



A.W. Faber-Castell Nordic ApS

Tonsbakken 16
2740 Skovlunde
CVR No. 34228264

**Annual report 01.04.2020 -
31.03.2021**

The Annual General Meeting adopted the
annual report on 27.07.2021

Peter Ejvind Seiverts
Chairman of the General Meeting

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Entity details

Entity

A.W. Faber-Castell Nordic ApS

Tonsbakken 16

2740 Skovlunde

CVR No.: 34228264

Registered office: Ballerup

Financial year: 01.04.2020 - 31.03.2021

Board of Directors

Peter Ejvind Sieverts

Stephan Leo Rosen

Dr. Hans-Kurt Heinrich Von Werder, formand

Executive Board

Peter Ejvind Sieverts, adm. dir

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of A.W. Faber-Castell Nordic ApS for the financial year 01.04.2020 - 31.03.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2021 and of the results of its operations for the financial year 01.04.2020 - 31.03.2021.

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.

Skovlunde, 27.07.2021

Executive Board

Peter Ejvind Sieverts
adm. dir

Board of Directors

Peter Ejvind Sieverts

Stephan Leo Rosen

Dr. Hans-Kurt Heinrich Von Werder
formand

Independent auditor's report

To the shareholders of A.W. Faber-Castell Nordic ApS

Opinion

We have audited the financial statements of A.W. Faber-Castell Nordic ApS for the financial year 01.04.2020 - 31.03.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2021 and of the results of its operations for the financial year 01.04.2020 - 31.03.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 financial statements

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

In preparing the financial statements, Management is responsible for assessing the 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 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 financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 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 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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.

København, 27.07.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Stine Eva Grothen

State Authorised Public Accountant
Identification No (MNE) mne29431

Management commentary

Primary activities

Objects of the Company is to operate within the sales and marketing of products from A.W. Faber-Castell Group and other related products, as well any other related activities.

Description of material changes in activities and finances

The income statement for the period 01.04.2020 - 31.03.2021 shows a profit of T.DKK 744 against a profit of T.DKK 337 for the period 01.04.2019 - 31.03.2020. The balance sheet shows equity of T.DKK 4,644

The management considers the profit for the year to be satisfactory.

The outbreak of COVID-19 at the beginning of 2020 has not had a negative impact on the company's profit and financial position.

Events after the balance sheet date

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

Income statement for 2020/21

	Notes	2020/21 DKK	2019/20 DKK
Gross profit/loss		6,703,853	6,097,103
Staff costs	2	(5,664,312)	(5,424,616)
Depreciation, amortisation and impairment losses	3	(94,491)	(68,192)
Operating profit/loss		945,050	604,295
Other financial income	4	86,515	13,067
Other financial expenses	5	(74,174)	(178,429)
Profit/loss before tax		957,391	438,933
Tax on profit/loss for the year	6	(213,824)	(101,544)
Profit/loss for the year		743,567	337,389
Proposed distribution of profit and loss			
Retained earnings		743,567	337,389
Proposed distribution of profit and loss		743,567	337,389

Balance sheet at 31.03.2021

Assets

	Notes	2020/21 DKK	2019/20 DKK
Acquired rights		0	62,000
Goodwill		0	0
Intangible assets	7	0	62,000
Other fixtures and fittings, tools and equipment		0	42,197
Property, plant and equipment	8	0	42,197
Fixed assets		0	104,197
Manufactured goods and goods for resale		7,351,581	7,708,642
Inventories		7,351,581	7,708,642
Trade receivables		5,912,442	7,566,737
Deferred tax		15,696	148,666
Other receivables		102,000	169,315
Income tax receivable		0	57,340
Prepayments		86,689	114,771
Receivables		6,116,827	8,056,829
Cash		4,774,426	2,083,600
Current assets		18,242,834	17,849,071
Assets		18,242,834	17,953,268

Equity and liabilities

	Notes	2020/21 DKK	2019/20 DKK
Contributed capital		400,000	400,000
Retained earnings		4,243,853	3,500,286
Equity		4,643,853	3,900,286
Other payables		168,351	216,811
Non-current liabilities other than provisions	9	168,351	216,811
Bank loans		4,076	4,952,287
Trade payables		2,452,145	1,707,184
Payables to group enterprises		7,824,741	5,319,986
Income tax payable		80,854	0
Other payables		3,068,814	1,856,714
Current liabilities other than provisions		13,430,630	13,836,171
Liabilities other than provisions		13,598,981	14,052,982
Equity and liabilities		18,242,834	17,953,268
Unusual circumstances	1		
Unrecognised rental and lease commitments	10		

Statement of changes in equity for 2020/21

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	400,000	3,500,286	3,900,286
Profit/loss for the year	0	743,567	743,567
Equity end of year	400,000	4,243,853	4,643,853

Notes

1 Unusual circumstances

Gross profit includes Other operating income of DKK 73,328. The income includes recognized COVID-19 compensation regarding wages and salaries.

2 Staff costs

	2020/21 DKK	2019/20 DKK
Wages and salaries	4,749,685	4,450,132
Pension costs	395,603	487,191
Other social security costs	425,623	394,131
Other staff costs	93,401	93,162
	5,664,312	5,424,616
Average number of full-time employees	7	8

3 Depreciation, amortisation and impairment losses

	2020/21 DKK	2019/20 DKK
Amortisation of intangible assets	0	14,500
Depreciation of property, plant and equipment	32,491	53,692
Profit/loss from sale of intangible assets and property, plant and equipment	62,000	0
	94,491	68,192

4 Other financial income

	2020/21 DKK	2019/20 DKK
Exchange rate adjustments	84,982	12,336
Other financial income	1,533	731
	86,515	13,067

5 Other financial expenses

	2020/21	2019/20
	DKK	DKK
Other interest expenses	74,174	89,711
Exchange rate adjustments	0	88,718
	74,174	178,429

6 Tax on profit/loss for the year

	2020/21	2019/20
	DKK	DKK
Current tax	80,854	0
Change in deferred tax	132,970	101,544
	213,824	101,544

7 Intangible assets

	Acquired rights DKK	Goodwill DKK
Cost beginning of year	228,449	74,562
Disposals	(228,449)	0
Cost end of year	0	74,562
Amortisation and impairment losses beginning of year	(166,449)	(74,562)
Reversal regarding disposals	166,449	0
Amortisation and impairment losses end of year	0	(74,562)
Carrying amount end of year	0	0

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	386,086
Disposals	(34,852)
Cost end of year	351,234
Depreciation and impairment losses beginning of year	(343,889)
Depreciation for the year	(32,491)
Reversal regarding disposals	25,146
Depreciation and impairment losses end of year	(351,234)
Carrying amount end of year	0

9 Non-current liabilities other than provisions

	Due after more than 12 months 2020/21 DKK
Other payables	168,351
	168,351

There is no debt after 5 years

10 Unrecognised rental and lease commitments

	2020/21 DKK	2019/20 DKK
Liabilities under rental or lease agreements until maturity in total	539,556	669,838

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

Recognition and measurement

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

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

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

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

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

Foreign currency translation

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

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and consumables and external expenses.

Revenue

Revenue from the sale of goods is recognised in the income statement when delivery is made and risk has passed 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.

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 salaries and wages, 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.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, 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**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful Lives are reassessed on an annual basis. The amortisation periods used are 5 years.

Godwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

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 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

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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

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

Other fixtures and fittings, tools and equipment	3-5 years
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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.

Inventories

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

Cost consists of purchase price plus delivery costs.

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

Receivables

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

Deferred tax

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

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

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.

Other financial liabilities

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