



## Core One A/S

Lene Haus Vej 9 B  
7430 Ikast  
CVR No. 31880351

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 19.05.2022

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**Peter Flaskager Laursen**

Chairman of the General Meeting

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# Entity details

## Entity

Core One A/S  
Lene Haus Vej 9 B  
7430 Ikast

Business Registration No.: 31880351  
Registered office: Ikast-brande  
Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Mogens Steenholdt Olsen, chairman  
Lindy Valbjørn Sørensen  
Henrik Sig Kristensen  
Peter Flaskager Laursen

## Executive Board

Peter Flaskager Laursen, chief executive officer

## Bank

Vestjysk Bank  
Østergade 21  
7430 Ikast

## Lawyer

Midtadvokaterne A/S, Advokat Martin Plum Juul  
Siefert's Plads 5,  
7430 Ikast

## 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 Core One 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.

Ikast, 19.05.2022

## Executive Board

**Peter Flaskager Laursen**

chief executive officer

## Board of Directors

**Mogens Steenholdt Olsen**

chairman

**Lindy Valbjørn Sørensen**

**Henrik Sig Kristensen**

**Peter Flaskager Laursen**

# Independent auditor's report

## To the shareholders of Core One A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Core One 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.

Aarhus, 19.05.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Jacob Nørmark**

State Authorised Public Accountant  
Identification No (MNE) mne30176

**Nicolaj Haarup**

State Authorised Public Accountant  
Identification No (MNE) mne46613

# 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	52,807	63,481	55,533	49,365	33,718
Operating profit/loss	1,068	14,030	12,237	12,448	1,131
Net financials	(418)	(573)	(632)	(1,234)	(854)
Profit/loss for the year	406	10,419	8,999	8,412	178
Profit for the year excl. minority interests	406	10,419	8,999	4,812	178
Balance sheet total	67,268	62,967	55,884	54,510	43,752
Investments in property, plant and equipment	5,678	7,846	1,217	1,155	2,011
Equity	17,692	22,541	18,144	12,376	3,874
Cash flows from operating activities	7,395	6,410	11,951	880	3,300
Cash flows from investing activities	(6,602)	(7,853)	(1,680)	(2,114)	(6,276)
Cash flows from financing activities	190	2,313	(12,607)	6,264	(548)
Average number of employees	736	694	606	568	595
<b>Ratios</b>					
Return on equity (%)	2.02	51.22	58.97	103.53	9.19
Equity ratio (%)	26.30	35.80	32.47	22.70	8.85

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

The group's activity consists of the production and sale of furniture from its own factory in Vietnam.

### Development in activities and finances

The management finds the result of the year unsatisfactory.

Global freight problems, commodity price increases, and especially the Covid19 lockdown in Vietnam resulting in a capacity loss of 25% and a significant amount of deferred revenue have had a negative impact on the result corresponding to at least DKK 15 million.

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

The violent eruption of Covid-19 in the southern parts of Vietnam from May to October 2021 was unexpected, and it became a highly complex situation in which we needed to make quick and crucial decisions on staff health and safety, customer involvement, and business continuity. During the incident, we made decisions that we are proud of and still believe were right. This includes paying full wages to all our 700 Vietnamese employees throughout the period, even though only few had access to the factory due to full or partial shutdown in the region for more than four months. We could have reacted differently and reduced costs, but that would have affected our long-term plans in a negative direction, and we have a vision and strong values that do not solely focus on the bottom line. On that same foundation, we have invested more in sustainability projects, charities, social initiatives, capacity expansions, innovation, and new products than ever before. Then as now, we enjoy great loyalty from our employees and from our customers, and it gives us faith in a return to our ambitious growth path. The first quarter of 2022 greatly supports our aspirations.

### Outlook

The management expects a result before tax for 2022 at level with the result before tax in 2020.

### Research and development activities

The Group has no research activities but make continuous advances in business processes, digitization, and production technology to follow the markets' demands and opportunities. Design and product development is a significant strategic pillar, and during the year, 209 new products were designed, developed, and presented to the Group's customers around the world.

### Events after the balance sheet date

No events that would influence the evaluation of this annual report have occurred since the balance sheet date.

# Consolidated income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
<b>Gross profit/loss</b>		<b>52,807</b>	<b>63,481</b>
Staff costs	1	(48,801)	(45,685)
Depreciation, amortisation and impairment losses		(2,938)	(3,766)
<b>Operating profit/loss</b>		<b>1,068</b>	<b>14,030</b>
Other financial income		751	964
Other financial expenses		(1,169)	(1,537)
<b>Profit/loss before tax</b>		<b>650</b>	<b>13,457</b>
Tax on profit/loss for the year	2	(244)	(3,038)
<b>Profit/loss for the year</b>	3	<b>406</b>	<b>10,419</b>

# Consolidated balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK'000	2020 DKK'000
Acquired concessions		984	1,233
Development projects in progress		0	0
<b>Intangible assets</b>	4	<b>984</b>	<b>1,233</b>
Plant and machinery		7,480	8,165
Other fixtures and fittings, tools and equipment		2,571	2,005
Property, plant and equipment in progress		5,220	1,374
<b>Property, plant and equipment</b>	5	<b>15,271</b>	<b>11,544</b>
Deposits		4,110	3,671
Other receivables		551	450
<b>Financial assets</b>	6	<b>4,661</b>	<b>4,121</b>
<b>Fixed assets</b>		<b>20,916</b>	<b>16,898</b>
Raw materials and consumables		6,433	3,765
Work in progress		1,897	6,264
Manufactured goods and goods for resale		9,579	9,121
Prepayments for goods		2,003	1,802
<b>Inventories</b>		<b>19,912</b>	<b>20,952</b>
Trade receivables		15,960	15,350
Deferred tax	7	112	111
Other receivables		855	1,241
Tax receivable		780	1,299
Prepayments	8	2,053	1,419
<b>Receivables</b>		<b>19,760</b>	<b>19,420</b>

<b>Cash</b>	<b>6,680</b>	<b>5,697</b>
<b>Current assets</b>	<b>46,352</b>	<b>46,069</b>
<b>Assets</b>	<b>67,268</b>	<b>62,967</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK'000</b>	<b>2020 DKK'000</b>
Contributed capital		525	525
Retained earnings		17,167	22,016
<b>Equity</b>		<b>17,692</b>	<b>22,541</b>
Deposits		0	26
<b>Non-current liabilities other than provisions</b>		<b>0</b>	<b>26</b>
Bank loans		25,699	19,509
Prepayments received from customers		8,782	3,029
Trade payables		7,000	8,696
Tax payable		0	699
Other payables		8,095	8,467
<b>Current liabilities other than provisions</b>		<b>49,576</b>	<b>40,400</b>
<b>Liabilities other than provisions</b>		<b>49,576</b>	<b>40,426</b>
<b>Equity and liabilities</b>		<b>67,268</b>	<b>62,967</b>
Unrecognised rental and lease commitments	10		
Assets charged and collateral	11		
Transactions with related parties	12		
Subsidiaries	13		

# Consolidated statement of changes in equity for 2021

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed extraordinary dividend DKK'000	Total DKK'000
Equity beginning of year	525	22,016	0	22,541
Extraordinary dividend paid	0	0	(6,000)	(6,000)
Exchange rate adjustments	0	745	0	745
Other entries on equity	0	(6,000)	6,000	0
Profit/loss for the year	0	406	0	406
<b>Equity end of year</b>	<b>525</b>	<b>17,167</b>	<b>0</b>	<b>17,692</b>

# Consolidated cash flow statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Operating profit/loss		1,068	14,030
Amortisation, depreciation and impairment losses		3,431	3,766
Writedown of current assets		0	(59)
Working capital changes	9	3,739	(6,857)
Tax		(181)	(4,182)
Other adjustments		0	3,323
<b>Cash flow from ordinary operating activities</b>		<b>8,057</b>	<b>10,021</b>
Financial income received		751	964
Financial expenses paid		(1,169)	(1,537)
Taxes refunded/(paid)		(244)	(3,038)
<b>Cash flows from operating activities</b>		<b>7,395</b>	<b>6,410</b>
Acquisition etc. of property, plant and equipment		(5,678)	(7,846)
Sale of property, plant and equipment		0	13
Acquisition of fixed asset investments		0	(20)
Exchange rate adjustments		(924)	0
<b>Cash flows from investing activities</b>		<b>(6,602)</b>	<b>(7,853)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>793</b>	<b>(1,443)</b>
Loans raised		6,190	8,005
Repayments of loans etc.		0	(292)
Dividend paid		(6,000)	(5,400)
<b>Cash flows from financing activities</b>		<b>190</b>	<b>2,313</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>983</b>	<b>870</b>
Cash and cash equivalents beginning of year		5,697	4,827
<b>Cash and cash equivalents end of year</b>		<b>6,680</b>	<b>5,697</b>

Cash and cash equivalents at year-end are composed of:

Cash	6,680	5,697
<b>Cash and cash equivalents end of year</b>	<b>6,680</b>	<b>5,697</b>

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# Notes to consolidated financial statements

## 1 Staff costs

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Wages and salaries	39,586	37,947
Pension costs	1,540	1,451
Other social security costs	4,120	3,605
Other staff costs	3,555	2,682
	<b>48,801</b>	<b>45,685</b>
Average number of full-time employees	736	694

	<b>Remuneration of manage- ment 2021 DKK'000</b>	<b>Remuneration of manage- ment 2020 DKK'000</b>
Total amount for management categories	2,740	3,479
	<b>2,740</b>	<b>3,479</b>

## 2 Tax on profit/loss for the year

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Current tax	245	3,326
Change in deferred tax	(1)	0
Adjustment concerning previous years	0	(288)
	<b>244</b>	<b>3,038</b>

## 3 Proposed distribution of profit/loss

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Retained earnings	406	10,419
	<b>406</b>	<b>10,419</b>

#### 4 Intangible assets

	Acquired concessions DKK'000	Development projects in progress DKK'000
Cost beginning of year	1,849	6,646
Exchange rate adjustments	184	0
Disposals	0	(6,646)
<b>Cost end of year</b>	<b>2,033</b>	<b>0</b>
Amortisation and impairment losses beginning of year	(616)	(6,646)
Exchange rate adjustments	(62)	0
Amortisation for the year	(371)	0
Reversal regarding disposals	0	6,646
<b>Amortisation and impairment losses end of year</b>	<b>(1,049)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>984</b>	<b>0</b>

#### 5 Property, plant and equipment

	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	13,032	5,277	1,374
Exchange rate adjustments	1,294	461	136
Transfers	351	881	(1,231)
Additions	0	737	4,941
<b>Cost end of year</b>	<b>14,677</b>	<b>7,356</b>	<b>5,220</b>
Depreciation and impairment losses beginning of year	(4,867)	(3,272)	0
Exchange rate adjustments	(483)	(300)	0
Depreciation for the year	(1,847)	(1,213)	0
<b>Depreciation and impairment losses end of year</b>	<b>(7,197)</b>	<b>(4,785)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>7,480</b>	<b>2,571</b>	<b>5,220</b>

#### 6 Financial assets

	Deposits DKK'000
Cost beginning of year	3,671
Exchange rate adjustments	439
<b>Cost end of year</b>	<b>4,110</b>
<b>Carrying amount end of year</b>	<b>4,110</b>

## 7 Deferred tax

	2021 DKK'000	2020 DKK'000
Property, plant and equipment	45	45
Liabilities other than provisions	67	66
<b>Deferred tax</b>	<b>112</b>	<b>111</b>

<b>Changes during the year</b>	<b>2021 DKK'000</b>	<b>2020 DKK'000</b>
Beginning of year	111	(177)
Recognised in the income statement	1	288
<b>End of year</b>	<b>112</b>	<b>111</b>

### Deferred tax assets

## 8 Prepayments

Prepayments consist of prepaid tools and equipment and other prepaid costs.

## 9 Changes in working capital

	2021 DKK'000	2020 DKK'000
Increase/decrease in inventories	1,699	(331)
Increase/decrease in receivables	(1,394)	(1,886)
Increase/decrease in trade payables etc.	3,434	(4,640)
	<b>3,739</b>	<b>(6,857)</b>

## 10 Unrecognised rental and lease commitments

	2021 DKK'000	2020 DKK'000
Total liabilities under rental or lease agreements until maturity	39,900	39,920

## 11 Assets charged and collateral

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor with a nominal value of DKK 17,250k. The corporate mortgage comprises the following assets, the carrying amount of which at the balance sheet date constitute:

Manufactured goods and goods for resale: DDK 9,579k

Trade receivables: DKK 15,960k

Other fixtures and fittings, tools and equipment: DKK 2,571k

## 12 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.

## 13 Subsidiaries

	<b>Registered in</b>	<b>Corporate form</b>	<b>Ownership %</b>
Response Vietnam Co., Ltd.	Vietnam	Ltd.	100.00

# Parent income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
<b>Gross profit/loss</b>		<b>11,601</b>	<b>24,332</b>
Staff costs	1	(10,748)	(12,049)
Depreciation, amortisation and impairment losses		(340)	(1,445)
<b>Operating profit/loss</b>		<b>513</b>	<b>10,838</b>
Income from investments in group enterprises		353	2,304
Other financial income		112	71
Other financial expenses		(537)	(490)
<b>Profit/loss before tax</b>		<b>441</b>	<b>12,723</b>
Tax on profit/loss for the year	2	(35)	(2,305)
<b>Profit/loss for the year</b>	3	<b>406</b>	<b>10,418</b>

# Parent balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK'000	2020 DKK'000
Development projects in progress		0	0
<b>Intangible assets</b>	4	<b>0</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		783	386
<b>Property, plant and equipment</b>	5	<b>783</b>	<b>386</b>
Investments in group enterprises		8,439	7,341
Other receivables		554	450
<b>Financial assets</b>	6	<b>8,993</b>	<b>7,791</b>
<b>Fixed assets</b>		<b>9,776</b>	<b>8,177</b>
Trade receivables		15,934	15,336
Receivables from group enterprises		25,961	25,060
Deferred tax	7	112	111
Other receivables		182	189
Tax receivable		580	1,299
Prepayments	8	314	5
<b>Receivables</b>		<b>43,083</b>	<b>42,000</b>
<b>Cash</b>		<b>3,548</b>	<b>241</b>
<b>Current assets</b>		<b>46,631</b>	<b>42,241</b>
<b>Assets</b>		<b>56,407</b>	<b>50,418</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK'000</b>	<b>2020 DKK'000</b>
Contributed capital		525	525
Reserve for net revaluation according to equity method		8,158	7,060
Retained earnings		9,009	14,956
<b>Equity</b>		<b>17,692</b>	<b>22,541</b>
Bank loans		25,699	19,509
Prepayments received from customers		8,782	3,029
Trade payables		829	938
Other payables	9	3,405	4,401
<b>Current liabilities other than provisions</b>		<b>38,715</b>	<b>27,877</b>
<b>Liabilities other than provisions</b>		<b>38,715</b>	<b>27,877</b>
<b>Equity and liabilities</b>		<b>56,407</b>	<b>50,418</b>
Unrecognised rental and lease commitments	10		
Assets charged and collateral	11		
Transactions with related parties	12		

# Parent statement of changes in equity for 2021

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed extraordinary dividend DKK'000	Total DKK'000
Equity beginning of year	525	7,060	14,956	0	22,541
Extraordinary dividend paid	0	0	0	(6,000)	(6,000)
Exchange rate adjustments	0	745	0	0	745
Other entries on equity	0	0	(6,000)	6,000	0
Profit/loss for the year	0	353	53	0	406
<b>Equity end of year</b>	<b>525</b>	<b>8,158</b>	<b>9,009</b>	<b>0</b>	<b>17,692</b>



# Notes to parent financial statements

## 1 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	8,741	10,025
Pension costs	1,540	1,451
Other social security costs	122	106
Other staff costs	345	467
	<b>10,748</b>	<b>12,049</b>
Average number of full-time employees	14	14

## 2 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	36	2,593
Change in deferred tax	(1)	0
Adjustment concerning previous years	0	(288)
	<b>35</b>	<b>2,305</b>

## 3 Proposed distribution of profit and loss

	2021 DKK'000	2020 DKK'000
Retained earnings	406	10,418
	<b>406</b>	<b>10,418</b>

## 4 Intangible assets

	Development projects in progress DKK'000
Cost beginning of year	6,646
Disposals	(6,646)
<b>Cost end of year</b>	<b>0</b>
Amortisation and impairment losses beginning of year	(6,646)
Reversal regarding disposals	6,646
<b>Amortisation and impairment losses end of year</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>0</b>

## 5 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK'000</b>
Cost beginning of year	634
Additions	737
<b>Cost end of year</b>	<b>1,371</b>
Depreciation and impairment losses beginning of year	(248)
Depreciation for the year	(340)
<b>Depreciation and impairment losses end of year</b>	<b>(588)</b>
<b>Carrying amount end of year</b>	<b>783</b>

## 6 Financial assets

	<b>Investments in group enterprises DKK'000</b>
Cost beginning of year	281
<b>Cost end of year</b>	<b>281</b>
Revaluations beginning of year	7,060
Exchange rate adjustments	745
Share of profit/loss for the year	353
<b>Revaluations end of year</b>	<b>8,158</b>
<b>Carrying amount end of year</b>	<b>8,439</b>

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

## 7 Deferred tax

	<b>2021 DKK'000</b>	<b>2020 DKK'000</b>
Property, plant and equipment	45	43
Liabilities other than provisions	67	68
<b>Deferred tax</b>	<b>112</b>	<b>111</b>

	<b>2021 DKK'000</b>	<b>2020 DKK'000</b>
<b>Changes during the year</b>		
Beginning of year	111	(177)
Recognised in the income statement	1	288
<b>End of year</b>	<b>112</b>	<b>111</b>

**Deferred tax assets**

The tax asset consists primarily of carry-forward losses from previous years. The deficit has arisen as a result of individual events, which is why the company expects to be able to utilize the deficit during the following years.

**8 Prepayments**

Prepayments consist of prepayments for subscriptions, insurances and education costs

**9 Other payables**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Wages and salaries, personal income taxes, social security costs, etc. payable	750	1,505
Holiday pay obligation	0	685
Other costs payable	2,655	2,211
	<b>3,405</b>	<b>4,401</b>

**10 Unrecognised rental and lease commitments**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Total liabilities under rental or lease agreements until maturity	9,367	7,227

**11 Assets charged and collateral**

Investment in affiliated companies has been placed as security for bank debt. The carrying amount of the investment amount is DKK 8.440k (2020: DKK 7.341k).

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on plant of DKK 17,250k nominal. The corporate mortgage comprises the following assets, the carrying amount of which at the balance sheet date constitute:

Manufactured goods and goods for resale: DKK 0

Trade receivables: DKK 15.934k

Other fixtures and fittings, tools and equipment: DKK 784k

**12 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, with exception of simple reclassifications.

## 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.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

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.

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, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

### 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.

#### 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.

#### Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

**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 and property, plant and equipment.

**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 on receivables from group enterprises.

**Other financial expenses**

Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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.

**Balance sheet****Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, 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

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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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:

Plant and machinery	3-8 years
Other fixtures and fittings, tools and equipment	3-8 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 measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

### Receivables

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

### Inventories

Inventories are measured at the lower of cost using net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

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

### 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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

**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.

**Prepayments**

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

**Cash**

Cash comprises cash in hand and bank deposits.

**Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**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.

**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.

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 comprise cash.