Sæther Nordic A/S

Ryttermarken 11, 3520 Farum

CVR no. 70 33 34 14

Annual report 2021

Approved at the Company's annual general meeting on 28 April 2022

Chair of the meeting:

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Søren Tyge Sørensen

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Sæther Nordic A/S for the financial year 1 January - 31 December 2021.

The annual report is 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 financial position of the Group and the Company at 31 December 2021 and of the results of the Group's and the Company's operations and of the consolidated 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 Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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

Farum, 28 April 2022
Executive Board:

Palle Pedersen
Chief Executive Officer

Board of Directors:

Ellinor Sæther Chair	Kay Spanger	Lars Daugaard
Pernille Krogh-Meyer	Søren Tyge Sørensen	

Independent auditor's report

To the shareholders of Sæther Nordic A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Sæther Nordic A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the 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 financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group's and Parent Company's operations as well as the 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" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' 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.

Management's responsibilities for the 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 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 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 financial statements unless Management either intends to liquidate the Group or the Parent 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 as to 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 the 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:

Independent auditor's report

- 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 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 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 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the 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 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 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 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's review.

Copenhagen, 28 April 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Robert Christensen
State Authorised Public Accountant
mne16653

Jan C. Olsen
State Authorised Public Accountant
mne33717

Management's review

Company details

Name	Sæther Nordic A/S
Address, Postal code, City	Ryttermarken 11, 3520 Farum
CVR no.	70 33 34 14
Registered office	Furesø
Financial year	1 January - 31 December
Board of Directors	Ellinor Sæther, Chair Kay Spanger Lars Daugaard Pernille Krogh-Meyer Søren Tyge Sørensen
Executive Board	Palle Pedersen, Chief Executive Officer
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Nordea

Management's review

Financial highlights for the Group

DKK'000	2021	2020	2019	2018	2017
Key figures					
Revenue	1,192,153	911,685	879,295	643,591	608,636
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	102,071	76,784	39,510	25,015	26,804
Operating profit/loss	89,400	58,722	26,824	16,637	17,217
Net financials	-3,040	-2,893	-2,950	-2,167	-2,670
Profit for the year	**67,767**	**50,273**	**17,016**	**10,496**	**11,062**
Total assets	426,917	310,933	274,163	284,533	209,557
Equity	**161,663**	**115,707**	**67,573**	**64,734**	**78,420**
Cash flows from operating activities	30,776	66,865	58,922	-8,646	18,542
Amount relating to investments in property, plant and equipment	-29,959	-6,294	-8,558	-15,010	-5,990
Financial ratios					
Operating margin	7.5%	7.3%	3.2%	2.9 %	3.2 %
Gross margin	25.1%	29.5%	23.3%	20.0%	20.1%
Return on assets	24.2%	20.1%	9.6%	6.7%	8.5%
Equity ratio	37.9%	37.2%	24.6%	22.8%	37.4%
Return on equity	48.9%	54.9%	25.7%	14.7%	14.1%
Average number of full-time employees	**311**	**283**	**278**	**202**	**184**

Financial ratios are calculated in accordance with the terms and definitions as described in the accounting policies.

Management's review

Business review

The Group's main activities are the sale and marketing of perfumes and cosmetic products to the Nordic market.

The main activities of the parent company are logistics, IT, procurement, finance and administration for the Group's subsidiaries.

Financial review

The income statement for 2021 shows a profit of DKK 67,767 thousand against a profit of DKK 50,273 thousand last year, and the group's balance sheet at 31 December 2021 shows equity of DKK 161,663 thousand.

The development in the financial year has been extremely satisfactory and much better than expectations.

A large part of the progress fall within the fact that the distribution rights for a larger portfolio have been accessed by the Group and its subsidiaries in Sweden and Norway as of 1 July 2021.

However, the result for the year is, conversely, negatively affected by the provision for restructuring and the provision for losses in connection with the expected return of goods containing the ingredient Lilial. Please refer to note 2.

The inflow of distribution rights has resulted in larger investments, which is why the Group has had negative cash flows in 2021, cf. the statement of cash flows. However, the development is in line with expectations.

Financial review parent company

The parent company incurred a net profit after tax of DKK 67.767 thousand - in line with Management's expectations but affected by the same events as impacted group figures.

No facts or events occured in the parent company during the financial year which are not reflected in the management report for the Group.

Management's review

Financial risks and use of financial instruments

The Group's purchases are primarily made in EUR and some purchases are made in USD, whereas the Group's sales are primarily made in DKK, EUR, NOK and SEK.

Currency risks are therefore limited to SEK, NOK and USD as the Danish krone in all material respects follows the euro. Currency risks are hedged based on an ongoing assessment of the exposure for the coming 12 months, and hedging is made by means of foreign exchange contracts.

Investments in subsidiaries are considered long-term, and price risks in this respect are generally not hedged.

Statutory CSR report

The Company has no policies for corporate social responsibility, including human rights, climate impact, environment, social and staff matters as well as anti-corruption because the Company has assessed that the related risks are limited.

Corporate social responsibility, including human rights and anti-corruption, is an integral part of the Danish labour market and Danish corporate culture and is well-established in the Company. This is reflected in the Company's trade with both Danish and foreign entities.

However, at the end of the year, the company has partnered with a consultant in relation to mapping the company's current status in relation to sustainability and to establish concrete targets for the future. The company therefore expects to have concrete policies during 2022.

Management's review

Account of the gender composition of Management, cf. §99b

Target figure for the Board of Directors

The Board of Directors has determined a target ratio for the underrepresented gender on the Board of Directors of at least 40%, corresponding to 2 out of 5 members. The Board of Directors strives to maintain the target ratio in future.

Status for fulfilment of the target

At present, the Company has two female board members elected by the general meeting out of a total of five board members (40%), which is a change compared to last year as a new female member has been elected.

Policy for increasing the ratio of the under-represented gender at other managerial levels

The Company works to increase the ratio of female executives at all levels in the Company.

In terms of the share of female managers, the share of female managers in the parent company has been on par just below last year, with 33% at the end of the year, compared to 36% in 2020.

The Company strives for a well-balanced gender composition in the Company; however, our recruitment policy is to always hire the best qualified candidate for a given position. We also consider diversity a strength and therefore continuously strive to harmonise the gender composition in the Company, including among our executive employees.

Data ethics

The company does not consider it relevant to develop a policy on data ethics. In this connection, the Company emphasise importance to the fact that the Company only to a limited extent collects and processes data and does not use new technologies as part of the Company's main activity, and does not itself or through external suppliers carry out specific data analyses, evaluations or segmentations.

Management's review

Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Outlook

The Company expects an increase in revenue for 2022 of approximately 25% as a result of the full-year effect from the increased distribution rights from July 1, 2021. Despite increased revenue, a moderate increase of 3-4% in the company's profit is expected as a result of planned investments in the organization.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent company	
Note	DKK'000	2021	2020	2021	2020
3	**Revenue**	1,192,153	911,685	825,623	625,215
	Cost of sales	-686,346	-530,024	-705,632	-540,591
	Other operating income	1	8,103	39,145	37,051
	Other external expenses	-206,401	-120,453	-56,017	-36,492
	Gross profit	299,407	269,311	103,119	85,183
4	Staff costs	-197,336	-192,527	-59,058	-53,904
5	Depreciation of property, plant and equipment	-12,670	-9,959	-1,387	-1,976
	Profit before net financials	89,401	66,825	42,674	29,303
	Income from investments in group entities	0	0	37,665	29,640
6	Financial income	270	721	193	502
7	Financial expenses	-3,310	-3,614	-4,183	-3,268
	Profit before tax	86,361	63,932	76,349	56,177
8	Tax for the year	-18,594	-13,659	-8,582	-5,904
	Profit for the year	67,767	50,273	67,767	50,273

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	DKK'000	2021	2020	2021	2020
	ASSETS				
	Fixed assets				
9	**Property, plant and equipment**				
	Other fixtures and fittings, tools and equipment	26,650	15,360	1,253	2,032
	Leasehold improvements	3,822	1,318	3,822	1,318
	Prepayments for property, plant and equipment	827	1,343	514	565
		31,299	18,021	5,589	3,915
10	**Investments**				
	Investments in group entities	0	0	93,433	70,948
	Deposits	3,454	3,001	3,398	2,945
		3,454	3,001	96,831	73,893
	Total fixed assets	34,753	21,022	102,420	77,808
	Non-fixed assets				
	Inventories				
	Finished goods and goods for resale	220,255	133,845	220,255	133,845
		220,255	133,845	220,255	133,845
	Receivables				
	Trade receivables	116,748	102,123	6,598	1,688
	Receivables from group entities	0	0	21,695	11,055
13	Deferred tax assets	7,317	3,711	1,725	827
	Income taxes receivable	0	1,163	0	0
	Other receivables	5,839	5,302	4,212	3,099
11	Prepayments	4,474	5,521	2,874	3,002
		134,378	117,820	37,104	19,671
	Cash	37,531	38,246	0	0
	Total non-fixed assets	392,164	289,911	257,359	153,516
	TOTAL ASSETS	426,917	310,933	359,779	231,324

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	DKK'000	2021	2020	2021	2020
	EQUITY AND LIABILITIES				
	Equity				
12	Share capital	1,500	1,500	1,500	1,500
	Net revaluation reserve according to the equity method	0	0	29,056	0
	Translation reserve	616	796	616	796
	Hedging reserve	-987	-4,356	-987	-4,356
	Retained earnings	115,534	92,767	86,478	92,767
	Dividend proposed for the year	45,000	25,000	45,000	25,000
	Total equity	161,663	115,707	161,663	115,707
	Provisions				
13	Deferred tax	1,368	1,889	0	0
	Other provisions	15,486	8,222	0	0
15	**Total provisions**	16,854	10,111	0	0
	Liabilities other than provisions				
14	**Non-current liabilities other than provisions**				
	Other payables	17,987	11,535	10,774	6,074
		17,987	11,535	10,774	6,074
	Current liabilities other than provisions				
	Other credit institutions	23,802	0	21,456	3,875
	Trade payables	109,861	82,759	68,018	46,392
	Payables to group entities	0	0	71,362	32,091
	Income taxes payable	20,493	11,187	10,431	5,610
	Other payables	69,786	73,714	9,743	16,704
17	Deferred income	6,471	5,920	6,332	4,871
		230,413	173,580	187,342	109,543
	Total liabilities other than provisions	248,400	185,115	198,116	115,617
	TOTAL EQUITY AND LIABILITIES	426,917	310,933	359,779	231,324

1 Accounting policies
2 Special items
18 Contractual obligations and contingencies, etc.
19 Collateral
20 Related parties
21 Fee to the auditors appointed by the Company in general meeting
22 Appropriation of profit

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Group					
		Share capital	Translation reserve	Hedging reserve	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 January 2020	1,500	0	-1,421	67,494	0	67,573
	Transfer through appropriation of profit	0	0	0	25,273	25,000	50,273
	Exchange adjustment	0	796	0	0	0	796
	Adjustment of hedging instruments at fair value	0	0	-3,763	0	0	-3,763
	Tax on items recognised directly in equity	0	0	828	0	0	828
	Equity at 1 January 2021	1,500	796	-4,356	92,767	25,000	115,707
	Transfer through appropriation of profit	0	0	0	22,767	45,000	67,767
	Exchange adjustment	0	-180	0	0	0	-180
	Adjustment of hedging instruments at fair value	0	0	4,319	0	0	4,319
	Tax on items recognised directly in equity	0	0	-950	0	0	-950
	Dividend distributed	0	0	0	0	-25,000	-25,000
	Equity at 31 December 2021	1,500	616	-987	115,534	45,000	161,663

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity (continued)

		Parent company						
Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Translation reserve	Hedging reserve	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 January 2020	1,500	0	0	-1,421	67,494	0	67,573
22	Transfer, see "Appropriation of profit"	0	0	0	0	25,273	25,000	50,273
	Exchange adjustment	0	0	796	0	0	0	796
	Adjustment of hedging instruments at fair value	0	0	0	-3,763	0	0	-3,763
	Tax on items recognised directly in equity	0	0	0	828	0	0	828
	Equity at 1 January 2021	1,500	0	796	-4,356	92,767	25,000	115,707
22	Transfer, see "Appropriation of profit"	0	29,056	0	0	-6,289	45,000	67,767
	Exchange adjustment	0	0	-180	0	0	0	-180
	Adjustment of hedging instruments at fair value	0	0	0	4,319	0	0	4,319
	Tax on items recognised directly in equity	0	0	0	-950	0	0	-950
	Dividend distributed	0	0	0	0	0	-25,000	-25,000
	Equity at 31 December 2021	1,500	29,056	616	-987	86,478	45,000	161,663

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	Group 2021	Group 2020
	Profit for the year	67,767	50,273
23	Adjustments	40,382	23,185
	Cash generated from operations (operating activities)	108,149	73,458
24	Changes in working capital	-63,569	4,427
	Cash generated from operations (operating activities)	44,580	77,885
	Interest received, etc.	270	721
	Interest paid, etc.	-3,310	-3,614
	Income taxes paid	-10,764	-8,127
	Cash flows from operating activities	30,776	66,865
	Acquisition of property, plant and equipment	-29,959	-6,294
	Addition of financial assets	-453	-31
	Cash flows to investing activities	-30,412	-6,325
	Dividends paid	-25,000	0
	Proceeds of long-term liabilities	0	6,234
	Proceeds of debt to credit institutions	23,802	0
	Repayments, debt to credit institutions	0	-26,949
	Repayments, borrowings from group enterprises	0	-13,584
	Cash flows from financing activities	-1,198	-34,299
	Net cash flow	-834	26,241
	Cash and cash equivalents at 1 January	38,246	11,445
	Foreign exchange adjustments	119	560
	Cash and cash equivalents at 31 December	37,531	38,246

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

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

Reclassification has been made in the parent company between other external costs, personnel costs and other operating income. The reclassifications have not had an impact on profit or equity for the year. Comparative figures have been adjusted accordingly.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

The consolidated entities' financial statements have been prepared in accordance with the Parent Company's accounting policies. The consolidated financial statements are prepared on the basis of the financial statements of the consolidated entities by aggregating similar financial statement items. Intra-group income, expenses, gains, losses, ownership interest, dividends and balances are eliminated. Equity investments in consolidated entities are set off against the proportionate share of the consolidated entity's fair value of assets and liabilities at the acquisition date.

Newly acquired or formed entities are recognised in the consolidated financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Entities over which the Group exercises significant influence are considered associates. Significant influence is presumed to exist when the Group directly or indirectly holds between 20% and 50% of the voting rights or otherwise has or actually exercises significant influence.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables, payables and other monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Foreign group entities

Foreign subsidiaries are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Exchange adjustments of balances with separate foreign enitites that are considered to constitute an addition to or a deduction from the total investment in the separate foreign entitiy are taken directly to equity.

On the sale of an separate foreign entity, the accumulated exchange adjustment is re-classified from equity to the income statement together with the gain or the loss.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement along with changes in the fair value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Public grants

Public grants to cover expenses are recognised in the income statement when it is deemed likely that all grant criteria have been met. Grants which must be repaid under certain circumstances are recognised only where they are not expected to be repaid.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliable and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Other operating income

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including sale of services to affiliates and gains or losses on the sale of non-current assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	10 years

The residual value is determined at the time of acquisition and is reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Residual values are assessed to be DKK 0.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profit from investments in subsidiaries

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments under operating leases are recognised in the income statement over the term of the lease.

Investments in subsidiaries

On initial recognition, investments in subsidiaries are measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the Parent Company's accounting policies minus or plus any residual value of positive or negative goodwill calculated in accordance with the purchase method of accounting. Subsidiaries with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such entities are written down by the Parent Company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the Parent Company has a legal or a constructive obligation to cover the subsidiary's deficit. Net revaluations of investments in subsidiaries are transferred to the net revaluation reserve according to the equity method where the carrying amount exceeds the acquisition cost.

Newly acquired or formed entities are recognised in the financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised up to the date of disposal.

Gains or losses on disposal of subsidiaries are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

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

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to return commitments related to the sale of goods. Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event at the balance sheet date and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, 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 net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

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

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

Cash and cash equivalents comprise cash and short-term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Segment information

The allocation of revenue to geographical markets is disclosed. The segmentation is in accordance with the Company's internal financial management.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

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Notes to the financial statements

2 Special items

Special items include income and expenses not directly attributable to the Group's recurring operating activities such as restructuring costs and one-off impairment of inventories etc. In addition non recurring amounts are classified as special items including: Significant impairments of current and non-current assets; gains and losses on the disposal of activities and non-current assets.

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

	Group		Parent company	
DKK'000	2021	2020	2021	2020
Income				
Payroll compensation	0	6,915	0	731
	0	6,915	0	731
Expenses				
Return provision etc.	-11,052	0	-1,045	0
Compensation in resignation period	-4,647	0	0	0
	-15,699	0	-1,045	0
Special items are recognised in the below items of the financial statements				
Other operating income	0	6,915	0	731
Cost of sales	-11,052	0	-1,045	0
Staff costs	-4,647	0	0	0
Net profit/loss on special items	-15,699	6,915	-1,045	731

	Group		Parent company	
DKK'000	2021	2020	2021	2020
3 Segment information				
Breakdown of revenue by geographical segment:				
Revenue, Denmark	560,854	498,622	398,396	351,353
Revenue, Sweden	397,431	251,735	265,472	160,437
Revenue, Norway	201,840	139,318	137,886	97,338
Revenue, Other countries	32,028	22,010	23,869	16,087
	1,192,153	911,685	825,623	625,215

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Notes to the financial statements

	DKK'000	Group 2021	Group 2020	Parent company 2021	Parent company 2020
4	**Staff costs**				
	Wages/salaries	163,439	166,067	53,368	49,971
	Pensions	14,051	11,460	3,106	2,997
	Other social security costs	12,713	9,756	752	454
	Other staff costs	7,133	5,244	1,832	482
		197,336	192,527	59,058	53,904
	Average number of full-time employees	311	283	83	84

Total remuneration to group Management and board of directors: DKK 4,350 thousand (2020: DKK 4,327 thousand)

Parent company

Total remuneration to Management and board of directors: DKK 4,350 thousand (2020: DKK 4,327 thousand)

	DKK'000	Group 2021	Group 2020	Parent company 2021	Parent company 2020
5	**Depreciation of property, plant and equipment**				
	Depreciation of property, plant and equipment	12,670	9,959	1,387	1,976
		12,670	9,959	1,387	1,976
6	**Financial income**				
	Interest receivable, group entities	0	0	0	84
	Exchange adjustments	256	714	0	418
	Other financial income	14	7	193	0
		270	721	193	502
7	**Financial expenses**				
	Interest expenses, group entities	0	144	1,530	966
	Exchange adjustments	806	1,022	736	0
	Other financial expenses	2,504	2,448	1,917	2,302
		3,310	3,614	4,183	3,268

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	Group		Parent company	
DKK'000	2021	2020	2021	2020
8 Tax for the year				
Estimated tax charge for the year	22,440	13,626	9,481	6,438
Deferred tax adjustments in the year	-3,846	557	-899	-534
Tax adjustments, prior years	0	-524	0	0
	18,594	13,659	8,582	5,904
Specified as follows:				
Tax for the year	18,594	13,659	8,582	5,904
Tax on items recognised directly in equity	950	-828	950	-828
	19,544	12,831	9,532	5,076

9 **Property, plant and equipment**

	Group			
DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Prepayments for property, plant and equipment	Total
Cost at 1 January 2021	51,812	7,227	1,343	60,382
Exchange adjustment	213	0	0	213
Additions in the year	14,633	0	15,326	29,959
Disposals in the year	-2,533	0	-4,433	-6,966
Transfer from other accounts	8,468	2,941	-11,409	0
Cost at 31 December 2021	72,593	10,168	827	83,588
Impairment losses and depreciation at 1 January 2021	36,452	5,909	0	42,361
Exchange adjustment	83	0	0	83
Depreciation in the year	12,228	442	0	12,670
Reversal of prior-year depreciation	-348	0	0	-348
Reversal of depreciation and impairment of disposals	-2,477	0	0	-2,477
Transferred	5	-5	0	0
Impairment losses and depreciation at 31 December 2021	45,943	6,346	0	52,289
Carrying amount at 31 December 2021	26,650	3,822	827	31,299

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

9 Property, plant and equipment (continued)

	Parent company			
DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Prepayments for property, plant and equipment	Total
Cost at 1 January 2021	19,341	7,227	565	27,133
Additions in the year	0	0	6,931	6,931
Disposals in the year	-692	0	-3,870	-4,562
Transfer from other accounts	171	2,941	-3,112	0
Cost at 31 December 2021	18,820	10,168	514	29,502
Impairment losses and depreciation at 1 January 2021	17,309	5,909	0	23,218
Depreciation in the year	945	442	0	1,387
Reversal of depreciation and impairment of disposals	-692	0	0	-692
Transferred	5	-5	0	0
Impairment losses and depreciation at 31 December 2021	17,567	6,346	0	23,913
Carrying amount at 31 December 2021	1,253	3,822	514	5,589

10 Investments

	Group
DKK'000	Deposits
Cost at 1 January 2021	3,001
Additions in the year	453
Cost at 31 December 2021	3,454
Carrying amount at 31 December 2021	3,454

	Parent company		
DKK'000	Investments in group entities	Deposits	Total
Cost at 1 January 2021	64,378	2,945	67,323
Additions in the year	0	453	453
Cost at 31 December 2021	64,378	3,398	67,776
Value adjustments at 1 January 2021	6,570	0	6,570
Exchange adjustment	-180	0	-180
Dividend distributed	-15,000	0	-15,000
Share of the profit/loss for the year	37,665	0	37,665
Value adjustments at 31 December 2021	29,055	0	29,055
Carrying amount at 31 December 2021	93,433	3,398	96,831

Parent company

Name	Legal form	Domicile	Interest
Subsidiaries			
E. Sæther A/S	Aktieselskab	Danmark	100.00%
E. Saether AB	Kapitalselskab	Sverige	100.00%
Saether OY	Kapitalselskab	Finland	100.00%
E. Sæther AS	Kapitalselskab	Norge	100.00%

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Notes to the financial statements

10 Investments (continued)

11 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years, including rent, licence fees and other prepaid expenses.

Parent company

Prepayments include accrual of expenses relating to subsequent financial years, including rent, licence fees and other prepaid expenses.

	Parent company	
DKK'000	2021	2020
12 Share capital		
Analysis of the share capital:		
1,000 A shares of DKK 1.00 nominal value each	1	1
1,499,000 B shares of DKK 1.00 nominal value each	1,499	1,499
	1,500	1,500

	Group		Parent company	
DKK'000	2021	2020	2021	2020
13 Deferred tax				
Deferred tax at 1 January	-1,822	-2,442	-827	-293
Exchange adjustment	-28	38	0	0
Deferred tax adjustment in the year	-3,846	577	-898	-534
Currency adjustment to deferred tax	-253	5	0	0
Deferred tax at 31 December	-5,949	-1,822	-1,725	-827

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Notes to the financial statements

13 Deferred tax (continued)

Deferred tax relates to:

	Group		Parent company	
DKK'000	2021	2020	2021	2020
Property, plant and equipment	-2,569	-2,250	-251	-387
Receivables	-77	173	0	0
Provisions	1,368	695	0	0
Other taxable temporary differences	-4,671	-440	-1,474	-440
	-5,949	-1,822	-1,725	-827

Analysis of the deferred tax				
Deferred tax assets	-7,317	-3,711	-1,725	-827
Deferred tax liabililties	1,368	1,889	0	0
	-5,949	-1,822	-1,725	-827

At 31 December 2021, the Group and Parent Company had recognised a tax asset totalling DKK 7,317 thousand and DKK 1.725 thousand. The tax asset consists primarily of non-utilised tax deductions in the form of timing differences.

Based on the 2022 budgets, management has assessed it likely that future taxable profit will be available in which tax assets can be utilized.

14 Non-current liabilities other than provisions

	Group			
DKK'000	Total debt at 31/12 2021	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other payables	17,987	0	17,987	0
	17,987	0	17,987	0

	Parent company			
DKK'000	Total debt at 31/12 2021	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other payables	10,774	0	10,774	0
	10,774	0	10,774	0

15 Provisions

Group

Other provisions comprise provisions for return commitments related ot the sale of goods. Return provisions relate to aniticpated return expenses in accordance with agreements with customers. The obligation is expected to be settled over the return period, which is maximum one year.

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Notes to the financial statements

16 Derivative financial instruments and disclosure of fair values

Group

Fair values

The fair value of the below financial instruments deviates from the value recognised in the Group's balance sheet at 31 December 2021.

Fair value disclosures

The Group has the following assets and liabilities measured at fair value:

DKK'000	Forward contracts
Group	
Fair value at year end	-1,415
Value adjustments in the income statement	819
Changes recognised in the hedging reserve	4,320
Fair value level	2
Parent Company	
Fair value at year end	-1,415
Value adjustments in the income statement	819
Changes recognised in the hedging reserve	4,320
Fair value level	2

17 Deferred income

Group

Deferred income consists of prepaid marketing contributions that will not be recognised as income until the subsequent financial year once the recognition criteria are satisfied.

Parent company

Deferred income consists of prepaid marketing contributions that will not be recognised as income until the subsequent financial year once the recognition criteria are satisfied.

18 Contractual obligations and contingencies, etc.

Contingent liabilities

Group

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
DKK'000	2021	2020	2021	2020
Rent and lease liabilities	62,467	50,926	48,614	35,505

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Notes to the financial statements

18 Contractual obligations and contingencies, etc. (continued)

Group

Rent and lease liabilities include a rent obligation totalling DKK 58,337 thousand (2020: DKK 45,240 thousand) in interminable rent agreements with remaining contract terms of 1-10 years. Furthermore, the Group has liabilities under operating leases for cars and IT equipment totalling DKK 4,130 thousand (2020: DKK 5,685 thousand) with remaining contract terms of 1-4 years.

Parent company

The Company is jointly taxed with other Danish group entities. As a jointly taxed group entity, the Company has joint and several unlimited liability, together with the other group entities, for all Danish income taxes and withholding taxes on dividend, interest and royalties within the group of jointly taxed entities.

The Company is jointly registered for VAT with its subsidiary E. Sæther A/S. The Company is thus jointly and severally liable for all VAT liabilities under the joint registration. Total consolidated VAT receivable for the jointly registered companies totalled DKK 1,082 thousand at 31 December 2021.

Rent and lease liabilities include a rent obligation totalling DKK 47,470 thousand (2020: DKK 33,223 thousand) in interminable rent agreements with remaining contract terms of 1-9 years. Furthermore, the Group has liabilities under operating leases for cars and IT equipment totalling DKK 1,144 thousand (2020: DKK 2,282 thousand) with remaining contract terms of 1-4 years.

19 Collateral

Group

A company charge of DKK 100 million, secured on Group trade receivables and inventories, has been provided as security for E. Sæther A/S' and Sæther Nordic A/S' debt to Jyske Bank.

A bank guarantee has been provided for rent liabilities totalling DKK 56 thousand.

Parent company

A company charge of DKK 50 million, secured on the Company's trade receivables and inventories, has been provided as security for the Company's debt to Jyske Bank.

Furthermore, the Parent Company has provided a guarantee vis-à-vis Jyske Bank in repect of the subsidiary E. Sæther A/S' debt to Jyske Bank.

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Notes to the financial statements

20 Related parties

Group

Information about consolidated financial statements

Parent	Domicile
Ultimativt moderselskab/Ultimate Parent Company, E. Sæther Holding A/S	

Related party transactions

DKK'000	2021	2020
Group		
Interest expenses to Parent Company	0	144
Rent of owner-occupied property from shareholder	4,075	3,875
Parent Company		
Sale of goods to group entities	816,905	540,345
Sale of services to group entities	101,212	94,421
Interest income from group entities	0	85
Interest allocations to group entities	3,589	3,329
Interest expenses to group entities	1,530	980
Rent of owner-occupied property from shareholder	4,075	3,875
Purchase of services from group entities	360	360
Sale of POS materials to group entities	22,553	18,349

Receivables from and payables to group entities are specified in the balance sheet.

Information on the remuneration to management

Information on the remuneration to Management appears from note 4, "Staff costs".

Parent company

Parties exercising control

Related party	Domicile	Basis for control
Parent Company E. Sæther Holding A/S	Denmark	Participating interest Shareholders' agreement Participating interest

Information about remuneration to Management

Information about remuneration to Management appears from note 4, "Staff costs".

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Notes to the financial statements

	DKK'000	Group 2021	Group 2020
21	**Fee to the auditors appointed by the Company in general meeting**		
	Statutory audit	747	720
	Tax assistance	79	103
	Other assistance	1,203	439
		2,029	1,262

In accordance with section 96(3) of the Danish Financial Statements Act, audit fees are not disclosed for the parent company as audit fees are disclosed for the Group as a whole in the consolidated financial statements.

		2021	2020
22	**Appropriation of profit**		
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	45,000	25,000
	Net revaluation reserve according to the equity method	29,056	0
	Retained earnings/accumulated loss	-6,289	25,273
		67,767	50,273

	DKK'000	Group 2021	Group 2020
23	**Adjustments**		
	Amortisation/depreciation and impairment losses	12,670	9,959
	Gain/loss on the sale of non-current assets	56	0
	Provisions	6,022	0
	Financial income	-270	-721
	Financial expenses	3,310	3,614
	Tax for the year	18,594	14,183
	Other adjustments	0	-3,850
		40,382	23,185
24	**Changes in working capital**		
	Change in inventories	-86,093	9,342
	Change in receivables	-14,116	-23,788
	Change in trade and other payables	31,102	20,814
	Other changes in working capital	5,538	-1,941
		-63,569	4,427