b>	<b>10,650,000</b>	<b>31,436,837</b>

# Consolidated cash flow statement for 2021

	Notes	2021 DKK	2020 DKK
Operating profit/loss		14,182,576	14,574,155
Operating profit/loss from discontinued operations		(228,385)	76,920
Working capital changes	18	(23,808,932)	14,862,200
<b>Cash flow from ordinary operating activities</b>		<b>(9,854,741)</b>	<b>29,513,275</b>
Financial income received		0	1,427
Financial expenses paid		(509,539)	(979,600)
Taxes refunded/(paid)		(2,586,831)	(3,870,654)
Other cash flows from operating activities		1,027,101	(813,156)
<b>Cash flows from operating activities</b>		<b>(11,924,010)</b>	<b>23,851,292</b>
Acquisition etc. of intangible assets		(1,008,514)	0
Acquisition etc. of property, plant and equipment		(1,442,062)	(24,585)
Sale of property, plant and equipment		514,183	0
<b>Cash flows from investing activities</b>		<b>(1,936,393)</b>	<b>(24,585)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(13,860,403)</b>	<b>23,826,707</b>
Dividend paid		(10,000,000)	(11,000,000)
<b>Cash flows from financing activities</b>		<b>(10,000,000)</b>	<b>(11,000,000)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(23,860,403)</b>	<b>12,826,707</b>
Cash and cash equivalents beginning of year		(27,057,455)	(39,884,162)
<b>Cash and cash equivalents end of year</b>		<b>(50,917,858)</b>	<b>(27,057,455)</b>
Cash and cash equivalents at year-end are composed of:			
Cash		1,885,467	1,954,306
Cash and cash equivalents regarding discontinued operations		(52,803,325)	(29,011,761)
<b>Cash and cash equivalents end of year</b>		<b>(50,917,858)</b>	<b>(27,057,455)</b>

# Notes to consolidated financial statements

## 1 Staff costs

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	15,624,013	14,257,818
Pension costs	1,778,944	1,598,036
Other social security costs	93,250	347,413
Other staff costs	155,895	114,796
	<b>17,652,102</b>	<b>16,318,063</b>
Average number of full-time employees	<b>29</b>	<b>28</b>

	<b>Remuneration of manage- ment 2021 DKK</b>	<b>Remuneration of manage- ment 2020 DKK</b>
Total amount for management categories	1,807,318	1,724,866
	<b>1,807,318</b>	<b>1,724,866</b>

## 2 Depreciation, amortisation and impairment losses

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	8,040	0
Depreciation on property, plant and equipment	265,158	76,920
Profit/loss from sale of intangible assets and property, plant and equipment	(2,400)	0
	<b>270,798</b>	<b>76,920</b>

## 3 Other financial income

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Other interest income	0	1,427
	<b>0</b>	<b>1,427</b>

**4 Other financial expenses**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	404,178	687,769
Other financial expenses	87,798	291,831
	<b>491,976</b>	<b>979,600</b>

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

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	2,588,548	3,902,795
Change in deferred tax	408,679	(791,226)
Adjustment concerning previous years	(3,649)	0
	<b>2,993,578</b>	<b>3,111,569</b>

**6 Proposed distribution of profit/loss**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Ordinary dividend for the financial year	10,650,000	10,000,000
Retained earnings	29,459	484,413
	<b>10,679,459</b>	<b>10,484,413</b>

**7 Intangible assets**

	<b>Acquired intangible assets DKK</b>
Cost beginning of year	216,150
Additions	1,008,514
Disposals	(216,150)
<b>Cost end of year</b>	<b>1,008,514</b>
Amortisation and impairment losses beginning of year	(216,150)
Amortisation for the year	(8,040)
Reversal regarding disposals	216,150
<b>Amortisation and impairment losses end of year</b>	<b>(8,040)</b>
<b>Carrying amount end of year</b>	<b>1,000,474</b>



## 8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	752,535	379,254
Additions	1,255,027	187,035
Disposals	(134,929)	(379,254)
<b>Cost end of year</b>	<b>1,872,633</b>	<b>187,035</b>
Depreciation and impairment losses beginning of year	(695,800)	(370,298)
Depreciation for the year	(225,030)	(40,128)
Reversal regarding disposals	122,329	379,254
<b>Depreciation and impairment losses end of year</b>	<b>(798,501)</b>	<b>(31,172)</b>
<b>Carrying amount end of year</b>	<b>1,074,132</b>	<b>155,863</b>

## 9 Financial assets

	Deposits DKK
Cost beginning of year	4,000,000
<b>Cost end of year</b>	<b>4,000,000</b>
<b>Carrying amount end of year</b>	<b>4,000,000</b>

## 10 Deferred tax

	2021 DKK	2020 DKK
Property, plant and equipment	(231,000)	22,000
Provisions	698,000	850,000
Liabilities other than provisions	48,217	51,896
<b>Deferred tax</b>	<b>515,217</b>	<b>923,896</b>

	2021 DKK	2020 DKK
<b>Changes during the year</b>		
Beginning of year	925,000	133,584
Recognised in the income statement	(408,679)	791,226
Other regulations	(1,104)	(914)
<b>End of year</b>	<b>515,217</b>	<b>923,896</b>

**11 Other receivables**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Other receivables	2,428,722	1,033,246
	<b>2,428,722</b>	<b>1,033,246</b>

The parent company has entered into forward exchange contracts to hedge future purchases of goods. It has been entered into forward exchange contracts for a total of 27 m.kr. CNH. In relation to the forward rate on the balance sheet date, there is a preliminary capital gain of 750 t.kr., which is recognized under other receivables and adjusted over equity. The forward exchange contracts expire in the period January to July 2022.

**12 Prepayments**

Prepayments and accrued income includes prepaid costs per. status day.

**13 Contributed capital**

The share capital consists of 3,000 shares of DKK 500 and multiples thereof. The capital is not divided into classes.

**14 Other provisions**

Other provisions consist of expected costs for complaints.

**15 Other payables**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries, personal income taxes, social security costs, etc. payable	976,940	0
Holiday pay obligation	0	1,214,640
	<b>976,940</b>	<b>1,214,640</b>

**16 Non-current liabilities other than provisions**

	<b>Due after more than 12 months 2021 DKK</b>
Other payables	976,940
	<b>976,940</b>

**17 Other payables**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
VAT and duties	3,307,587	569,184
Wages and salaries, personal income taxes, social security costs, etc. payable	2,387,610	1,480,082
Holiday pay obligation	2,053,609	792,753
Derivative financial instruments	0	271,256
Other costs payable	220,393	1,766,356
	<b>7,969,199</b>	<b>4,879,631</b>

**18 Changes in working capital**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Increase/decrease in inventories	(21,383,867)	27,861,004
Increase/decrease in receivables	(4,191,333)	(6,268,631)
Increase/decrease in trade payables etc.	2,453,268	(7,345,173)
Other changes	(687,000)	615,000
	<b>(23,808,932)</b>	<b>14,862,200</b>

**19 Unrecognised rental and lease commitments**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Total liabilities under rental or lease agreements until maturity	47,789,215	51,549,316

**20 Contingent liabilities**

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which Appliance, Silkeborg ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

**21 Assets charged and collateral**

As security for debt to banks, 52,804 t.kr, the group has provided a corporate mortgage with a nominal value of 35.000 t.kr. The corporate mortgage comprises the following assets whose carrying amount at the balance sheet date is:

Other fixtures and fittings, tools and equipment:	1,230 t.kr.
Inventories:	55,567 t.kr.
Receivables from sales and services:	42,713 t.kr.

**22 Non-arm's length related party transactions**

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

### 23 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Appliance, Silkeborg ApS, Linåvej 20, 8600 Silkeborg

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Appliance, Silkeborg, Linåvej 20, 8600 Silkeborg

### 24 Subsidiaries

	<b>Registered in</b>	<b>Ownership %</b>
Scandomestic Norge AS	Norway	100.00
Scandomestic Sverige AB	Sweeden	100.00

# Parent income statement for 2021

	Notes	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>29,781,652</b>	<b>28,195,882</b>
Staff costs	1	(16,994,710)	(14,859,049)
Depreciation, amortisation and impairment losses	2	(270,798)	(76,920)
<b>Operating profit/loss</b>		<b>12,516,144</b>	<b>13,259,913</b>
Income from investments in group enterprises		1,302,691	960,789
Other financial income	3	0	1,232
Financial expenses from group enterprises		(17,563)	0
Other financial expenses	4	(473,951)	(889,265)
<b>Profit/loss before tax</b>		<b>13,327,321</b>	<b>13,332,669</b>
Tax on profit/loss for the year	5	(2,647,862)	(2,848,256)
<b>Profit/loss for the year</b>	6	<b>10,679,459</b>	<b>10,484,413</b>

# Parent balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Acquired intangible assets		1,000,474	0
<b>Intangible assets</b>	7	<b>1,000,474</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		1,074,132	56,735
Leasehold improvements		155,863	8,956
<b>Property, plant and equipment</b>	8	<b>1,229,995</b>	<b>65,691</b>
Investments in group enterprises		1,701,165	1,280,321
Deposits		4,000,000	4,000,000
<b>Financial assets</b>	9	<b>5,701,165</b>	<b>5,280,321</b>
<b>Fixed assets</b>		<b>7,931,634</b>	<b>5,346,012</b>
Manufactured goods and goods for resale		32,312,545	15,545,118
Prepayments for goods		23,217,087	18,595,129
<b>Inventories</b>		<b>55,529,632</b>	<b>34,140,247</b>
Trade receivables		38,302,266	37,785,694
Receivables from group enterprises		1,794,042	948,809
Deferred tax	10	520,000	925,000
Other receivables	11	2,428,722	1,031,226
Prepayments	12	382,498	197,921
<b>Receivables</b>		<b>43,427,528</b>	<b>40,888,650</b>
<b>Cash</b>		<b>280,579</b>	<b>40,511</b>
<b>Current assets</b>		<b>99,237,739</b>	<b>75,069,408</b>
<b>Assets</b>		<b>107,169,373</b>	<b>80,415,420</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital		1,500,000	1,500,000
Reserve for fair value adjustments and hedging instruments		796,620	0
Reserve for net revaluation according to equity method		1,638,912	1,223,861
Retained earnings		16,851,305	17,231,104
Proposed dividend for the financial year		10,650,000	10,000,000
<b>Equity</b>		<b>31,436,837</b>	<b>29,954,965</b>
Other provisions	13	3,175,000	3,862,000
<b>Provisions</b>		<b>3,175,000</b>	<b>3,862,000</b>
Other payables	14	976,940	1,214,640
<b>Non-current liabilities other than provisions</b>	<b>15</b>	<b>976,940</b>	<b>1,214,640</b>
Bank loans		52,803,325	29,011,736
Trade payables		10,449,470	12,568,240
Payables to group enterprises		2,193,121	0
Joint taxation contribution payable		601,199	660,588
Other payables	16	5,533,481	3,143,251
<b>Current liabilities other than provisions</b>		<b>71,580,596</b>	<b>45,383,815</b>
<b>Liabilities other than provisions</b>		<b>72,557,536</b>	<b>46,598,455</b>
<b>Equity and liabilities</b>		<b>107,169,373</b>	<b>80,415,420</b>
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Assets charged and collateral	19		
Related parties with controlling interest	20		
Transactions with related parties	21		

# Parent statement of changes in equity for 2021

	Contributed capital DKK	Reserve for fair value adjustments of hedging instruments DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend for the year DKK
Equity beginning of year	1,500,000	0	1,223,861	17,231,104	10,000,000
Ordinary dividend paid	0	0	0	0	(10,000,000)
Exchange rate adjustments	0	0	0	5,793	0
Other entries on equity	0	1,021,308	0	0	0
Tax of entries on equity	0	(224,688)	0	0	0
Profit/loss for the year	0	0	415,051	(385,592)	10,650,000
<b>Equity end of year</b>	<b>1,500,000</b>	<b>796,620</b>	<b>1,638,912</b>	<b>16,851,305</b>	<b>10,650,000</b>

	Total DKK
Equity beginning of year	29,954,965
Ordinary dividend paid	(10,000,000)
Exchange rate adjustments	5,793
Other entries on equity	1,021,308
Tax of entries on equity	(224,688)
Profit/loss for the year	10,679,459
<b>Equity end of year</b>	<b>31,436,837</b>



# Notes to parent financial statements

## 1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	14,966,621	13,060,450
Pension costs	1,778,944	1,598,036
Other social security costs	93,250	91,546
Other staff costs	155,895	109,017
	<b>16,994,710</b>	<b>14,859,049</b>
Average number of full-time employees	<b>27</b>	<b>26</b>

	Remuneration of Manage- ment 2021 DKK	Remuneration of Manage- ment 2020 DKK
Total amount for management categories	1,652,500	1,724,866
	<b>1,652,500</b>	<b>1,724,866</b>

## 2 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Amortisation of intangible assets	8,040	0
Depreciation on property, plant and equipment	265,158	76,920
Profit/loss from sale of intangible assets and property, plant and equipment	(2,400)	0
	<b>270,798</b>	<b>76,920</b>

## 3 Other financial income

	2021 DKK	2020 DKK
Other interest income	0	1,232
	<b>0</b>	<b>1,232</b>

## 4 Other financial expenses

	2021 DKK	2020 DKK
Other interest expenses	404,158	597,434
Other financial expenses	69,793	291,831
	<b>473,951</b>	<b>889,265</b>

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

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	2,246,511	3,639,482
Change in deferred tax	405,000	(791,226)
Adjustment concerning previous years	(3,649)	0
	<b>2,647,862</b>	<b>2,848,256</b>

**6 Proposed distribution of profit and loss**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Ordinary dividend for the financial year	10,650,000	10,000,000
Retained earnings	29,459	484,413
	<b>10,679,459</b>	<b>10,484,413</b>

**7 Intangible assets**

	<b>Acquired intangible assets DKK</b>
Cost beginning of year	216,150
Additions	1,008,514
Disposals	(216,150)
<b>Cost end of year</b>	<b>1,008,514</b>
Amortisation and impairment losses beginning of year	(216,150)
Amortisation for the year	(8,040)
Reversal regarding disposals	216,150
<b>Amortisation and impairment losses end of year</b>	<b>(8,040)</b>
<b>Carrying amount end of year</b>	<b>1,000,474</b>

## 8 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
Cost beginning of year	752,535	379,254
Additions	1,255,027	187,035
Disposals	(134,929)	(379,254)
<b>Cost end of year</b>	<b>1,872,633</b>	<b>187,035</b>
Depreciation and impairment losses beginning of year	(695,800)	(370,298)
Depreciation for the year	(225,030)	(40,128)
Reversal regarding disposals	122,329	379,254
<b>Depreciation and impairment losses end of year</b>	<b>(798,501)</b>	<b>(31,172)</b>
<b>Carrying amount end of year</b>	<b>1,074,132</b>	<b>155,863</b>

## 9 Financial assets

	<b>Investments in group enterprises DKK</b>	<b>Deposits DKK</b>
Cost beginning of year	56,460	4,000,000
Exchange rate adjustments	5,793	0
<b>Cost end of year</b>	<b>62,253</b>	<b>4,000,000</b>
Revaluations beginning of year	1,223,861	0
Share of profit/loss for the year	1,302,691	0
Dividend	(887,640)	0
<b>Revaluations end of year</b>	<b>1,638,912</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>1,701,165</b>	<b>4,000,000</b>

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

**10 Deferred tax**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Property, plant and equipment	(231,000)	22,000
Provisions	698,000	850,000
Liabilities other than provisions	53,000	53,000
<b>Deferred tax</b>	<b>520,000</b>	<b>925,000</b>

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
<b>Changes during the year</b>		
Beginning of year	925,000	133,774
Recognised in the income statement	(405,000)	791,226
<b>End of year</b>	<b>520,000</b>	<b>925,000</b>

**11 Other receivables**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Other receivables	2,428,722	1,031,226
	<b>2,428,722</b>	<b>1,031,226</b>

The parent company has entered into forward exchange contracts to hedge future purchases of goods. It has been entered into forward exchange contracts for a total of 27 m.kr. CNH. In relation to the forward rate on the balance sheet date, there is a preliminary capital gain of 750 t.kr., which is recognized under other receivables and adjusted over equity. The forward exchange contracts expire in the period January to July 2022.

**12 Prepayments**

Prepayments and accrued income comprise prepaid costs per. status day.

**13 Other provisions**

Other provisions consist of expected costs for complaints.

**14 Other payables**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries, personal income taxes, social security costs, etc. payable	976,940	0
Holiday pay obligation	0	1,214,640
	<b>976,940</b>	<b>1,214,640</b>

**15 Non-current liabilities other than provisions**

	<b>Due after more than 12 months 2021 DKK</b>
Other payables	976,940
	<b>976,940</b>

**16 Other payables**

	<b>2021 DKK</b>	<b>2020 DKK</b>
VAT and duties	871,869	569,184
Wages and salaries, personal income taxes, social security costs, etc. payable	2,387,610	1,480,082
Holiday pay obligation	2,053,609	792,753
Derivative financial instruments	0	271,256
Other costs payable	220,393	29,976
	<b>5,533,481</b>	<b>3,143,251</b>

**17 Unrecognised rental and lease commitments**

	<b>2021 DKK</b>	<b>2020 DKK</b>
Total liabilities under rental or lease agreements until maturity	<b>47,789,215</b>	<b>51,549,316</b>

**18 Contingent liabilities**

The company has issued a surety bond to Appliance, Silkeborg ApS's commitment with Jyske Bank, which per 31 December 2021 amounted to 7,762 t.kr.

The Entity participates in a Danish joint taxation arrangement in which serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

**19 Assets charged and collateral**

As security for debt to banks, 52,804 t.kr, the group has provided a corporate mortgage with a nominal value of 35,000 t.kr. The corporate mortgage comprises the following assets whose carrying amount at the balance sheet date is:

Other fixtures and fittings, tools and equipment:	1,230 t.kr.
Inventories:	55,530 t.kr.
Receivables from sales and services:	38,303 t.kr.

**20 Related parties with controlling interest**

Appliance, Silkeborg ApS owns all shares in the Entity, thus exercising control.

**21 Non-arm's length related party transactions**

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

The subsidiaries' accounting items are recognized 100% in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

### Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value.

Derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in the reserve for fair value adjustments of hedging instruments in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, costs of raw materials and consumables and external expenses.

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.



**Changes in inventories of finished goods and work in progress**

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary writedowns of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

**Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

**Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets

**Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

**Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises-

**Financial expenses from group enterprises**

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

**Other financial expenses**

Other financial expenses comprise interest expenses, including tax surcharge under the Danish Tax Prepayment Scheme etc.

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

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Balance sheet

### Intellectual property rights etc.

Intellectual property rights etc. comprise acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

### Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value if its lower.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

### **Other provisions**

Other provisions comprise anticipated costs of returned goods, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

### **Other financial liabilities**

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

**Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Cash flow statement**

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

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including the acquisition of financially leased assets.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents include cash and cash equivalents less current liabilities.