



Scandomestic A/S

Linåvej 20
8600 Silkeborg
CVR No. 29774242

Annual report 2022

The Annual General Meeting adopted the
annual report on 23.03.2023

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: 01.01.2022 - 31.12.2022

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

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 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

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, 23.03.2023

Executive Board

Lars Overby

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 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 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, 23.03.2023

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

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
Key figures					
Gross profit/loss	26,379	32,105	30,969	29,983	25,469
Operating profit/loss	8,524	14,183	14,574	14,861	14,307
Net financials	(1,536)	(510)	(978)	(491)	(958)
Profit/loss for the year	5,441	10,679	10,484	11,198	10,372
Balance sheet total	90,469	109,723	82,460	102,853	100,887
Equity	25,051	31,437	29,955	31,106	30,673
Cash flows from operating activities	13,766	(11,422)	23,851	7,585	9,659
Cash flows from investing activities	(932)	(2,438)	(25)	(60)	(32)
Cash flows from financing activities	(10,650)	(10,000)	(11,000)	(10,370)	(12,458)
Average number of employees	28	29	29	27	23
Ratios					
Return on equity (%)	19.26	34.79	34.34	36.25	34.96
Equity ratio (%)	27.69	28.65	36.33	30.24	30.04

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 7,0 mkr. (13,7 mkr. in 2021). Total assets by year-end was reduced to 90,5 mkr. (109,7 mkr. In 2021).

Profit/loss for the year in relation to expected developments

The expectations for EBT were negative at the beginning of 2022 as freight rates from Asia were record high. Scandomestic didn't suffer directly from the Russian invasion of Ukraine, but the invasion fuelled the increasing inflation and caused negative consumer sentiment, which again led to decline in demand for consumer goods and commercial coolers in most of Europe.

In this perspective the profit for 2022 is considered satisfactory.

Outlook

In the beginning of 2023 demand is low in some segments of Scandomestic's business, many retailers struggle, and interest rates are rising. However, as freight rates and lead-times have returned to normal, Scandomestic has regained its competitive position in the market. At the same time we seem to gain benefits of IT-systems implemented in 2022 (ERP, PIM, and WMS).

As the effects of difficult conditions in 2022 fade away, Scandomestic expect EBT will return to normal during 2023. However, with war in Europe and soaring inflation the outlook for 2023 will be just as uncertain for Scandomestic as for many other companies.

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.

Events after the balance sheet date

No event or change of circumstances since 31.12.2022 give reason to affect the evaluation of the annual report.

Consolidated income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		26,378,658	32,105,476
Staff costs	1	(17,113,818)	(17,652,102)
Depreciation, amortisation and impairment losses	2	(740,809)	(270,798)
Operating profit/loss		8,524,031	14,182,576
Financial expenses from group enterprises		(36,250)	(17,563)
Other financial expenses	3	(1,500,099)	(491,976)
Profit/loss before tax		6,987,682	13,673,037
Tax on profit/loss for the year	4	(1,547,019)	(2,993,578)
Profit/loss for the year	5	5,440,663	10,679,459

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		1,403,382	1,000,474
Intangible assets	6	1,403,382	1,000,474
Other fixtures and fittings, tools and equipment		899,588	1,074,132
Leasehold improvements		118,456	155,863
Property, plant and equipment	7	1,018,044	1,229,995
Deposits		4,178,000	4,000,000
Financial assets	8	4,178,000	4,000,000
Fixed assets		6,599,426	6,230,469
Manufactured goods and goods for resale		62,501,988	32,349,730
Prepayments for goods		5,207,149	23,217,087
Inventories		67,709,137	55,566,817
Trade receivables		14,232,956	42,713,713
Deferred tax	9	313,000	515,217
Other receivables		664,229	2,428,722
Joint taxation contribution receivable		161,560	0
Prepayments	10	159,442	382,498
Receivables		15,531,187	46,040,150
Cash		628,789	1,885,467
Current assets		83,869,113	103,492,434
Assets		90,468,539	109,722,903

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital	11	1,500,000	1,500,000
Reserve for fair value adjustments of hedging instruments		0	796,620
Retained earnings		23,551,122	18,490,217
Proposed dividend for the financial year		0	10,650,000
Equity		25,051,122	31,436,837
Other provisions	12	2,624,000	3,175,000
Provisions		2,624,000	3,175,000
Other payables	13	0	976,940
Non-current liabilities other than provisions		0	976,940
Bank loans		49,361,970	52,803,325
Prepayments received from customers		307,921	0
Trade payables		7,446,548	10,696,023
Payables to group enterprises		2,010,000	1,517,563
Tax payable		65,029	546,817
Joint taxation contribution payable		0	601,199
Other payables	14	3,601,949	7,969,199
Current liabilities other than provisions		62,793,417	74,134,126
Liabilities other than provisions		62,793,417	75,111,066
Equity and liabilities		90,468,539	109,722,903
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Assets charged and collateral	18		
Transactions with related parties	19		
Group relations	20		
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Consolidated statement of changes in equity for 2022

	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	796,620	18,490,217	10,650,000	31,436,837
Ordinary dividend paid	0	0	0	(10,650,000)	(10,650,000)
Exchange rate adjustments	0	0	(52,531)	0	(52,531)
Other entries on equity	0	(1,440,829)	0	0	(1,440,829)
Tax of entries on equity	0	316,982	0	0	316,982
Transfer to reserves	0	327,227	(327,227)	0	0
Profit/loss for the year	0	0	5,440,663	0	5,440,663
Equity end of year	1,500,000	0	23,551,122	0	25,051,122

Consolidated cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		8,524,031	14,182,576
Operating profit/loss from discontinued operations		740,809	273,198
Working capital changes	15	9,803,679	(23,808,932)
Cash flow from ordinary operating activities		19,068,519	(9,353,158)
Financial expenses paid		(1,588,880)	(509,539)
Taxes refunded/(paid)		(2,272,367)	(2,586,831)
Other cash flows from operating activities		(1,440,829)	1,027,101
Cash flows from operating activities		13,766,443	(11,422,427)
Acquisition etc. of intangible assets		(806,218)	(1,008,514)
Acquisition etc. of property, plant and equipment		(125,548)	(1,442,062)
Sale of property, plant and equipment		0	12,600
Cash flows from investing activities		(931,766)	(2,437,976)
Free cash flows generated from operations and investments before financing		12,834,677	(13,860,403)
Dividend paid		(10,650,000)	(10,000,000)
Cash flows from financing activities		(10,650,000)	(10,000,000)
Increase/decrease in cash and cash equivalents		2,184,677	(23,860,403)
Cash and cash equivalents beginning of year		(50,917,858)	(27,057,455)
Cash and cash equivalents end of year		(48,733,181)	(50,917,858)
Cash and cash equivalents at year-end are composed of:			
Cash		628,789	1,885,467
Cash and cash equivalents regarding discontinued operations		(49,361,970)	(52,803,325)
Cash and cash equivalents end of year		(48,733,181)	(50,917,858)

Notes to consolidated financial statements

1 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	14,814,180	15,624,013
Pension costs	1,879,015	1,778,944
Other social security costs	256,098	93,250
Other staff costs	164,525	155,895
	17,113,818	17,652,102
Average number of full-time employees	28	29

	Remuneration of manage- ment 2022 DKK	Remuneration of manage- ment 2021 DKK
Total amount for management categories	2,115,324	1,807,318
	2,115,324	1,807,318

2 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Amortisation of intangible assets	403,310	8,040
Depreciation on property, plant and equipment	337,499	265,158
Profit/loss from sale of intangible assets and property, plant and equipment	0	(2,400)
	740,809	270,798

3 Other financial expenses

	2022	2021
	DKK	DKK
Other interest expenses	1,310,883	404,178
Other financial expenses	189,216	87,798
	1,500,099	491,976

4 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	1,340,019	2,588,548
Change in deferred tax	207,000	408,679
Adjustment concerning previous years	0	(3,649)
	1,547,019	2,993,578

5 Proposed distribution of profit/loss

	2022	2021
	DKK	DKK
Ordinary dividend for the financial year	0	10,650,000
Retained earnings	5,440,663	29,459
	5,440,663	10,679,459

6 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	1,008,514
Additions	806,218
Cost end of year	1,814,732
Amortisation and impairment losses beginning of year	(8,040)
Amortisation for the year	(403,310)
Amortisation and impairment losses end of year	(411,350)
Carrying amount end of year	1,403,382

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,872,633	187,035
Additions	125,548	0
Cost end of year	1,998,181	187,035
Depreciation and impairment losses beginning of year	(798,501)	(31,172)
Depreciation for the year	(300,092)	(37,407)
Depreciation and impairment losses end of year	(1,098,593)	(68,579)
Carrying amount end of year	899,588	118,456

8 Financial assets

	Deposits DKK
Cost beginning of year	4,000,000
Additions	178,000
Cost end of year	4,178,000
Carrying amount end of year	4,178,000

9 Deferred tax

	2022 DKK	2021 DKK
Property, plant and equipment	(317,000)	(231,000)
Provisions	577,000	698,000
Liabilities other than provisions	53,000	48,217
Deferred tax	313,000	515,217

Changes during the year	2022 DKK	2021 DKK
Beginning of year	515,217	925,000
Recognised in the income statement	(207,000)	(408,679)
Other regulations	4,783	(1,104)
End of year	313,000	515,217

Deferred tax assets

Deferred tax assets consist of unused tax deductions which is regarding intangible assets, property, plant and equipment and provisions.

10 Prepayments

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

11 Contributed capital

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

12 Other provisions

Other provisions consist of expected costs for complaints.

13 Other payables

	2022 DKK	2021 DKK
Wages and salaries, personal income taxes, social security costs, etc. payable	0	976,940
	0	976,940

14 Other payables

	2022	2021
	DKK	DKK
VAT and duties	525,079	3,307,587
Wages and salaries, personal income taxes, social security costs, etc. payable	564,084	2,387,610
Holiday pay obligation	743,022	2,053,609
Derivative financial instruments	690,772	0
Other costs payable	1,078,992	220,393
	3,601,949	7,969,199

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 CNH 51.4M and USD 0.6M. In relation to the forward rate on the balance sheet date, there is a preliminary capital loss of DKK 691 thousand, which is recognized under other payables and adjusted over equity. The forward exchange contracts expire in the period January to December 2023.

15 Changes in working capital

	2022	2021
	DKK	DKK
Increase/decrease in inventories	(12,142,320)	(21,383,867)
Increase/decrease in receivables	30,290,306	(4,191,333)
Increase/decrease in trade payables etc.	(7,793,307)	2,453,268
Other changes	(551,000)	(687,000)
	9,803,679	(23,808,932)

16 Unrecognised rental and lease commitments

	2022	2021
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	47,299,660	47,789,215

17 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.

18 Assets charged and collateral

As security for debt to banks, DKK 49,362 thousand, the group has provided a corporate mortgage with a nominal value of DKK 35.000 thousand. The corporate mortgage comprises the following assets whose carrying amount at the balance sheet date is:

Other fixtures and fittings, tools and equipment:	1,018 T.DKK
Inventories:	67,709 T.DKK
Receivables from sales and services:	14,233 T.DKK

19 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.

20 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

21 Subsidiaries

	Registered in	Ownership %
Scandomestic Norge AS	Norway	100.00
Scandomestic Sverige AB	Sweeden	100.00

Parent income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		25,338,930	29,781,652
Staff costs	1	(16,468,213)	(16,994,710)
Depreciation, amortisation and impairment losses	2	(740,809)	(270,798)
Operating profit/loss		8,129,908	12,516,144
Income from investments in group enterprises		307,064	1,302,691
Financial expenses from group enterprises		(36,250)	(17,563)
Other financial expenses	3	(1,494,002)	(473,951)
Profit/loss before tax		6,906,720	13,327,321
Tax on profit/loss for the year	4	(1,466,057)	(2,647,862)
Profit/loss for the year	5	5,440,663	10,679,459

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		1,403,382	1,000,474
Intangible assets	6	1,403,382	1,000,474
Other fixtures and fittings, tools and equipment		899,588	1,074,132
Leasehold improvements		118,456	155,863
Property, plant and equipment	7	1,018,044	1,229,995
Investments in group enterprises		703,195	1,701,165
Deposits		4,178,000	4,000,000
Financial assets	8	4,881,195	5,701,165
Fixed assets		7,302,621	7,931,634
Manufactured goods and goods for resale		62,501,988	32,312,545
Prepayments for goods		5,207,149	23,217,087
Inventories		67,709,137	55,529,632
Trade receivables		13,111,629	38,302,266
Receivables from group enterprises		193,454	1,794,042
Deferred tax	9	313,000	520,000
Other receivables		664,258	2,428,722
Joint taxation contribution receivable		161,560	0
Prepayments	10	159,442	382,498
Receivables		14,603,343	43,427,528
Cash		521,532	280,580
Current assets		82,834,012	99,237,740
Assets		90,136,633	107,169,374

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		1,500,000	1,500,000
Reserve for fair value adjustments and hedging instruments		0	796,620
Reserve for net revaluation according to equity method		1,638,912	1,638,912
Retained earnings		21,912,210	16,851,305
Proposed dividend for the financial year		0	10,650,000
Equity		25,051,122	31,436,837
Other provisions	11	2,624,000	3,175,000
Provisions		2,624,000	3,175,000
Other payables	12	0	976,940
Non-current liabilities other than provisions		0	976,940
Bank loans		49,361,970	52,803,325
Prepayments received from customers		307,921	0
Trade payables		7,256,422	10,449,471
Payables to group enterprises		2,942,219	2,193,121
Joint taxation contribution payable		0	601,199
Other payables	13	2,592,979	5,533,481
Current liabilities other than provisions		62,461,511	71,580,597
Liabilities other than provisions		62,461,511	72,557,537
Equity and liabilities		90,136,633	107,169,374
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Assets charged and collateral	16		
Related parties with controlling interest	17		
Transactions with related parties	18		

Parent statement of changes in equity for 2022

	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	796,620	1,638,912	16,851,305	10,650,000
Ordinary dividend paid	0	0	0	0	(10,650,000)
Exchange rate adjustments	0	0	0	(52,531)	0
Other entries on equity	0	(1,440,829)	0	0	0
Tax of entries on equity	0	316,982	0	0	0
Transfer to reserves	0	327,227	0	(327,227)	0
Profit/loss for the year	0	0	0	5,440,663	0
Equity end of year	1,500,000	0	1,638,912	21,912,210	0

	Total DKK
Equity beginning of year	31,436,837
Ordinary dividend paid	(10,650,000)
Exchange rate adjustments	(52,531)
Other entries on equity	(1,440,829)
Tax of entries on equity	316,982
Transfer to reserves	0
Profit/loss for the year	5,440,663
Equity end of year	25,051,122

Notes to parent financial statements

1 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	14,343,650	14,966,621
Pension costs	1,879,015	1,778,944
Other social security costs	91,357	93,250
Other staff costs	154,191	155,895
	16,468,213	16,994,710
Average number of full-time employees	27	27

	Remuneration of Manage- ment 2022 DKK	Remuneration of Manage- ment 2021 DKK
Total amount for management categories	2,115,324	1,807,318
	2,115,324	1,807,318

2 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Amortisation of intangible assets	403,310	8,040
Depreciation on property, plant and equipment	337,499	265,158
Profit/loss from sale of intangible assets and property, plant and equipment	0	(2,400)
	740,809	270,798

3 Other financial expenses

	2022	2021
	DKK	DKK
Other interest expenses	1,310,883	404,158
Other financial expenses	183,119	69,793
	1,494,002	473,951

4 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	1,259,057	2,246,511
Change in deferred tax	207,000	405,000
Adjustment concerning previous years	0	(3,649)
	1,466,057	2,647,862

5 Proposed distribution of profit and loss

	2022	2021
	DKK	DKK
Ordinary dividend for the financial year	0	10,650,000
Retained earnings	5,440,663	29,459
	5,440,663	10,679,459

6 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	1,008,514
Additions	806,218
Cost end of year	1,814,732
Amortisation and impairment losses beginning of year	(8,040)
Amortisation for the year	(403,310)
Amortisation and impairment losses end of year	(411,350)
Carrying amount end of year	1,403,382

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,872,633	187,035
Additions	125,548	0
Cost end of year	1,998,181	187,035
Depreciation and impairment losses beginning of year	(798,501)	(31,172)
Depreciation for the year	(300,092)	(37,407)
Depreciation and impairment losses end of year	(1,098,593)	(68,579)
Carrying amount end of year	899,588	118,456

8 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	62,253	4,000,000
Exchange rate adjustments	(52,561)	0
Additions	0	178,000
Cost end of year	9,692	4,178,000
Revaluations beginning of year	1,638,912	0
Share of profit/loss for the year	307,063	0
Dividend	(1,252,472)	0
Revaluations end of year	693,503	0
Carrying amount end of year	703,195	4,178,000

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

9 Deferred tax

	2022 DKK	2021 DKK
Property, plant and equipment	(317,000)	(231,000)
Provisions	577,000	698,000
Liabilities other than provisions	53,000	53,000
Deferred tax	313,000	520,000

	2022 DKK	2021 DKK
Changes during the year		
Beginning of year	520,000	925,000
Recognised in the income statement	(207,000)	(405,000)
End of year	313,000	520,000

Deferred tax assets

Deferred tax assets consist of unused tax deductions which is regarding intangible assets, property, plant and equipment and provisions.

10 Prepayments

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

11 Other provisions

Other provisions consist of expected costs for complaints.

12 Other payables

	2022	2021
	DKK	DKK
Wages and salaries, personal income taxes, social security costs, etc. payable	0	976,940
	0	976,940

13 Other payables

	2022	2021
	DKK	DKK
VAT and duties	525,079	871,869
Wages and salaries, personal income taxes, social security costs, etc. payable	564,084	2,387,610
Holiday pay obligation	743,022	2,053,609
Derivative financial instruments	690,772	0
Other costs payable	70,022	220,393
	2,592,979	5,533,481

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 CNH 51.4M and USD 0.6M. In relation to the forward rate on the balance sheet date, there is a preliminary capital loss of DKK 691 thousand, which is recognized under other payables and adjusted over equity. The forward exchange contracts expire in the period January to December 2023.

14 Unrecognised rental and lease commitments

	2022	2021
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	47,299,660	47,789,215

15 Contingent liabilities

The Entity participates 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 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.

16 Assets charged and collateral

As security for debt to banks, DKK 49,362 thousand, the group has provided a corporate mortgage with a nominal value of DKK 35,000 thousand. The corporate mortgage comprises the following assets whose carrying amount at the balance sheet date is:

Other fixtures and fittings, tools and equipment:	1,018 T.DKK
Inventories:	67,709 T.DKK
Receivables from sales and services:	13,112 T.DKK

17 Related parties with controlling interest

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

18 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.

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:

	Useful life
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.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

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.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

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.