FLEXA®

Flexa4Dreams Holding A/S

Fredensgade 36
8000 Aarhus C

Annual report 2021

Reg. No.: 32 77 56 83

These financial statements are presented and approved at
the Annual General Meeting

22. April 2022

(chairman)

Statements

Management's review

Financial statements 1 January - 31 December 2021

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Flexa4Dreams Holding 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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Aarhus, 7. April 2022

Executive Board

Carsten Dan Madsen
CEO

Board of Directors

Mikael Hee Chairman	Adrian Vanderspuy	Carsten Madsen

Independent auditor's report

To the shareholders of Flexa4Dreams Holding A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Flexa4Dreams A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Group's and the Parent Company's operations and consolidated cash flows 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 the 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 company financial statements" section of our 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 responsibility for the consolidated financial statements and the parent company financial statements

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

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company 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 company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and parent company 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 company 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Parent 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 consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.

evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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.

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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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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 consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 7. April 2022

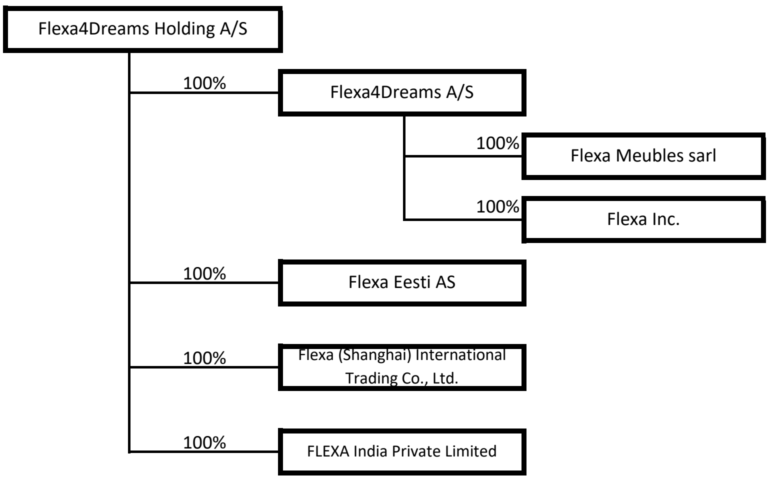
KPMG
Statsautoriseret Revisionspartnerselskab
CVR No. 25 57 81 98

Steffen S. Hansen	Katrine Gybel
State Authorised	State Authorised
Public Accountant	Public Accountant
mne32737	mne45848

Company details

The Company	Flexa4Dreams Holding A/S Fredensgade 36 8000 Aarhus C
Telephone	+45 76 68 80 55
Fax	+45 76 68 80 68
E-mail	flexa@flexa.dk
Registration No.	32 77 56 83
Established	23 February 2010
Registered office	Aarhus Kommune
Financial year	1 January - 31 December
Board of Directors	Mikael Hee, chairman Adrian Vanderspuy Carsten Dan Madsen
Executive Board	Carsten Dan Madsen
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Frederiks Plads 42 8000 Aarhus C Denmark
Annual general meeting	Annual general meeting is held on 22. April 2022

Group overview



Financial highlights for the group

Key figures	2021 DKK '000	2020 DKK '000	2019 DKK '000	2018 DKK '000	2017 DKK '000
Revenue	313.929	313.813	344.140	378.655	356.482
Gross profit	113.611	110.393	106.958	119.709	122.998
EBITDA	23.121	25.042	10.015	7.268	17.098
Operating profit/loss	15.886	16.865	1.974	-587	10.076
Profit/loss from financial income and expenses	-3.281	-7.501	-7.855	-7.905	-6.869
Profit/loss for the year	12.429	16.519	-5.951	-7.989	3.205
Non-current assets	18.165	18.735	24.696	26.334	25.174
Investment in property, plant and equipment	6.400	2.458	6.575	9.105	7.706
Current assets	153.329	104.771	103.593	125.289	129.169
Total assets	171.495	123.506	128.289	151.623	154.343
Total equity	33.639	19.722	2.797	8.483	16.609
Total equity incl. subordinated loan capital	83.639	74.722	57.797	63.483	46.609
Cash flows from operating activities	-11.891	35.298	9.306	7.098	14.520
Cash flows from investing activities	-5.624	-2.415	-6.359	-9.105	-7.706
Cash flows from financing activities	-2.078	-7.424	1.583	-1.224	-23.438
Financial ratios					
Operating margin	5,1%	5,4%	1,2%	0,1%	2,0%
Return on invested capital	20,6%	23,4%	4,6%	0,4%	7,2%
Gross margin	36,2%	35,2%	31,1%	31,6%	34,5%
EBITDA ratio	7,4%	8,0%	2,9%	1,9%	4,8%
Solvency ratio	19,6%	16,0%	2,2%	5,6%	10,8%
Solvency ratio incl. subordinated loan capital	48,8%	60,5%	45,1%	41,9%	30,2%
Average number of employees	307	302	335	371	387

*) In 2018 cost for severance pay in connection with restructuring the business has been adjusted. In 2017 profit from divestment of production company in China has been adjusted.

Financial ratios

The Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios":

Operating margin:

$$\frac{\text{Ordinary operating profit x 100}}{\text{Revenue}}$$

Return on invested capital:

$$\frac{\text{Ordinary operating profit x 100}}{\text{Average capital invested}}$$

Invested capital:

Goodwill, property, plant and equipment and net working capital.

Gross margin

$$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

EBITDA ratio:

$$\frac{\text{EBITDA x 100}}{\text{Revenue}}$$

Solvency ratio:

$$\frac{\text{Total Equity, at the end of year x 100}}{\text{Total equity and liabilities, at the end of year}}$$

Management's review

Operating review

Principal activities of the Group

The Flexa4Dreams-Group's main activities are production, marketing and sale of furniture, interior and related products for children's rooms. The group is one of the largest focused manufacturers and suppliers of furniture and interior for children's rooms in Europe.

FLEXA Group has more than 150 specialist stores located in Europe, Asia, North Africa and Americas. Everyday our dedicated and knowledgeable partners around the world guide and advice parents to design the best possible room solutions for their kids.

Development in activities and financial position

The revenue in 2021 was 313,9 mill. DKK compared to 313,8 mill. DKK the year before. Ordinary result before depreciations and financial expenses (EBITDA) was 23,1 mill. DKK compared to 25, mill. DKK in 2020. The ordinary operating profit was 15,9 mill. DKK compared to 16,9 mill. DKK. Cash generated from operations was -11,9 mill. DKK compared with 35,3 mill. DKK in 2020.

The business climate caused by Covid-19 in the European retail markets has continued to be on a low level caused by the many shop closures all over Europe. The activity level was in line with the expectations.

Gross margin came in at 36,2% compared to 35,2% the year before, mainly impacted by the sales mix as we have seen considerably increases in rawmaterials, energy and transportation during 2021.

Distribution- & Administration costs increased by 10.5 mill. DKK to 99.0 mill. DKK. These costs have still been reduced with more than 20 mill. DKK from 2018 to 2021
Similar to many other retail segments the consumers of children´s products are fast shifting their preferred channel towards online. FLEXA has in 2021 continued the investments in the upgrade of its digital business platform and has launched a new webpage and e-commerce platform.

Net result for the year is 12,4 mill. DKK compared to 16,5 mill. DKK last year.

In the annual report for 2020 we expected a turnover on the same level. We also saw big uncertainties caused by Covid-19. Turnover developed overall as expected, but due to the sales mix the contribution developed better than expected.

Capital resources

End of December 2021 equity amounts to 33,6 mill. DKK. The company has sufficient capital resources to execute its business plan.

During the year the Company has raised the equity by payment of funds at a value of 180t DKK. The portfolio of treasure shares comprises 4,774 shares to a nominel value of 4,774 DKK or 0.5% of the share capital. Treasure shares are primarily acquired for the Group´s share programmes.

Outlook

Despite the uncertainties created by Covid-19 and the uncertainty regarding the duration of the situation, it is expected that turnover will at least will be on the same level in 2022 compared with 2021. Based on the current sales strategy, improvement of product portfolio and store concepts, the Group expects to gain further market share within its core segment: Branded products. At the same time we will continue developing our e-commerce sales channel further, this will bring us closer to the end consumers. Resultwise we expect a lower result 2022, caused by material cost price increases, transportation and energy which we will not be able to transfer 100% to our customers.

The Group continue investments in the Digital platform. Apart from that we only expect to invest in production equipment in Estonia. The investments in the Digital platform is expected to increase the turnover and profitability on this channel.

Risks
General risks

The management of Flexa4Dreams assesses regularly the Group's risk exposure. Operational and strategic risks that may affect the Group's earnings and financial position are monitored and assessed regularly. The Group's risks in relation to the supply of commodities are continuously attempted to be minimized by entering contracts for the supply of timber, which is the Group's main raw material.
FLEXA4Dreams is not directly exposed to the current uncertainties in Eastern Europe, as no purchase nor sales is related to Ukraine or Russia. FLEXA4Dreams monitor the situation closely.

Financial risks

The Group is due to its operating, investing and financing exposed to fluctuations in exchange and interest rates. The Group's policy is not actively to speculate in financial risks. Group's financial management is only aimed at management of already assumed financial risks.

Currency risks

FLEXA is exposed to currency risk on three levels. First of all there is currency risks relating to investments in foreign subsidiaries. These risks are not hedged, as it is the Group's opinion that an ongoing hedging of such long-term investments will not be optimal from an overall risk and cost consideration. Secondly, there is a risk in realtion to the current cash flow. The Group hedges currency risks on estimated cash flows 6-12 months forward. Finally, there is currency risk in relation to translation of intra-group debts in foreign currency at the balance sheet date. Such translation comprises an exchange rate adjustment which is not hedged.

Interest rate risks

The Group's interest bearing net debt, calculated as suboardinated loans, other loans and bank debt less cash, amounted 31. December 2021 to 59.9 mill. DKK compared to 45.5 mill. DKK in 2020

The Group's total bank debt is based on floating interest rates. There is no hedging of the operational impact of a rate increase.

Credit risks

The Group has no material risks relating to a single customer or partner. The Group's policy for inclusion of credit risks leads to that all major customers and partners are credit rated, and credit insurance has been established.

Intellectual capital

The employees are a significant asset in the group, which operates from a united set of values. Based on the shared values the Flexa4Dreams Group can realise its vision to be the preferred supplier of furniture and interior for the children's room.

Environmental issues

Flexa4Dreams continuously tries to minimize the environmental impact of its activities. Flexa4Dreams continuously strives to produce products using materials and technologies giving the least possible impact on the environment.

The Group will constantly strive to meet customers' and society's demand for the least environmentally harmful products.

Research and development activities

Expenses for development and testing of both new and existing products are recognized as expenses in the income statement, as future earnings of this is uncertain.

Corporate social responsibility

Flexa4Dreams Group strives to continuously meet the laws and regulations of the countries and communities, where the Group operates.
FLEXA develops, produces and markets Scandinavian interior solutions for kids. All FLEXA products are designed to create a safe and stimulating environment, which adapts, grows and transforms to meet children’s ongoing developmental needs. We use our knowledge of children to create the world's best functional, playful and sustainable room solutions at affordable prices.

We produce beds and storage products in pine, birch and MDF, but we also have textiles, toys, metal and oak-veneered furniture.

The identified risks are not considered major, however we continue our work and focus in these areas.

Human rights:

At FLEXA, we are committed to support and respect internationally declared human rights, and to not be complicit in any human rights abuse. Our products are distributed all over the world, sold via e-commerce or through specialist stores and studios located in Europe, Asia, North Africa and America. But most of our products are produced in our own factories in Estonia where we have more than 200 dedicated and skilled employees. We do also supply products from external suppliers, among others in Eastern Europe and Asia.

As a global manufacturer and distributor of Scandinavian interior solutions for kids, FLEXA has to comply with a number of standards in terms of product safety and environment. It is therefore essential for us that all our main suppliers adhere to the same standards as we do. These standards are based on the overall principles of the UN Global Compact and cover areas such as:

Child labour, discrimination, forced labour, working environment, working hours and salary, the right to organise and collective bargaining, right to privacy, environment (pollution prevention and resource reduction, chemicals and hazardous materials, air emissions, waste water and solid waste, recycling and reuse of materials and products), and corruption.

When making new contracts, the supplier must confirm and commit to complying with these standards. In 2022 we will continue to expand the number of suppliers following these standards.

Article 31 (Leisure, play and culture):

Children have the right to relax and play, and to join in a wide range of cultural, artistic and other recreational activities. (UN Convention on the Rights of the Child)

Through our business activity, FLEXA supports the UN’s Convention on the Rights of the Child. Every day our products encourage and enable children to play and be active, which has a beneficial impact on their development in terms of motor coordination, intellect and social skills. FLEXA wishes to develop products that help improve children's physique in fun, safe surroundings.

Every detail in Flexa’s furniture is carefully designed to support a safe environment in the child’s room. All beds launched from 2020 with a sleeping height of more than 60 cm are safety tested by TÛV and meet EU standard EN747:2012 + A1:2015.

Labour standards

For FLEXA’s own activities, we aim to ensure that we provide our employees with a safe working environment, whether in the headquarters in Hornsyld, Denmark, or in the factories in Estonia, as well as in our sales company in China. Occupational health and safety is an equivalent and integral part of all FLEXA's activities and one of our permanent top priorities. Our Health and Safety policy focuses on preventing injuries and illness, ensuring that we comply with all legal regulations, and that we efficiently and actively involve our employees in this area. As an important step in this direction, our factory in Estonia is certified according to ISO 14001. This implies that the operating practices are up to date and in compliance with health and safety requirements. It further enables our organisation to control and gain knowledge of all relevant risks and hazards, and consequently improves our performance.

Our factories in Estonia are also audited against the SMETA 2 pillar ethical audit. SMETA ethical audit results confirm that factories comply with Labour standards as well as Health and Safety requirements.

We will continue to pursue a structured and managed approach to work actively for a safe and healthy working environment for our employees in 2022. We will continue to focus particularly on work safety around complex machinery, where the exposure to injuries is higher. Over the past two years, we have reduced the number of accidents by 20%, but we remain focused on continuous improvements and on halving this figure.

Management's review

Environment:

As a manufacturer of Scandinavian interior solutions for kids, FLEXA has an integrated approach to environmental considerations. FLEXA aims to produce sustainable products with a long lifespan, which require a low level of maintenance. We aim to use materials and technologies that have minimal impact on the environment, and to use PEFCTM and FSC-certified sources where possible.

We have optimised the use of wood in all our production and we recycle tree stumps, wood shavings and even sawdust at the factories.

Playing and sleeping should be absolutely free from chemicals and other harmful substances. That's why we use eco-friendly UV-lacquer, which is free from solvents and toxic colorants. All Flexa's furniture is tested according to and complies with strict international safety standards, such as EN71-3, DIN717 and DIN 53160, to ensure non-toxic furniture.

Flexa textiles and mattresses are Standard 100 by Oeko-tex certified. The Oeko-tex label guarantees that the products meet stringent requirements for chemical and harmful substances. Our mattress covers are washable for optimal hygiene and convenience.

We have taken Flexa's responsibility a step further in 2021, as we have got our new textiles GOTS (global organic textile standard) certified.

GOTS is the strictest and most comprehensive textile certification, addressing the whole value chain of a textile product. GOTS ensures an environmentally friendly approach from start to end product. The certification provides a credible, traceable, and documented guarantee for environmentally friendly, organic and chemical-free textiles, produced under strict social criteria, to ensure better working conditions for the people producing the textiles.

FLEXA's production plants in Estonia are ISO 9001 and ISO 14001 certified, which implies a specific and structured management approach to environmental issues. The plants have also implemented control systems that work towards compliance with requirements on active substances in accessible components, and independent third-party tests are being run.

In the years to come, FLEXA will focus even more on how to minimise the waste of resources and reduce environmental hazards.

Climate:

FLEXA has not identified any material risks, but the products we produce are mainly produced from pinewood. By use of pinewood we continuoesly contribute to the reduction of Co2 in the atmosphere as the Co2 is captured in the trees as they are growing. FLEXA designs furniture for children – and we want them to grow up in a green world. That's why we recycle all remaining wood from our preparation process. We collect continuously everything, even sawdust, and send it to a sawmill, where it is compressed to wood pellets. The wood pellets are free from additives and lacquer, which makes them environmentally friendly and CO2-neutral. These wood pellets have a long combustion and offer a real alternative to other less environmentally friendly forms of energy.

During 2021 we have changed our supply of electricity in Estonia, so we are now only using green energy in the production facilities. This has contributed to the reduction in our carbon foot print from production with 63% in 2021. This helps us in our goal of becoming carbon negative in 2030.

FLEXA4Dreams outsourced during 2021 the warehouse to a external logistics provider located in Poland. An important reason for this has been to reduce the carbon footprint.

Anti-corruption:

Corruption and bribery are recognised as barriers to sustainable development and free trade. At FLEXA,
we do not accept these practices and therefore do not accept any kind of undue payment in any of our business transactions. It is our policy that all elements of our supply chain and sales must be completely transparent for everyone interested in knowing more. Principles for working against anti-corruption are integrated in the valuation process when finding new suppliers.

In order to produce responsibly to benefit people and the planet, 95% of the suppliers of FLEXA4Dreams has signed our Code of Conducts

In FLEXA we will continue to develop our focus on compliance issues in the future.

Report on the Gender Composition in Management, cf. Section 99 b of the Danish Financial Statements Act

The Group's policy for recruitment is to attract and hire the most competent leadership. The goal for female representation in the Board and in the Management team is a minimum of 25% in 2023. In the current financial year, the Board has consisted of the 3 persons who are the main owners of the company. The owners have not found it relevant to extend or change the seat of the Board. The 3 persons are all males. The stated objective has therefore not yet been met. The Board of Directors will, as far as possible, appoint a suitable female candidate to the Board. In the current financial year, the management team has consisted of 21% females. The Politics at the other management levels in the company is to have a balanced gender quota as far as possible. When recruiting we aim at having one of each gender presented.

Report on data ethics

Data ethics is an ethical dimension of the relationship between technology and the citizen as to fundamental rights, legal certainty and fundamental social values that technological development gives rise to.
The Group has not implemented a policy for data ethics due to the limited to none usage of data toward citizens. Data in the group is of a public nature and manipulated towards thriving a more efficient operating, commercial and financial business which is in accordance with the Group's Ethical business conduct and compliance programs (see section above Ethical business conduct).

On this topci the management consider the risk insignificant.

Financial statements

Income statement

	Note	Consolidated 2021	Parent company 2021	Consolidated 2020	Parent company 2020
		DKK '000	DKK '000	DKK '000	DKK '000
Revenue	2	313.929	0	313.813	0
Production costs	3	-200.318	0	-208.760	0
Gross profit		113.611	0	105.053	0
Distribution costs	3	-56.898	0	-48.627	0
Administrative expenses	3	-42.145	-103	-39.907	-92
Other operating income	4	1.703	0	731	0
Other operating expenses	5	-385	0	-386	0
Operating profit/loss		15.886	-103	16.865	-92
Profit/loss from investments	10	0	16.502	0	22.868
Financial expenses	6	-3.281	-3.970	-7.501	-6.257
Profit/lossbefore income taxes		12.605	12.429	9.365	16.519
Tax on profit/loss	7	-176	0	7.155	0
Profit/loss for the year		12.429	12.429	16.519	16.519

Balance sheet

	Note	Consolidated 2021 DKK '000	Parent company 2021 DKK '000	Consolidated 2020 DKK '000	Parent company 2020 DKK '000
ASSETS					
Non-current assets					
Intangible assets	8				
Goodwill		0	0	0	0
Property, plant and equipment	9				
Leasehold improvements		625	0	854	0
Land and buildings		4.987	0	4.561	0
Plant and machinery		10.497	0	9.419	0
Fixtures and fitting, tools and equipment		2.056	0	3.901	0
		18.165	0	18.735	0
Investments					
Investments in subsidiaries	10	0	99.785	0	80.985
Total non-current assets		18.165	99.785	18.735	80.985

Balance sheet

	Note	Consolidated 2021 DKK '000	Parent company 2021 DKK '000	Consolidated 2020 DKK '000	Parent company 2020 DKK '000
Current assets					
Inventories					
Raw materials and consumables		15.233	0	9.806	0
Work in progress		12.279	0	10.028	0
Finished goods and goods for resale		56.467	0	30.651	0
		83.978	0	50.485	0
Receivables					
Trade receivables		21.543	0	23.108	0
Amounts owed by affiliated companies		0	0	0	0
Deferred tax asset	11	7.400	0	7.400	0
Other receivables		7.922	0	5.685	0
Prepayments		1.894	175	3.876	123
		38.759	175	40.069	123
Cash at bank and in hand		30.593	39	14.218	40
Total current assets		153.329	214	104.771	162
TOTAL ASSETS		171.495	99.998	123.506	81.147

Balance sheet

	Note	Consolidated 2021 DKK '000	Parent company 2021 DKK '000	Consolidated 2020 DKK '000	Parent company 2020 DKK '000
EQUITY AND LIABILITIES					
Equity					
Share capital	12	1.062	1.062	1.062	1.062
Retained earnings		32.577	32.577	18.660	18.660
Total equity	13	33.639	33.639	19.722	19.722
Provisions					
Other provisions	14	3.367	0	2.751	0
		3.367	0	2.751	0
Liabilities other than provisions					
Non-current liabilities other than provisions					
Subordinated loan capital	13	50.000	50.000	55.000	55.000
Other loans	15	0	0	0	0
		50.000	50.000	55.000	55.000

Balance sheet

	Note	Consolidated 2021 DKK '000	Parent company 2021 DKK '000	Consolidated 2020 DKK '000	Parent company 2020 DKK '000
Current liabilities other than provisions					
Current portion of non-current liabilities other than provisions	15	0	0	0	0
Bank loans and overdraft		40.545	0	4.758	0
Prepayments from customers		5.647	0	4.483	0
Trade payables		24.857	0	26.348	0
Amounts owed to affiliated companies		0	16.360	0	6.374
Corporation tax		176	0	241	0
Other payables	16	13.264	0	10.203	52
		84.489	16.359	46.033	6.426
Total liabilities other than provisions		134.489	66.359	101.033	61.426
TOTAL EQUITY AND LIABILITIES		171.495	99.998	123.506	81.147

Contingent liabilities and collateral	17
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Auditors fee	21

Statement of changes in equity

Parent company
DKK '000

	Share capital 2021 DKK '000	Retained earnings 2021 DKK '000	Total 2021 DKK '000
Equity at 1 January	1.062	18.660	19.722
Capital increase	0	80	80
Sale of own shares	0	100	100
Foreign exchange adjustments of foreign subsidiaries etc.	0	1.308	1.308
Distribution of profit/loss for the year	0	12.429	12.429
Equity at 31 December	1.062	32.577	33.639

Subordinated loan capital of 50 mill. DKK has been established in supplement to equity, see note 13.

Consolidated
DKK '000

	Share capital 2021 DKK '000	Retained earnings 2021 DKK '000	Total 2021 DKK '000
Equity at 1 January	1.062	18.660	19.722
Capital increase	0	80	80
Sale of own shares	0	100	100
Foreign exchange adjustments of foreign subsidiaries etc.	0	1.308	1.308
Distribution of profit/loss for the year	0	12.429	12.429
Equity at 31 December	1.062	32.577	33.639

Subordinated loan capital of 50 mill. DKK has been established in supplement to equity, see note 13.

Financial statements

Cash flow statement - consolidated

	Note	**Consolidated** 2021 DKK '000	**Consolidated** 2020 DKK '000
Revenue		313.929	313.813
Expenses		-291.778	-288.654
Cash from operations before changes in working capital		22.151	25.159
Change in working capital	22	-29.450	17.715
Cash generated from operations (ordinary activities)		-7.299	42.874
Financial income and expenses, net		-4.351	-7.501
Taxes paid		-241	-75
Cash flows from operating activities		**-11.891**	**35.298**
Purchase of intangible assets and property, plant and equipment		-6.400	-2.458
Sales of intangible assets and property, plant and equipment		776	43
Cash flows from investing activities		**-5.624**	**-2.415**
Capital owners:			
Trade of own shares		100	0
Capital increase		80	798
Cash flows from the capital owners		**180**	**798**
Repayment of long-term debt and bank overdrafts		-5.000	-7.943
Provisions		615	0
Taxes		0	-75
Exchange rate differences		2.307	-204
Cash flows from financing activities		**-2.078**	**-7.424**
Net cash flows form operating, investing and financing activities		**-19.412**	**25.460**
Cash and cash equivalents at 1 January		9.460	-16.000
Cash and cash equivalents at 31 December	23	-9.952	9.460

The cash flow statement cannot be derived directly from the accounting records.

Notes

1. Accounting policies

The annual report of Flexa4Dreams Holding A/S for 2021 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies applied remain unchanged from last year, and financial statements for 2021are presented in DKK.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost implying the recognition of a constant effective interest rate to maturity. Amortised cost is calculated as initial cost minus any principal repayments and plus or minus the cumulative amortisation of any difference between cost and nominal amount.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Flexa4Dreams Holding A/S, and subsidiaries in which Flexa4Dreams Holding A/S directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. The comparative figures are not adjusted for acquisitions or disposals.

Notes

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, not exceeding 20 years.

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 rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and 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 at 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 currencies are translated at the rate at the transaction date.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place and that the income can be reliably measured and is expected to be received.

Revenue is measured at fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Production costs

Production costs comprise costs, including depreciation and amortisation and salaries, incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials and consumables, wages and salaries, rent and leases, and depreciation of production plant.

Distribution costs

Costs incurred in distributing goods sold during the year and in conducting sales campaigns etc. during the year are recognised as distribution costs. Also, costs relating to sales staff, advertising, exhibitions and depreciation are recognised as distribution costs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for group management and administration, including expenses for administrative staff, management, office premises and office expenses, and depreciation.

Notes

Other operating income and expenses

Other operating income comprises items secondary to the principal activities of the enterprise.

Profits/losses from investments in subsidiaries

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expense, 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.

Tax on profit/loss for the year

The company is covered by the Danish rules on compulsory joint taxation.

Flexa4Dreams Holding A/S is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by the settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises current tax, joint taxation contributions for the year and changes in deferred tax for the year – due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Goodwill is amortised over its estimated useful life determined on the basis of Management's experience. Goodwill is amortised on a straight-line basis over the amortisation period.

The amortisation period is 10 years, longest for strategically acquired enterprises with strong market positions and long-term earnings profiles.

The carrying amount of goodwill is assessed regularly and written down to the recoverable amount over the income statement if the carrying amount exceeds forecast future net income from the activities to which goodwill relates.

Notes

Property, plant and equipment

Leasehold improvements represent the renovation of storage facilities for continuous use and leasehold improvements of concept shops.

Leasehold improvements recognised in the balance sheet are measured at cost less accumulated depreciation or recoverable amount if this is lower.

Recognised costs of renovation are depreciated on a straight-line basis over the residual term of leases.

Other property, plant and equipment are measured at cost less accumulated depreciation. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub suppliers, and wages and salaries.

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

Leasehold improvements	3-5 years
Buildings	15-20 years
Plant and machinery	4-7 years
Fixtures and fittings, tools and equipment	3-10 years

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

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

Impairment of assets

The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Notes

Leases

Leases in terms of which the group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments cumputed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the fixed assets of the group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Investments in subsidiaries

Investments in subsidiaries are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method.

Investments in subsidiaries with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost.

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the income statement until the date of disposal.

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 and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in the cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses based on an individual assessment of receivables.

Notes

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity - dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Net revaluation of investments in subsidiaries is recognised at cost in the reserve for net revaluation according to the equity method. The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

Corporation tax and deferred tax

According to the joint taxation rules, the subsidiaries' liability for their own corporation tax payments to the tax authorities is settled concurrently with payment of the joint taxation contribution to the administrative company, Flexa4Dreams Holding

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Provisions

Provisions comprise anticipated costs related to warranties, losses on work in progress, restructurings, etc. Provisions are recognised when, as a result of past events, the group has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at amortised cost, substantially corresponding to nominal value.

Notes

Segment information

Segment information is based on the group's accounting policies, risks and internal financial management. Information is provided on geographical markets, because the group only has one business segment.

Cash flow statement

The cash flow statement shows the group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term operating credits.

Notes

		Consolidated 2021 DKK '000	Consolidated 2020 DKK '000
2	**Revenue**		
	Geographical markets		
	Europe	246.444	249.106
	America	4.474	5.195
	Asia	63.011	59.512
	Total	313.929	313.813
3	**Staff costs**		
	Wages and salaries	68.863	63.280
	Pensions	4.507	2.962
	Other social security costs	8.482	8.375
	Other staff costs	1.730	1.286
		83.582	75.903

In parent company, no remuneration has been paid to the Executive Board and the Board of Directors.

	2021	2020
Total remuneration to the Executive Board and the Board of Directors paid by FLEXA4Dreams A/S	3.156	1.960

Staff costs are recognised in the financial statements as follows:

	2021	2020
Production costs	40.871	37.250
Distribution costs	21.684	18.161
Administrative expenses	21.027	20.492
	83.582	75.903
Average number of employees	307	302

4 Other operating income

Other operating income in 2021 relates primarly to subsidies from government related to covid-19 and income from sale of assets.

5 Other operating costs

Other operating costs in 2021 relates to change in provision for loss on receivables and other operating costs.

Notes

		Consolidated 2021 DKK '000	Parent company 2021 DKK '000	Consolidated 2020 DKK '000	Parent company 2020 DKK '000
6	**Financial expenses**				
	Interest from affiliated companies	0	0	0	0
	Other interest expenses	3.281	3.970	7.501	6.257
		3.281	3.970	7.501	6.257
7	**Tax on profit/loss from ordinary activities**				
	Current tax for the year	176	0	245	0
	Adjustment of deferred tax for the year	0	0	-7.400	0
		176	0	-7.155	0
8	**Intangible assets**				
	Goodwill				
	Cost at 1 January	10.000		10.000	
	Cost at 31 December	10.000		10.000	
	Amortisation and impairment losses at 1 January	10.000		9.833	
	Amortisation	0		167	
	Amortisation and impairment losses at 31 December	10.000		10.000	
	Carrying amount at 31 December	0		0	

Notes

9 Property, plant and equipment
Consolidated

DKK '000	Leasehold improvements	Land and buildings	Plant and machinery	Fixtures and fittings, tools, etc.
Cost at 1 January	1.939	25.713	33.922	11.968
Foreign exchange adjustments	74	-20	19	-1
Adjustment to previous years	-504	0	504	0
Addition	383	1.888	3.640	489
Disposal	-225	-867	-1.944	-1.229
Cost at 31 December	1.667	26.714	36.141	11.227
Amortisation and impairment losses at 1 January	1.085	21.152	24.503	8.067
Foreign exchange adjustments	11	-19	8	-1
Adjustment to previous years	-504	0	504	0
Depreciation	665	1.456	2.592	2.521
Depreciation of assets sold	-216	-863	-1.964	-1.417
Depreciation and impairment losses at 31 December	1.042	21.727	25.644	9.170
Carrying amount at 31 December	625	4.987	10.497	2.056
Finance lease included in above figures	0	0	0	0

Notes

		Parent Company 2021	Parent Company 2020
10	**Investments in subsidiaries**	DKK '000	DKK '000
	Cost at 1 January	173.886	173.886
	Increase	989	0
	Disposal	0	0
	Cost at 31 December	174.875	173.886
	Value adjustments at 1 January	-92.901	-115.378
	Foreign exchange adjustments etc.	1.308	-391
	Share of profit/loss for the year	16.502	22.868
	Value adjustments at 31 December	-75.091	-92.901
	Carrying amount at 31 December	99.785	80.985

Name	Domicile	Stake	Share capital	Equity share	Profit/loss after tax
				DKK '000	DKK '000
Flexa4Dreams A/S	Hornsyld, DK	100%	1.000 thDKK	57.149	12.671
Flexa Eesti AS	EE	100%	51,1 thEUR	33.223	4.783
Flexa (Shanghai) Int. Trading Ltd.	CN	100%	1.655 thRMB	14.324	1.994
FLEXA India Private Limited	IN	100%	10530 thINR	408	-607
				105.105	18.842
Intra-group profit on inventories				-5.320	-2.340
Carrying amount at 31 December				99.785	16.502

Notes

		Consolidated 2021 DKK '000	Parent company 2021 DKK '000	Consolidated 2020 DKK '000	Parent company 2020 DKK '000
11	**Deferred tax asset**				
	Deferred taxes at 1 January	7.400	0	0	0
	Deferred taxes for the year, recognised in the income statement	0	0	7.400	0
		7.400	0	7.400	0
	Deferred taxes include:				
	Non-current assets	-4.818	0	-5.816	0
	Current asssets	-86	0	-72	0
	Provisions	-741	0	-551	0
	Tax loss carryforwards	-17.480	-5.829	-18.547	-4.938
		-23.125	-5.829	-24.986	-4.938
	Write-down of calculated deferred taxes	15.725	0	17.586	0
		-7.400	0	-7.400	0

Deferred tax asset is recognised based on expected earnings in short term.

12 Share capital and proposed distribution of profit

Development in share capital

	Parent company 2021	Parent company 2020
Share capital at 1 January	1.062	1.045
Capital increase	0	17
Share capital at 31 December	1.062	1.062

Share capital consist of nominel 1.045.105 shares

Development in treasure shares

	Parent company 2021	Parent company 2020
Treasure shares at 1 January	10	10
Additions/disposals	-5	0
Treasure shares at 31 December	5	10

The portfolio of treasure shares comprises 4,774 shares to a nominel value of 4,774 DKK or 0.5% of the share capital. During the year the Company has sold 5,226 shares at to an amount of 100,000 DKK. Treasure shares are primarily acquired for the Group´s share programmes.

Proposed distribution of profit

	Parent company 2021	Parent company 2020
Retained earnings	12.429	16.519

Notes

		Consolidated 2021 DKK '000	Parent company 2021 DKK '000	Consolidated 2020 DKK '000	Parent company 2020 DKK '000
13	**Capital**				
	Equity	33.639	33.639	19.722	19.722
	Subordinated loan capital	50.000	50.000	55.000	55.000
	Total capital	83.639	83.639	74.722	74.722

Special terms related to the subordinated loan capital:
Subordinated loan capital is subordinated to bank debt and can only be repaid if the liquidity of the company is adequate, and there is no debt to Sparekassen Kronjylland.

		Consolidated 2021 DKK '000	Parent company 2021 DKK '000	Consolidated 2020 DKK '000	Parent company 2020 DKK '000
14	**Provisions**				
	Provisions at 1 January	2.751		2.503	
	Change in the year	615		248	
	Provisions at 31 December	3.367		2.751	

Provision for agent commission obligation, based on average of last 5 year commissions.

		Consolidated 2021 DKK '000	Parent company 2021 DKK '000	Consolidated 2020 DKK '000	Parent company 2020 DKK '000
15	**Non-current liabilities**				
	Other loans				
	Total liabilities at 31 December	0		0	
	Instalments first year	0		0	
16	**Other payables**				
	Staff-related liabilities	13.272		10.108	
	Other payables	-7		94	
		13.264		10.203	

Notes

		Consolidated 2021	Parent company 2021	Consolidated 2020	Parent company 2020
17	**Contingent liabilities and collateral**	DKK '000	DKK '000	DKK '000	DKK '000
	Rent commitments	8.341	0	8.341	0
	Operating lease liabilities	904	0	382	0

Collateral (Consolidated)
The following assets have been provided as collateral for Flexa4Dreams A/S and Flexa Eesti AS' agreements with banks and subordinated loan capital in Flexa4Dreams Holding A/S:

	Registered collateral	Carrying amount at 31.12.2021
	DKK '000	DKK '000
Company charge in operating equipment, goodwill, inventories and unsecured claims	80.831	49.332

Collateral (Parent company)

Suretyship provided to the following companies' bank engagements	Midt Factoring	Sparekassen Kronjylland
	DKK '000	DKK '000
Flexa4Dreams A/S	0	0

The shares in Flexa4Dreams A/S and Flexa Eesti AS are provided as collateral for commitments against credit institutions. The carrying amount of the shares was resp. DKK 57.149 thousand and DKK 33.223 thousand at 31 December 2021.

Other financial liabilities
Flexa4Dreams Holding A/S and its subsidiaries are parties to a few pending lawsuits. The outcome of these cases is not expected to materially effect the financial position of the Group, neither individually nor in the aggregate.

18 Related parties

Transactions with group entities are eliminated in consolidated financial statements.

Remuneration to the Company's Executive Board and Board of Directors is disclosed in note 3.

Receivables from and payables to related parties are disclosed in the balance sheet.

Debt to main share holder are disclosed in the balance sheet. The interests related to the loans are disclosed in note 6.

Control
The parent company's related parties exercising control include the majority owner Adrian Vanderspuy.

Flexa4Dreams Holding A/S is the largest groups preparing consolidated financial statements for the Group.

19 Subsequent events

No events have occurred after the balance sheet date to this date which may influence the evaluation of this annual report.

Notes
Notes without reference:

		Consolidated 2021 DKK '000	Parent company 2021 DKK '000	Consolidated 2020 DKK '000	Parent company 2020 DKK '000
20	**Depreciation, amortisation and impairment losses**				
	Intangible assets	0	0	167	0
	Property, plant and equipment	7.235	0	8.010	0
		7.235	0	8.177	0
	Depreciation, amortisation and impairment losses are recognised as follows:				
	Production costs	3.975		4.337	
	Distribution costs	119		107	
	Administrative expenses	3.141		3.733	
		7.235		8.177	
21	**Auditors' fees**				
	KPMG:				
	Statutory audit	280		312	
	Other assurance engagements	0		0	
	Other assistance	354		0	
		634		312	
22	**Change in working capital**				
	Inventories	-33.493		8.754	
	Receivables	1.310		2.842	
	Prepayments from customers	1.163		4.113	
	Trade payables and other payables	1.571		1.788	
		-29.450		17.497	
23	**Cash and cash equivalents**				
	Cash and cash equivalents at 31 December comprise:				
	Cash at bank and in hand	30.593		14.218	
	Short-term operating credits	-40.545		-4.758	
		-9.952		9.460	