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PARELO A/S
PALSGAARDVEJ 10, 7130 JUELSMINDE
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2021

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 17 February 2022**

Palle Hansen

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 41 33 96 08

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COMPANY DETAILS

Company	Parelo A/S Palsgaardvej 10 7130 Juelsminde
	CVR No.: 41 33 96 08 Established: 5 May 2020 Municipality: Hedensted Financial Year: 1 January - 31 December
Board of Directors	Anders Brix, chairman Steen Lindvig Kramer Mogens Nielsen
Executive Board	Per Momme Studsgaard
Auditor	BDO Statsautoriseret revisionsaktieselskab Roms Hule 4, 1. sal 7100 Vejle

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Parelo A/S for the financial year 1 January - 31 December 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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the general meeting to opt out of audit for the annual report for 1 January - 31 December 2022. The Board of Directors and Executive Board consider the conditions for opting out of audit to be fulfilled.

We recommend the Annual Report be approved at the Annual General Meeting.

Juelsminde, 17 February 2022

Executive Board

Per Momme Studsgaard

Board of Directors

Anders Brix
Chairman

Steen Lindvig Kramer

Mogens Nielsen

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Parelo A/S

Opinion

We have audited the Financial Statements of Parelo A/S for the financial year 1 January - 31 December 2021, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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 judgment and maintain professional skepticism 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 Company's internal control.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that 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 Management Commentary.

Vejle, 17 February 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Frank Lau
State Authorised Public Accountant
MNE no. mne32054

MANAGEMENT COMMENTARY

Principal activities

The principal activities comprise investments in group enterprises.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2021 DKK	2020 DKK
INCOME FROM INVESTMENTS IN SUBSIDIARIES.....		1.817.641	223.337
Other external expenses.....		-18.047	-5.000
OPERATING PROFIT.....		1.799.594	218.337
Other financial income.....		121	0
Other financial expenses.....		-3.772	-61
PROFIT BEFORE TAX.....		1.795.943	218.276
Tax on profit/loss for the year.....		0	0
PROFIT FOR THE YEAR.....		1.795.943	218.276
PROPOSED DISTRIBUTION OF PROFIT			
Allocation to reserve for net revaluation according to equity value method.....		799.169	223.337
Retained earnings.....		996.774	-5.061
TOTAL.....		1.795.943	218.276

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2021 DKK	2020 DKK
Equity investments in group enterprises.....		60.645.499	36.533.787
Financial non-current assets.....	1	60.645.499	36.533.787
NON-CURRENT ASSETS.....		60.645.499	36.533.787
Receivables from group enterprises.....		0	1.150.000
Claim for payment of company capital.....		13.320.000	0
Receivables.....		13.320.000	1.150.000
Cash and cash equivalents.....		31.533	0
CURRENT ASSETS.....		13.351.533	1.150.000
ASSETS.....		73.997.032	37.683.787
EQUITY AND LIABILITIES			
Share capital.....		22.722.000	402.000
Reserve for net revaluation according to equity value method..		773.240	0
Reserve for unpaid share capital.....		13.320.000	0
Retained earnings.....		23.834.500	36.157.726
EQUITY.....		60.649.740	36.559.726
Bank debt.....		42	61
Trade payables.....		6.250	5.000
Debt to group enterprises.....		13.320.000	0
Other liabilities.....		21.000	1.119.000
Current liabilities.....		13.347.292	1.124.061
LIABILITIES.....		13.347.292	1.124.061
EQUITY AND LIABILITIES.....		73.997.032	37.683.787
 Contingencies etc.	 2		

EQUITY

	Share capital	Reserve for net revaluati- on according to equity va- lue method	Reserve for unpaid share capital	Retained earnings	Total
Equity at 1 January 2021.....	402.000	0	0	36.157.726	36.559.726
Proposed profit allocation.....		799.169		996.774	1.795.943
Transactions with owners					
Capital increase.....	22.320.000		13.320.000	-13.320.000	22.320.000
Other legal bindings					
Foreign exchange adjustments.....		-25.929			-25.929
Equity at 31 December 2021	22.722.000	773.240	13.320.000	23.834.500	60.649.740

NOTES

Note

Financial non-current assets

1

	Equity investments in group enterprises
Cost at 1 January 2021.....	37.552.260
Additions.....	22.320.000
Cost at 31 December 2021.....	59.872.260
Revaluation at 1 January 2021.....	-1.018.473
Exchange rate adjustment.....	-25.929
Profit/loss for the year.....	1.817.641
Revaluation at 31 December 2021.....	773.239
Carrying amount at 31 December 2021.....	60.645.499

Investments in subsidiaries

Name and domicil	Ownership
MSP Holding 2013 A/S, Juelsminde, Denmark.....	100 %
Lorepa A/S, Juelsminde, Denmark.....	100 %

Contingencies etc.

2

Joint liabilities

The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to DKK 0 at the balance sheet date.

ACCOUNTING POLICIES

The Annual Report of Parelo A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The format of the income statement has been adjusted to the Company's activities as a holding Company.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Income from investments in subsidiaries

The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Financial non-current assets

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Equity investments in are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models.

ACCOUNTING POLICIES

Net revaluation of equity interests in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiary's subsidiaries deficit.

Impairment of fixed assets

The carrying amount of fixed assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.