



## Frismodt Holding ApS

Norsmindevej 150  
8340 Malling  
CVR No. 37207543

## Annual report 2020

The Annual General Meeting adopted the  
annual report on 01.07.2021

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**Christian Frismodt**

Chairman of the General Meeting

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# Entity details

## Entity

Frismodt Holding ApS

Norsmindevej 150

8340 Malling

Business Registration No.: 37207543

Date of foundation: 04.11.2011

Registered office: Aarhus

Financial year: 01.01.2020 - 31.12.2020

## Board of Directors

Christian Frismodt, Chairman

## Executive Board

Christian Frismodt, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Frismodt Holding ApS for the financial year 01.01.2020 - 31.12.2020

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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020.

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.

Malling, 01.07.2021

## Executive Board

**Christian Frismodt**

CEO

## Board of Directors

**Christian Frismodt**

Chairman

# Independent auditor's report

## To the shareholder of Frismodt Holding ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Frismodt Holding ApS for the financial year 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 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 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 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 and 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, 01.07.2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Søren Alsen Lauridsen**

State Authorised Public Accountant  
Identification No (MNE) mne40040

# Management commentary

## Financial highlights

	2020	2019	2018	2017
	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>				
Gross profit/loss	33,146	41,892	26,485	12,820
Operating profit/loss	21,466	23,680	17,369	10,304
Net financials	(2,127)	1,112	400	(804)
Profit/loss for the year	14,869	19,221	13,559	7,337
Balance sheet total	87,609	72,883	63,659	43,420
Investments in property, plant and equipment	944	389	448	27
Equity	51,130	36,465	17,292	3,797
<b>Ratios</b>				
Return on equity (%)	33.95	71.51	128.59	193.20
Equity ratio (%)	58.36	50.03	27.16	8.74

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 activity of the group is to operate in trade and related business and consultancy business.

### Development in activities and finances

The result of the year 2020 is satisfying. The group has realised a profit after tax of t.DKK 14,869 which is less than last year of t.DKK 19,221. Furthermore, the equity has been improved by t.DKK 14,665 and is now t.DKK 51,130.

This is a decrease from last year's result caused by the effects of Covid-19 as well as the unfavorable USD exchange rates.

### Outlook

For the financial year of 2021, we expect that the result of the year will be improved, primarily based on more sales to existing customers, and sales to new customers. We are still affected by the COVID-19 situation, but nonetheless, expect a better result.

We do not have any investments planned for the year of 2021.

Regarding future performance, the development of the USD exchange rate must be taken into account as all trading is done in USD. We do not use future exchange contracts. Exchanges are done when the exchange rate is favorable.

### Events after the balance sheet date

In January 2021, a majority of the shares in Forsco was sold above the book value and therefore an income will be recognised in 2021.

The transaction was planned to take place in March 2020 but was postponed due to the outbreak of COVID-19.

No other events, which could potentially influence the evaluation of this annual report, have occurred after the balance sheet date.

# Consolidated income statement for 2020

	Notes	2020 DKK	2019 DKK
<b>Gross profit/loss</b>		<b>33,145,655</b>	<b>41,892,233</b>
Staff costs	2	(11,242,920)	(17,988,400)
Depreciation, amortisation and impairment losses	3	(459,218)	(223,424)
Other operating expenses		22,340	0
<b>Operating profit/loss</b>		<b>21,465,857</b>	<b>23,680,409</b>
Income from investments in associates		(85,000)	335,000
Other financial income	4	2,003,245	1,588,512
Other financial expenses	5	(4,130,437)	(811,330)
<b>Profit/loss before tax</b>		<b>19,253,665</b>	<b>24,792,591</b>
Tax on profit/loss for the year	6	(4,384,813)	(5,571,649)
<b>Profit/loss for the year</b>	7	<b>14,868,852</b>	<b>19,220,942</b>

# Consolidated balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK	2019 DKK
Acquired intangible assets		188,487	112,553
<b>Intangible assets</b>	8	<b>188,487</b>	<b>112,553</b>
Other fixtures and fittings, tools and equipment		769,034	483,765
Leasehold improvements		622,226	218,400
<b>Property, plant and equipment</b>	9	<b>1,391,260</b>	<b>702,165</b>
Investments in associates		1,755,835	2,130,835
Receivables from associates		317,850	317,850
Deposits		251,563	106,600
Other receivables		1,352,698	1,252,698
<b>Financial assets</b>	10	<b>3,677,946</b>	<b>3,807,983</b>
<b>Fixed assets</b>		<b>5,257,693</b>	<b>4,622,701</b>
Manufactured goods and goods for resale		10,756,539	673,403
<b>Inventories</b>		<b>10,756,539</b>	<b>673,403</b>
Trade receivables		30,967,391	22,501,402
Other receivables		384,846	685,787
Prepayments	11	175,450	98,966
<b>Receivables</b>		<b>31,527,687</b>	<b>23,286,155</b>
<b>Cash</b>		<b>40,067,515</b>	<b>44,301,097</b>
<b>Current assets</b>		<b>82,351,741</b>	<b>68,260,655</b>
<b>Assets</b>		<b>87,609,434</b>	<b>72,883,356</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 DKK</b>	<b>2019 DKK</b>
Contributed capital		125,000	125,000
Retained earnings		50,891,653	36,229,436
Proposed dividend for the financial year		113,000	110,600
<b>Equity</b>		<b>51,129,653</b>	<b>36,465,036</b>
Deferred tax	12	21,194	0
<b>Provisions</b>		<b>21,194</b>	<b>0</b>
Bank loans		78,204	78,237
Trade payables		22,309,491	20,028,758
Payables to owners and management		34,772	34,772
Tax payable		2,352,257	3,531,733
Other payables		11,683,863	12,744,820
<b>Current liabilities other than provisions</b>		<b>36,458,587</b>	<b>36,418,320</b>
<b>Liabilities other than provisions</b>		<b>36,458,587</b>	<b>36,418,320</b>
<b>Equity and liabilities</b>		<b>87,609,434</b>	<b>72,883,356</b>
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# Consolidated statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Total DKK
Equity beginning of year	125,000	36,229,436	110,600	36,465,036
Ordinary dividend paid	0	0	(110,600)	(110,600)
Exchange rate adjustments	0	(39,000)	0	(39,000)
Other entries on equity	0	(54,635)	0	(54,635)
Profit/loss for the year	0	14,755,852	113,000	14,868,852
<b>Equity end of year</b>	<b>125,000</b>	<b>50,891,653</b>	<b>113,000</b>	<b>51,129,653</b>

# Consolidated cash flow statement for 2020

	Notes	2020 DKK	2019 DKK
Operating profit/loss		21,465,857	23,680,409
Amortisation, depreciation and impairment losses		459,218	223,424
Working capital changes	13	(18,037,620)	12,737,028
Other adjustments		591,040	0
<b>Cash flow from ordinary operating activities</b>		<b>4,478,495</b>	<b>36,640,861</b>
Financial income received		2,002,174	1,587,271
Financial expenses paid		(4,130,153)	(463,744)
Taxes refunded/(paid)		(5,571,649)	(4,210,155)
<b>Cash flows from operating activities</b>		<b>(3,221,133)</b>	<b>33,554,233</b>
Acquisition etc. of intangible assets		(243,337)	(227,640)
Acquisition etc. of property, plant and equipment		(944,045)	(389,006)
Acquisition of fixed asset investments		0	(375,000)
Sale of fixed asset investments		290,000	0
Loans		(100,000)	(506,158)
Other cash flows from investing activities		106,600	0
<b>Cash flows from investing activities</b>		<b>(890,782)</b>	<b>(1,497,804)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(4,111,915)</b>	<b>32,056,429</b>
Dividend paid		(110,600)	(108,000)
<b>Cash flows from financing activities</b>		<b>(110,600)</b>	<b>(108,000)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(4,222,515)</b>	<b>31,948,429</b>
Cash and cash equivalents beginning of year		44,222,860	12,185,006
Currency translation adjustments of cash and cash equivalents		(11,034)	89,425
<b>Cash and cash equivalents end of year</b>		<b>39,989,311</b>	<b>44,222,860</b>

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

Cash	40,067,515	44,301,097
Short-term bank loans	(78,204)	(78,237)
<b>Cash and cash equivalents end of year</b>	<b>39,989,311</b>	<b>44,222,860</b>

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# Notes to consolidated financial statements

## 1 Events after the balance sheet date

In January 2021, a majority of the shares in Forsco was sold above the book value and therefore an income will be recognised in 2021.

The transaction was planned to take place in March 2020 but was postponed due to the outbreak of COVID-19.

No other events, which could potentially influence the evaluation of this annual report, have occurred after the balance sheet date.

## 2 Staff costs

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	9,730,809	17,259,548
Pension costs	1,270,054	649,720
Other social security costs	129,693	75,722
Other staff costs	112,364	3,410
	<b>11,242,920</b>	<b>17,988,400</b>
Average number of full-time employees	<b>12</b>	<b>10</b>

## 3 Depreciation, amortisation and impairment losses

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	167,403	115,087
Depreciation on property, plant and equipment	146,734	108,337
Profit/loss from sale of intangible assets and property, plant and equipment	145,081	0
	<b>459,218</b>	<b>223,424</b>

## 4 Other financial income

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Other interest income	105,881	385,275
Exchange rate adjustments	1,897,364	1,203,237
	<b>2,003,245</b>	<b>1,588,512</b>



**5 Other financial expenses**

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	471,316	465,685
Exchange rate adjustments	3,652,097	345,645
Other financial expenses	7,024	0
	<b>4,130,437</b>	<b>811,330</b>

**6 Tax on profit/loss for the year**

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	4,363,585	5,610,649
Change in deferred tax	21,194	(39,000)
Adjustment concerning previous years	34	0
	<b>4,384,813</b>	<b>5,571,649</b>

**7 Proposed distribution of profit/loss**

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Ordinary dividend for the financial year	113,000	110,600
Retained earnings	14,755,852	19,110,342
	<b>14,868,852</b>	<b>19,220,942</b>

**8 Intangible assets**

	<b>Acquired intangible assets DKK</b>
Cost beginning of year	227,640
Additions	243,337
<b>Cost end of year</b>	<b>470,977</b>
Amortisation and impairment losses beginning of year	(115,087)
Amortisation for the year	(167,403)
<b>Amortisation and impairment losses end of year</b>	<b>(282,490)</b>
<b>Carrying amount end of year</b>	<b>188,487</b>

## 9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	857,475	273,000
Additions	467,515	476,530
Disposals	(146,112)	0
<b>Cost end of year</b>	<b>1,178,878</b>	<b>749,530</b>
Depreciation and impairment losses beginning of year	(373,710)	(54,600)
Depreciation for the year	(74,030)	(72,704)
Reversal regarding disposals	37,896	0
<b>Depreciation and impairment losses end of year</b>	<b>(409,844)</b>	<b>(127,304)</b>
<b>Carrying amount end of year</b>	<b>769,034</b>	<b>622,226</b>

## 10 Financial assets

	Investments in associates DKK	Receivables from associates DKK	Deposits DKK	Other receivables DKK
Cost beginning of year	2,130,835	317,850	106,600	1,252,698
Additions	0	0	251,563	100,000
Disposals	(375,000)	0	(106,600)	0
<b>Cost end of year</b>	<b>1,755,835</b>	<b>317,850</b>	<b>251,563</b>	<b>1,352,698</b>
<b>Carrying amount end of year</b>	<b>1,755,835</b>	<b>317,850</b>	<b>251,563</b>	<b>1,352,698</b>

## 11 Prepayments

Prepayments contains insurances and rent.

## 12 Deferred tax

	2020 DKK	2019 DKK
<b>Changes during the year</b>		
Beginning of year	0	(39,000)
Recognised in the income statement	21,194	39,000
<b>End of year</b>	<b>21,194</b>	<b>0</b>

Deferred tax relates to intangible assets, plant and equipment, inventories and other provisions.

### 13 Changes in working capital

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Increase/decrease in inventories	(9,882,789)	(673,403)
Increase/decrease in receivables	(8,190,935)	22,506,065
Increase/decrease in trade payables etc.	36,104	(9,095,634)
	<b>(18,037,620)</b>	<b>12,737,028</b>

### 14 Assets charged and collateral

As security for bank commitments the group has provided a floating charge of DKK 1 million.

### 15 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.

### 16 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Frismodt Holding ApS, Aarhus

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Frismodt Holding ApS, Aarhus

### 17 Subsidiaries

	<b>Registered in</b>	<b>Corporate form</b>	<b>Ownership %</b>
Forsco ApS	Denmark	ApS	100
Carechel ApS	Denmark	ApS	100
4Wheels APS	Denmark	ApS	100
Shanghai EverRest Furniture Co. Ltd.	China	Ltd.	100

# Parent income statement for 2020

	Notes	2020 DKK	2019 DKK
<b>Gross profit/loss</b>		<b>1,038,180</b>	<b>92,327</b>
Depreciation, amortisation and impairment losses	1	(72,704)	(54,600)
<b>Operating profit/loss</b>		<b>965,476</b>	<b>37,727</b>
Income from investments in group enterprises		14,430,751	20,003,553
Income from investments in associates		(85,000)	0
Other financial expenses	2	(294,322)	(22,082)
<b>Profit/loss before tax</b>		<b>15,016,905</b>	<b>20,019,198</b>
Tax on profit/loss for the year	3	(148,053)	(3,052)
<b>Profit/loss for the year</b>	4	<b>14,868,852</b>	<b>20,016,146</b>

# Parent balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK	2019 DKK
Leasehold improvements		622,226	218,400
<b>Property, plant and equipment</b>	5	<b>622,226</b>	<b>218,400</b>
Investments in group enterprises		5,192,485	29,302,100
Investments in associates		1,755,835	2,130,835
Other receivables		1,352,698	1,252,698
<b>Financial assets</b>	6	<b>8,301,018</b>	<b>32,685,633</b>
<b>Fixed assets</b>		<b>8,923,244</b>	<b>32,904,033</b>
Manufactured goods and goods for resale		0	673,403
<b>Inventories</b>		<b>0</b>	<b>673,403</b>
Receivables from group enterprises		29,359,476	426,500
Deferred tax	7	19,000	10,000
Tax receivable		1,842,947	1,786,948
<b>Receivables</b>		<b>31,221,423</b>	<b>2,223,448</b>
<b>Cash</b>		<b>11,057,791</b>	<b>4,213,859</b>
<b>Current assets</b>		<b>42,279,214</b>	<b>7,110,710</b>
<b>Assets</b>		<b>51,202,458</b>	<b>40,014,743</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 DKK</b>	<b>2019 DKK</b>
Contributed capital		125,000	125,000
Retained earnings		50,891,653	37,937,622
Proposed dividend for the financial year		113,000	110,600
<b>Equity</b>		<b>51,129,653</b>	<b>38,173,222</b>
Payables to group enterprises		12,186	1,780,903
Payables to owners and management		34,772	34,772
Other payables		25,847	25,846
<b>Current liabilities other than provisions</b>		<b>72,805</b>	<b>1,841,521</b>
<b>Liabilities other than provisions</b>		<b>72,805</b>	<b>1,841,521</b>
<b>Equity and liabilities</b>		<b>51,202,458</b>	<b>40,014,743</b>
Working conditions	8		
Contingent liabilities	9		
Transactions with related parties	10		

## Parent statement of changes in equity for 2020

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	125,000	0	37,937,622	110,600	38,173,222
Ordinary dividend paid	0	0	0	(110,600)	(110,600)
Other entries on equity	0	0	(1,801,821)	0	(1,801,821)
Dividends from group enterprises	0	(23,690,263)	23,690,263	0	0
Transfer to reserves	0	23,690,263	(23,690,263)	0	0
Profit/loss for the year	0	0	14,755,852	113,000	14,868,852
<b>Equity end of year</b>	<b>125,000</b>	<b>0</b>	<b>50,891,653</b>	<b>113,000</b>	<b>51,129,653</b>

# Notes to parent financial statements

## 1 Depreciation, amortisation and impairment losses

	2020 DKK	2019 DKK
Depreciation on property, plant and equipment	72,704	54,600
	<b>72,704</b>	<b>54,600</b>

## 2 Other financial expenses

	2020 DKK	2019 DKK
Other interest expenses	255,777	21,382
Exchange rate adjustments	38,545	700
	<b>294,322</b>	<b>22,082</b>

## 3 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	157,053	3,052
Change in deferred tax	(9,000)	0
	<b>148,053</b>	<b>3,052</b>

## 4 Proposed distribution of profit and loss

	2020 DKK	2019 DKK
Ordinary dividend for the financial year	113,000	110,600
Retained earnings	14,755,852	19,905,546
	<b>14,868,852</b>	<b>20,016,146</b>

## 5 Property, plant and equipment

	Leasehold improvements DKK
Cost beginning of year	273,000
Additions	476,530
<b>Cost end of year</b>	<b>749,530</b>
Depreciation and impairment losses beginning of year	(54,600)
Depreciation for the year	(72,704)
<b>Depreciation and impairment losses end of year</b>	<b>(127,304)</b>
<b>Carrying amount end of year</b>	<b>622,226</b>



## 6 Financial assets

	<b>Investments in group enterprises DKK</b>	<b>Investments in associates DKK</b>	<b>Other receivables DKK</b>
Cost beginning of year	5,611,837	2,130,835	1,252,698
Exchange rate adjustments	(39,000)	0	0
Additions	3,439,396	0	100,000
Disposals	0	(375,000)	0
<b>Cost end of year</b>	<b>9,012,233</b>	<b>1,755,835</b>	<b>1,352,698</b>
Revaluations beginning of year	23,690,263	0	0
Share of profit/loss for the year	14,691,810	0	0
Dividend	(40,400,000)	0	0
Other adjustments	(1,801,821)	0	0
<b>Revaluations end of year</b>	<b>(3,819,748)</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>5,192,485</b>	<b>1,755,835</b>	<b>1,352,698</b>

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

<b>Investments in associates</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Ownership %</b>
EverRest Production d.o.o.	Serbia	d.o.o.	10

## 7 Deferred tax

	<b>2020 DKK</b>	<b>2019 DKK</b>
<b>Changes during the year</b>		
Beginning of year	10,000	0
Recognised in the income statement	9,000	10,000
<b>End of year</b>	<b>19,000</b>	<b>10,000</b>

Deferred tax relates to leasehold improvements.

## 8 Working conditions

Average number of employees: 0 (2019: 0).

## 9 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

## 10 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

## Recognition and measurement

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

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

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

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

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

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction

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

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

## **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 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 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 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, plant and equipment.

**Other operating expenses**

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

**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.

**Income from investments in associates**

Income from investments in associates comprises dividends etc. received from the individual associates in the financial year.

**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****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.

### 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 self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs. 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:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

### Investments in associates

Investments in associates 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 the FIFO method and 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.

**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.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Other financial liabilities**

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

**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 taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.