



Addbrand Denmark A/S

Sadelmagervej 27, DK-7100 Vejle

CVR no. 30 58 27 13

Annual report 2021

Approved at the Company's annual general meeting on 1 April 2022

Chairman:



Addbrand Denmark A/S
Annual report 2021

Contents

Statement by Management	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	6
Income statement	6
Balance sheet	7
Statement of changes in equity	9
Notes	10
Notes	11

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Addbrand Denmark A/S for the financial year 1 January - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of its operations for the financial year 1 January - 31 December 2021.

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

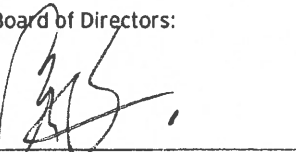
We recommend that the annual report be approved at the annual general meeting.

Vejle, 1 April 2022
Executive Board:

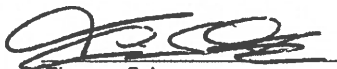


Jesper Røgind Jørgensen
CEO

Board of Directors:



Patrik Gunnar Sjölin
Chairman



Thomas Schwarz



Jesper Røgind Jørgensen

Independent auditor's report

To the shareholders of Addbrand Denmark A/S

Opinion

We have audited the financial statements of Addbrand Denmark A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and 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 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.

Independent auditor's report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.


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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the 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's review.

Aarhus, 1 April 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Søren Jensen
statsaut. revisor
mne34132



Management's review

Principal activities

Addbrand Denmark A/S' main activities are based around sale of envelopes.

Development in activities and financial matters

Parts of the financial year 2021 has been impacted by the global COVID-19 pandemic. Due to periods of lockdown market and production conditions have been challenging. However there positive trends has shown towards the end of the year.

Profit for the year amount to DKK -197 thousand and equity DKK 5,413 thousand.

Events after the balance sheet date

No significant event has occurred after the balance sheet date.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2021	2020
	Gross profit	5,717	4,970
2	Staff costs	-5,702	-4,184
	Depreciation, amortisation and impairment losses	-243	-264
	Result before net financials	-228	522
3	Financial income	52	45
4	Financial expenses	-74	-155
	Result before tax	-250	412
5	Tax for the year	53	-122
	Result for the year	-197	290
Proposed distribution of profit/loss			
	Dividend for the financial year	0	400
	Transferred to equity reserves	-197	-110
		-197	290

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Non-current assets		
6	Intangible assets		
	Goodwill	548	610
	Other intangible assets	159	238
		<u>707</u>	<u>848</u>
7	Property, plant and equipment		
	Plant and machinery	62	122
	Fixtures and fittings, tools and equipment	122	248
		<u>184</u>	<u>370</u>
	Financial assets		
	Deposits	180	211
		<u>180</u>	<u>211</u>
	Total non-current assets	<u>1,071</u>	<u>1,429</u>
	Current assets		
	Inventories	335	448
	Receivables		
	Trade receivables	2,313	2,425
	Receivables from group entities	1,445	1,405
	Other receivables	0	136
	Prepayments	90	179
		<u>3,848</u>	<u>4,145</u>
	Cash	3,109	4,859
	Total current assets	<u>7,292</u>	<u>9,452</u>
	TOTAL ASSETS	<u>8,363</u>	<u>10,881</u>

7 TS (2) 301

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	2,500	2,500
	Retained earnings	2,913	3,110
	Proposed dividend	0	400
	Total equity	5,413	6,010
	Provisions		
9	Deferred tax	5	58
	Total provisions	5	58
	Current liabilities		
	Trade payables	363	239
	Payables to group entities	340	367
	Corporation tax	0	100
	Other payables	2,242	4,107
	Total current liabilities	2,945	4,813
	Total liabilities	2,945	4,813
	TOTAL EQUITY AND LIABILITIES	8,363	10,881

- 1 Accounting policies
- 10 Contractual obligations and contingencies, etc.
- 11 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2020	2,500	3,220	0	5,720
Transferred; see distribution of profit/loss	0	-110	400	290
Equity at 1 January 2021	2,500	3,110	400	6,010
Distributed dividend	0	0	-400	-400
Transferred; see distribution of profit/loss	0	-197	0	-197
Equity at 31 December 2021	2,500	2,913	0	5,413

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Addbrand Denmark A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Business combinations

Newly acquired entities are recognised from the acquisition date. The acquisition date is the date when the entity actually obtains control of the acquiree.

The purchase method is applied to acquisitions of new businesses over which the entity obtains control. The acquired businesses' identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

Positive differences (goodwill) between the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill in intangible assets. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is contingent on future events or compliance with agreed terms, such part of the purchase consideration is recognised at fair value at the acquisition date. Subsequent adjustments of contingent purchase considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

If uncertainties regarding the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. If it turns out subsequently that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments are recognised as errors.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of equity investments, mergers, demergers, additions of assets and share conversions, etc., in which entities controlled by the Parent Company are involved, provided that the combination is considered completed at the acquisition date without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company summarizes certain items in the income statement. Gross profit includes, Revenue, Other operating income, Cost of sales and other external expenses.

Revenue

Revenue from the sale of goods and services is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end and that the income can be measured reliably and is expected to be received. Revenue is measured ex. VAT and taxes charged on behalf of third parties.

Other operating income

Other operating income comprises items secondary to the primary activities of the company.

Cost of sales

Cost of sales include the year's purchase of goods and services and the changes in the year of inventories of raw materials and consumables.

Other external expenses

Other external expenses comprise cost for the year primary to the principal activities of the Company,

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

Depreciation

Depreciation for the year comprises depreciation for the year on property plant and equipment.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc. Interest expenses are not capitalised.

Tax for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item, whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

Acquired goodwill is subsequently measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the estimated useful life, which is 10 years.

Software is measured at cost less accumulated amortisation. Software is amortised over the remaining useful life, however not exceeding 5 years.

Property, plant and equipment

Plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives. The expected useful lives are as follows:

Plant and machinery	3-10 years
Fixtures and fittings, tools and equipment	3-10 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as direct production costs. Production overheads and borrowing costs are not included in cost.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Receivables

Receivables are measured at amortised cost. Write-down is made for expected losses.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

Dividend

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net assets are measured at net realisable values.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in tax rates are recognised in the income statement.

Financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Liabilities other than provisions

Financial liabilities comprising amounts payable to credit institutions, trade payables and payables to group entities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

DKK'000	2021	2020
2 Staff costs		
Wages and salaries	4,485	3,191
Hereof Covid-19 salary reimbursement recorded as other income	593	495
Pensions	424	329
Other social security costs	117	87
Other staff cost	83	82
	<u>5,702</u>	<u>4,184</u>
Average number of full-time employees	<u>10</u>	<u>8</u>
3 Financial income		
Interest income from related parties	<u>52</u>	<u>45</u>
4 Financial expenses		
Other financial expenses	<u>74</u>	<u>155</u>
5 Tax for the year		
Computed tax on the taxable income for the year	0	99
Deferred tax adjustment for the year	-53	-7
Write down of tax asset in relation to merger	0	30
	<u>-53</u>	<u>122</u>

Financial statements 1 January – 31 December

Notes

6 Intangible assets

DKK'000	Goodwill	Other intangible assets	Total
Cost at 1 January 2021	620	317	937
Cost at 31 December 2021	620	317	937
Amortisation and impairment losses at 1 January 2021	10	79	89
Amortisation	62	79	141
Amortisation and impairment losses at 31 December 2021	72	158	230
Carrying amount at 31 December 2021	548	159	707

Goodwill is amortised over 10 years, corresponding to the expected useful life.

7 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2021	2,776	696	3,472
Additions	0	96	96
Disposals	0	-200	-200
Cost at 31 December 2021	2,776	592	3,368
Depreciation and impairment at 1 January 2021	2,654	448	3,102
Depreciation	60	42	102
Depreciation, assets sold	0	-20	-20
Depreciation and impairment at 31 December 2021	2,714	470	3,184
Carrying amount at 31 December 2021	62	122	184

8 Share capital

The share capital comprises 25.000 shares of DKK 100 nominal. The share capital of DKK 2.500 thousand has remained unchanged for at least the past 5 years.

9 Deferred tax

DKK'000	2021	2020
Carrying value 1 January	58	65
Changes for the year	-53	-7
	5	58

Financial statements 1 January - 31 December

Notes

10 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company is jointly taxed with the parent company A-Mail Holding A/S, CVR no. 29 81 30 94. Which is the administration company. As part of the joint taxation Addbrand Denmark A/S has unlimited joint and several liability for payment of Danish corporation taxes. The jointly taxed entities' total known net liability in respect of corporation taxes payable at 31 December 2021 is listed in the financial statement of the administration company. Any subsequent corrections of the income subject to joint taxation may entail that the Company's liability will increase.

Operating lease commitments

The Company has entered into rent agreements and operating leases at the following amounts:

DKK'000	2021	2020
Lease payments within 1 year from the balance sheet date	584	304
Lease payments within 2-5 years from the balance sheet date	1,499	294
Lease payments after 5 years from the balance sheet date	0	0
	<u>2,083</u>	<u>598</u>

In addition, the Company has entered a rent arrangement for the entities administration buildings, with a minimum rent payment in the non-cancellable period of DKK 297 thousand.

11 Related parties

Addbrand Denmark A/S' related parties comprise the following:

Control

A-Mail Holding A/S, Sadelmagervej 27, 7100 Vejle, exercises control.