

# Annual Report

## 2021

The Annual Report is presented and adopted  
at the Annual General Meeting on March 17, 2022

Chairman of the meeting: Søren Birn

**Welcome  
We're Schur.**

**We're your  
global  
packaging  
specialist**



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# Financial Highlights

DKK million	2020/21	2019/20	2018/19	2017/18	2016/17
<b>Income Statement</b>					
Revenue	<b>1,770.3</b>	1,654.3	1,555.4	1,497.6	1,495.2
Gross profit	<b>396.4</b>	337.7	318.3	301.9	320.8
Operating income from ordinary activities	<b>78.8</b>	54.6	35.8	32.6	69.1
EBIT	<b>105.8</b>	75.7	78.8	80.0	100.6
EBITDA	<b>274.8</b>	239.7	225.6	214.8	225.3
Net financials	<b>65.1</b>	27.0	12.6	70.1	19.8
Profit before tax (EBT)	<b>170.9</b>	102.7	91.4	150.1	120.4
Profit for the year	<b>132.8</b>	74.2	71.2	128.3	94.4
<b>Balance Sheet</b>					
Balance sheet total	<b>2,195.4</b>	2,256.8	2,251.8	2,076.0	2,288.7
Net working capital	<b>370.8</b>	303.7	280.0	256.0	275.1
Net interest bearing debt	<b>320.7</b>	324.1	388.3	248.0	366.6
Equity	<b>1,396.5</b>	1,378.5	1,338.9	1,305.0	1,277.9
<b>Cash flow</b>					
Cash flow from operating activities	<b>178.9</b>	214.8	197.3	127.3	205.6
Cash flow from investing activities	<b>-59.1</b>	-101.7	-271.2	100.0	-193.0
Hereof investments in property, plant and equipment*	<b>-95.0</b>	-69.1	-188.4	-108.8	-178.2
Cash flow from financing activities	<b>-180.8</b>	-18.1	-37.8	-121.2	19.5
Total cash flow	<b>-61.0</b>	95.0	-111.7	106.0	32.0
<b>Financial Ratios</b>					
Gross margin	<b>22.4%</b>	20.4%	20.5%	20.2%	21.5%
EBITDA margin	<b>15.5%</b>	14.5%	14.5%	14.3%	15.1%
EBT margin	<b>9.7%</b>	6.2%	5.9%	10.0%	8.0%
Solvency ratio	<b>9.6%</b>	5.5%	5.4%	9.9%	7.6%
Return on equity	<b>63.6%</b>	61.1%	59.5%	62.9%	55.8%
Leverage ratio	<b>1.29</b>	1.48	2.13	1.48	1.88
Employees at the end of the year	<b>919</b>	877	938	836	804
Average employees at the end of the year	<b>896</b>	896	848	819	831

\* Investments in property, plant and equipment are exclusive of additions and disposals relating to acquired or divested subsidiaries.



# Schur's Business Model

**Schur operates globally. Our primary activities consist of development, production and sale of cardboard, labels and flexible solutions, including complete packaging and logistics systems.**


Other activities include marketing of innovative consumer products, such as the DropStop® Wine pourer. Aside from the parent company and a few subsidiaries, each individual company within the group has its own development, production and sales activities.

The products of the cardboard companies are mainly sold in Northern Europe and the USA, whereas the flexible solutions, machinery and consumer companies sell their products all over the world.

Our commitment is based on internationally

approved principles on human rights, the environment and anti-corruption. The principles are all referenced by the 'UN's Global Compact' – the 17 UN Sustainable Development Goals for global development. Schur has chosen to focus on goals #7 Affordable and clean energy, #8 Decent work and economic growth and #12 Responsible consumption and production.

For information about Schur's CSR activities, in accordance with §99a and §99b in the Danish FSA, reference is made to our Sustainability Report on the company's homepage: [www.schur.com/sustainability/sustainability-reports/](http://www.schur.com/sustainability/sustainability-reports/)

 <b>Founded in</b> <b>1846</b>	<b>Employees</b> <b>900</b>	<b>Companies</b> <b>15</b>
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Operating since 1846, Schur is the oldest family-run packaging business in the world. Tradition and innovation have been continuous threads in our DNA, and the combination of the two has been crucial in our journey to become 'Leader Of The Pack'.

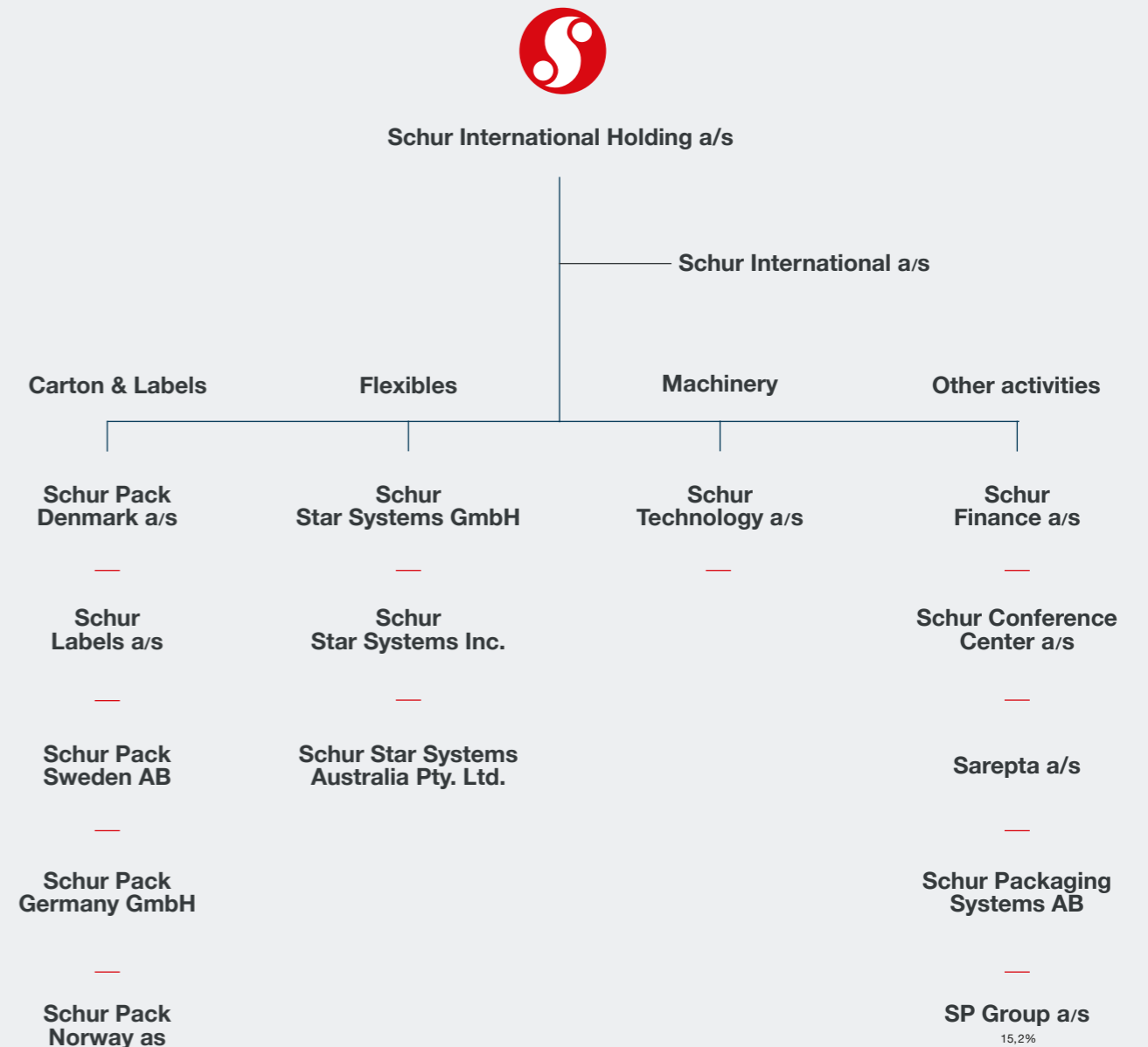
In 2021, we proudly celebrated our 175th anniversary with our business partners, customers and loyal employees.

900 employees who are dedicated to service, our customers and stakeholders in the best way possible. It is due to our loyal and hardworking employees, both past and present, that we proudly celebrated our 175th anniversary in June 2021.

15 companies with operations in 5 countries consisting of 5 carton packaging production sites, a label production site, 3 flexible packaging production sites, a machinery production site and a conference centre.

\* For information about Schur's CSR activities, reference is made to our Sustainability Report on the company's homepage: [schur.com/en/results](http://schur.com/en/results)

# Group Chart





**LEADER OF THE PACK**

SINCE 1846

## Key events in 2020/21

### 175th Anniversary & Change of Group CEOs

June 2nd, 2021, we proudly celebrated our 175th anniversary. Shortly after, Hans Schur handed over the baton as Group CEO to Hans Christian Schur and Johan Schur and the company is now run by the 6th generation in accordance with the same proud values that have brought us here over many years.



### Simplification of ownership structure

As part of the transfer to the 6th generation, we have completed a simplification of the ownership structure, thus merging Schur International Holding a/s, Bertha Holding ApS and Schur International a/s. At the same time, some support activities have been transferred to AXRU Invest a/s, which has been renamed Schur International a/s.

### Acquisition of the danish activities in Interket a/s

In 2019, Schur expanded its product port-folio to include label production when Emballagegruppen was aquired. On March 1st 2021, this part of the business was further strengthened with the acquisition of the Danish activities in the label company Interket A/S, which subsequently became part of Schur Labels a/s.



In September 2021, the two label factories moved together in a completely new label factory on Fuglevangsvej in Horsens.

### Sale of shares in Dit Pulterkammer Holding a/s

For several years, the Group has had a 50% ownership in Dit Pulterkammer Holding A/S, a self-storage entity. The activities in this company were outside the group's main activities. In 2021, the group divested these activities.



### Digitalization Strategy

We have decided to implement a new Digitalization strategy based on the Microsoft Dynamics 365 platform. This includes a new sales system to optimize sales processes which is expected to go live in Q1 2022 in some of our companies. The 365 platform also includes a new ERP platform based on Dynamics 365 Finance and Operation which will replace Navision over the coming years. Furthermore, the 365 platform includes tools for optimizing 'the digital workplace' with a focus on increasing local efficiency and knowledge sharing between employees.



# 175 years anniversary



## Financial performance 2020/21

**1,770**

**DKK Million**  
Net Revenue

In the most recent published annual report, we expressed expectations for higher revenue and higher profit.

Despite a raw material shortage and an unpredictable Covid-19 pandemic, these expectations have been met. Revenue increased by DKK 116 million (7.0% growth) and profit before tax by DKK 68 million.

**171**

**DKK million**  
profit before tax

Excluding gain on the sale of SP Group A/S shares, the profit for the year increased by DKK 49 million.

The profit for the year is considered satisfactory.

**321**

**DKK million**  
Net interest bearing debt.

Despite a positive cash flow from operating activities of DKK 179 million and a cash flow from investing activities of DKK 59 million, the net interest-bearing debt only decreased by 3 DKK million mainly because of the purchase of own shares in connection with the simplification of the ownership structure.

**1.29**

**Leverage ratio**

Leverage ratio (net interest-bearing debt/adjusted EBITDA) has decreased from 1.48 to 1.29, mainly driven by a higher EBITDA.

**275**

**DKK million EBITDA**

As with the whole market, the shortage of raw materials has also affected Schur. Throughout the year, securing raw materials to satisfy our customers' demands has been challenging.

This situation is further exacerbated by an increased demand tied to the shift from plastic to fibre products.

**15.5%**

**EBITDA margin**

Throughout the year and currently, we are facing significant price increases on raw materials, consumables, energy and freight, which has affected our profitability.

The Covid-19 pandemic also affected Schur in 2021. Our Machinery company and conference centre, in particular, have had lower sales in the first half of 2021.

Despite the challenges relating to raw materials and Covid-19, we have managed to improve our EBITDA margin from 14.5% to 15.5%.

### Outlook 2021/22

Packaging – especially plastic packaging – is very much in focus these days. Many initiatives have been initiated in order to change consumer behaviour (sorting at source) and new products are being introduced with the goal to increase recycling and reduce environmental impact. We constantly aim to develop new solutions, which can help reduce food waste and increase the extent of recycling and reuse.

The market situation for the West European carton market is

estimated to show an increase in demand, primarily due to the environmentally driven demands for recyclability and reusability. Schur is committed to setting the stage for the most modern production and logistics technology on the market and has in recent years invested heavily in product development and state-of-the-art production technology.

As a sub-supplier, we depend on our customers' sales and product development, and we are pleased to be able to contribute with

an innovative approach and to participate in some very exciting customer projects.

We expect that the raw material situation will affect the entire financial year 2021/22.

In 2021/22, we expect a revenue between DKK 1.8 - 2.0 billion and a profit before tax at the same level as 2020/21 adjusted for special items (see note 1).



# Risk Management

Identification and management of business risks are significant strategic focus areas that are annually reviewed and determined by the management and the Board of Directors

## Business risk

Packaging is a current topic of social debate in that the pollution of the environment through packaging is subject to much focus compared to the contribution of packaging to e.g. the reduction of food waste. The special challenges of the industry will be to develop new products to meet the consumers' and customers' demands for reduced environmental impact. These demands may be supplemented by local and/or internationally regulatory initiatives.

## Price risk

The packaging market's use of raw materials, which are based on oil or fibre, incurs a certain risk because of fluctuations in prices which may affect the companies' and thereby the Group's earnings capacity as the price increases cannot immediately be transferred to the selling prices. The process energy of the packaging companies is based on electricity, incurring a certain risk that may also affect their earnings capacity. The current accounting year is characterised by increasing raw material and energy prices. Whenever possible, the rises in raw material prices have been transferred to the selling prices with a certain delay. Concerning the increase in energy prices, this has not had any major effect during the current accounting year as a major part was bought at a fixed price early.

## Interest rate risk

The activities of the Group and the financing of these mean that profit, cash flow and equity will be influenced by the development in interest rates. In accordance with the interest rate policy of the Group, the extent of the interest rate risk is evaluated, and interest rate hedging is carried out if this is considered necessary. At the end of the accounting year, there is no interest rate hedging

## Currency Rate risk

The activities of the Group abroad imply that the results of operations, cash flow and equity will be influenced by the foreign exchange movements in several currencies. The primary currencies of the Group's business activities are **EUR, SEK, NOK, GBP, USD** and **AUD**. Compared to the rate of exchange prevailing at the beginning of the accounting year, the changes in foreign exchange rates had a certain effect on revenue and net profit in the Swedish carton company and, to a certain extent, in the flexible companies.

According to the currency policies, the Group intends to hedge the currency positions excluding shares in investments in subsidiaries and the coming 12 months' net flow of foreign currency by using financial instruments, including especially forward contracts. However, hedging is only taken out for selected currencies subject to specific risk.

## Liquidity risk

It is the Group's objective to have sufficient cash resources at its disposal to ensure appropriate financial decisions in the event of unforeseen fluctuations.

## Credit risk

Schur has centralised systematised monitoring of its customers' and cooperative partners' credit rating and has, further-more, taken out credit insurance for partial hedging of relevant risks.

## Insurances

In order to reduce the total insurance costs, Schur constantly implements new measures and improvements in selected risk areas. As a result of the many measures for improvements and focus on delivery terms, the year was characterized by a generally declining number of insurance cases, especially concerning damage to property and third-party claims. The current insurance programme is assessed on an annual basis in cooperation with the Group's insurance advisor.

# Financial statements



# Consolidated Financial Statements

## Income Statement

DKK '000	Note	2020/21	2019/20
Revenue	2	1,770,343	1,654,268
Production costs	3+4	-1,373,937	-1,316,551
<b>Gross profit</b>		<b>396,406</b>	<b>337,717</b>
Sales and distribution costs	3+4	-171,872	-171,274
Administration expenses	3+4	-145,690	-111,880
Other operating income	5	28,842	27,088
Other operating costs	6	-1,852	-5,949
<b>Profit before net financials</b>		<b>105,834</b>	<b>75,702</b>
Income from equity investments in associates	12	26,060	17,320
Financial income	7	52,981	29,569
Financial costs	8	-13,978	-19,928
<b>Profit before tax</b>		<b>170,897</b>	<b>102,663</b>
Tax on profit for the year	9	-38,059	-28,450
<b>Profit for the year</b>		<b>132,838</b>	<b>74,213</b>

Distribution of the profit for the year appears from note 17 to the financial statements of the Parent Company.

# Balance Sheet

## Assets

DKK '000	Note	2020/21	2019/20
Completed development projects		689	1,175
Customer relations		24,113	32,669
Goodwill		52,562	49,135
IT development and software		1,302	1,241
Intangible assets in progress		24,982	3,331
<b>Intangible assets</b>	10	<b>103,648</b>	<b>87,551</b>
Land and buildings		498,594	488,839
Plant and machinery		565,548	615,886
Other plant, operating equipment, tools and equipment		32,575	33,133
Tangible assets under construction		35,578	24,194
<b>Property, plant and equipment</b>	11	<b>1,132,295</b>	<b>1,162,052</b>
Investments in associates	12	195,360	221,774
Other securities and equity investments	13	19	24
Other receivables	13	11,000	9,051
<b>Investments</b>		<b>206,379</b>	<b>230,849</b>
<b>Total non-current assets</b>		<b>1,442,322</b>	<b>1,480,452</b>
Raw materials and consumables		141,038	100,097
Work-in-progress		41,961	36,487
Finished goods and goods for resale		117,361	124,907
Prepayments for goods		965	501
<b>Stocks</b>		<b>301,325</b>	<b>261,992</b>
Trade receivables		348,706	290,714
Contract work in progress	14	13,452	3,884
Other receivables		25,928	25,781
Deferred tax assets	15	8,684	13,498
Corporation tax receivables		1,011	141
Prepayments and accrued expenses		8,284	7,810
<b>Receivables</b>		<b>406,065</b>	<b>341,828</b>
<b>Securities</b>		<b>0</b>	<b>13,744</b>
<b>Cash at bank and in hand</b>		<b>45,765</b>	<b>158,832</b>
<b>Total current assets</b>		<b>753,155</b>	<b>776,396</b>
<b>Total Assets</b>		<b>2,195,477</b>	<b>2,256,848</b>

# Balance Sheet

## Equity & Liabilities

DKK '000	Note	2020/21	2019/20
Share capital	16	31,500	35,000
Hedging transactions reserve		-134	0
Exchange adjustment reserve		13,128	0
Retained earnings		1,350,911	1,338,509
Proposed dividends for the financial year		1,050	5,000
<b>Total equity</b>		<b>1,396,455</b>	<b>1,378,509</b>
Provision for deferred tax	15	27,541	23,492
Other provisions	17	16,753	14,251
<b>Total provisions</b>		<b>44,294</b>	<b>37,743</b>
Credit institutions and bank loans		231,998	250,949
Lease liabilities		0	5,300
Other debt		750	24,169
Deferred income	18	67,024	75,914
<b>Non-current liabilities</b>	19	<b>299,772</b>	<b>356,332</b>
Current portion of non-current liabilities other than provisions	19	5,427	15,784
Bank loans		91,789	154,975
Prepayments from customers		7,362	1,822
Trade payables		131,686	102,552
Invoicing on account contract work in progress	14	10,404	8,224
Tax payables		30,827	27,046
Other debt		165,144	161,641
Deferred income	18	12,317	12,220
<b>Current liabilities</b>		<b>454,956</b>	<b>484,264</b>
<b>Total liabilities</b>		<b>754,728</b>	<b>840,596</b>
<b>Total Equity and Liabilities</b>		<b>2,195,477</b>	<b>2,256,848</b>
Special items	1		
Fee for auditor appointed by the General Meeting	20		
Contractual obligations, contingent liabilities, etc.	21		
Charged assets and guarantees	22		
Financial instruments	23		
Related parties	24		
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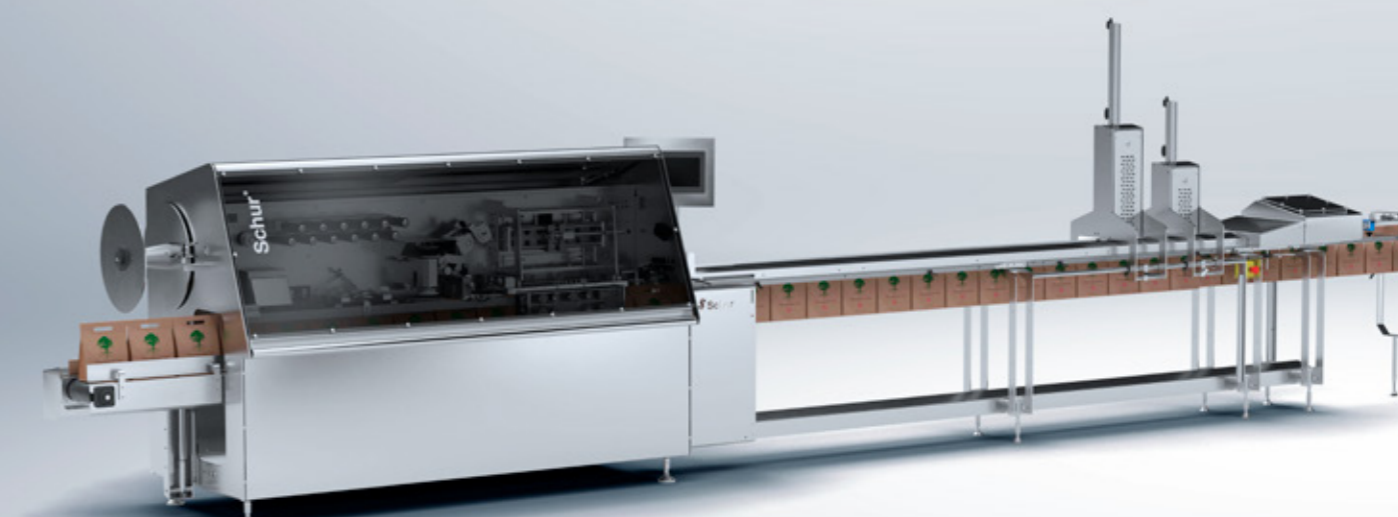
# Statement of Changes In Equity

DKK million	Share capital	Hedging trans-action reserve	Exchange adjust-ment reserve	Retained earnings	Proposed dividend	Total	Minority Interest	Total equity
<b>Equity at 1 November 2019</b>	31,500	0	0	1,219,799	25,000	<b>1,276,299</b>	62,622	<b>1,338,921</b>
Addition due to merger	3,500	0	0	59,122	0	<b>62,622</b>	-62,622	<b>0</b>
Equity at 1 November 2019 after merger	35,000	0	0	1,278,921	25,000	<b>1,338,921</b>	0	<b>1,338,921</b>
Ordinary dividends paid	0	0	0	0	-25,000	<b>-25,000</b>	0	<b>-25,000</b>
Profit for the year	0	0	0	69,213	5,000	<b>74,213</b>	0	<b>74,213</b>
Currency translation adjustments	0	0	0	-1,200	0	<b>-1,200</b>	0	<b>-1,200</b>
Equity adjustments in associates	0	0	0	-8,516	0	<b>-8,516</b>	0	<b>-8,516</b>
Adjustment of hedging instruments at fair value at 1 November	0	0	0	61	0	<b>61</b>	0	<b>61</b>
Adjustment of hedging instruments at fair value at 31 October	0	0	0	56	0	<b>56</b>	0	<b>56</b>
Tax on changes in equity	0	0	0	-26	0	<b>-26</b>	0	<b>-26</b>
<b>Equity at 31 October 2020</b>	35,000	0	0	1,338,509	5,000	<b>1,378,509</b>	0	<b>1,378,509</b>
Ordinary dividends paid	0	0	0	0	-5,000	<b>-5,000</b>	0	<b>-5,000</b>
Profit for the year	0	0	0	131,788	1,050	<b>132,838</b>	0	<b>132,838</b>
Purchase of treasury shares	0	0	0	-118,055	0	<b>-118,055</b>	0	<b>-118,055</b>
Capital reduction	-3,500	0	0	3,500	0	<b>0</b>	0	<b>0</b>
Currency translation adjustments	0	0	13,128	0	0	<b>13,128</b>	0	<b>13,128</b>
Equity adjustments in associates	0	0	0	-4,831	0	<b>-4,831</b>	0	<b>-4,831</b>
Adjustment of hedging instruments at fair value at 1 November	0	-56	0	0	0	<b>-56</b>	0	<b>-56</b>
Adjustment of hedging instruments at fair value at 31 October	0	-116	0	0	0	<b>-116</b>	0	<b>-116</b>
Tax on changes in equity	0	38	0	0	0	<b>38</b>	0	<b>38</b>
<b>Equity at 31 October 2021</b>	<b>31,500</b>	<b>-134</b>	<b>13,128</b>	<b>1,350,911</b>	<b>1,050</b>	<b>1,396,455</b>	<b>0</b>	<b>1,396,455</b>

# Consolidated Cash Flow Statement

DKK '000	Note	2020/21	2019/20
<b>Cash flows from operating activities</b>			
Profit for the year		132,838	74,213
Tax on profit for the year		38,059	28,450
Result of and profit from share issue in associated companies		-26,060	-41,172
Depreciation/amortisation of and impairment losses on intangible assets and property, plant and equipment	10+11	168,977	164,015
Depreciation of and impairment losses on fixed asset investments	13	0	3,908
Profit from the sale of property, plant and equipment and companies	5+6	-4,712	-1,304
Realised capital gains and losses		-49,564	-907
Other adjustments without cash flow		-849	14,529
Change in working capital	26	-53,352	-21,309
<b>Cash flows from operating activities before tax</b>		<b>205,337</b>	<b>220,423</b>
Corporation tax paid		-26,443	-5,611
<b>Cash flows from operating activities after tax</b>		<b>178,894</b>	<b>214,812</b>
<b>Cash flows from investing activities</b>			
Intangible assets		-22,607	-4,422
Property, plant and equipment – net		-94,953	-69,092
Investments – net		91,643	-20,204
Purchase and sale of activities and companies – net		-33,178	-8,000
<b>Purchase and sale of activities and companies – net</b>		<b>-59,095</b>	<b>-101,718</b>
<b>Net cash flows from financing activities</b>			
Lease commitments		-15,692	-14,798
Change in long-term debt, net		-42,099	21,663
Dividends paid		-5,000	-25,000
Purchase of treasury shares		-118,055	0
<b>Net cash flows from financing activities</b>		<b>-180,846</b>	<b>-18,135</b>
Cash flows from operating activities after tax		178,894	214,812
Cash flows from investing activities		-59,095	-101,718
Net cash flows from financing activities		-180,846	-18,135
<b>Cash flow for the year</b>		<b>-61,047</b>	<b>94,959</b>
<b>Cash and cash equivalents and short-term bank loans at 31 October</b>			
Cash and cash equivalents and short-term bank loans at 1 November		17,601	-76,194
Cash and cash equivalents and short-term bank loans in acquired or divested Companies		-2,578	-1,164
Cash flow for the year		-61,047	94,959
<b>Cash and cash equivalents and short-term bank loans at 31 October</b>	27	<b>-46,024</b>	<b>17,601</b>

The cash flow statement cannot be directly derived from the consolidated financial statements' other components.



# Notes



# Notes

## 1. Special items

Net profit for the year 2020-21 is influenced by special circumstances that are not part of what Management considers to be its primary activities. These include net gain on shares due to sale of shares in SP Group A/S and Dit Pulterkammer Holding A/S and grants received regarding Covid-19 in Danish and foreign subsidiaries. In total, the impact of these special circumstances on net profit for the year 2020-21 amounted to DKK 45,574 thousand reflected in the following lines in the financial statements:

DKK '000	2020/21	2019/20
Other operating income	2,384	5,443
Financial income	43,190	23,851
	<b>45,574</b>	<b>29,294</b>

## 2. Revenue

DKK '000	2020/21	2019/20
Denmark	489,569	448,239
Germany	412,119	367,106
Sweden	217,083	201,105
Poland	130,677	134,748
Australia and New Zealand	108,009	129,615
Great Britain	87,864	77,074
Norway	86,266	86,033
The USA	66,069	56,149
France	30,764	26,179
The Netherlands	21,967	15,898
Other countries	119,956	112,122
	<b>1,770,343</b>	<b>1,654,268</b>

## Segment information

DKK '000	2020/21	2019/20
Packaging	1,637,177	1,535,170
Machinery	127,425	114,162
Other activities	5,741	4,937
<b>Total</b>	<b>1,770,343</b>	<b>1,654,269</b>

## 3. Staff costs

DKK '000	2020/21	2019/20
Salaries and wages	417,472	399,742
Pensions	25,608	25,108
Other social security costs	42,200	40,522
Other staff costs	13,401	7,113
	<b>498,681</b>	<b>472,485</b>

### Staff costs are included as follows:

Production costs	341,155	325,049
Sales and distribution costs	79,718	78,305
Administrative expenses	77,808	69,131
	<b>498,681</b>	<b>472,485</b>
Salaries and fees including pensions paid to the Management Board	3,352	0
Salaries and fees including pensions paid to the Board of Directors	1,810	0
Salaries and fees paid to the Management Board and the Board of Directors	0	5,253
Average number of full-time employees	896	896
Number of full-time employees, year-end	919	877

Salaries and fees paid to the Management Board and Board of Directors are disclosed in 2019/20 in accordance with section 98b(3) of the Danish Financial Statements Act.

## 4. Depreciation and amortisation of intangible assets and property, plant and equipment

DKK '000	Production costs	Sales and distribution costs	Administrative expenses	Other operating income/expenses	Total 2020/21	Total 2019/20
Completed development projects	0	486	0	0	486	283
Customer relations	0	13,533	0	0	13,533	12,589
Goodwill	0	10,130	0	0	10,130	5,974
IT development and software	423	44	441	0	908	1,289
Buildings	15,878	4,620	416	2,026	22,940	24,367
Plant and machinery	109,273	1,648	218	380	111,519	109,405
Other plant, operating equipment, tools and equipment	4,026	1,653	3,584	198	9,461	10,108
	129,600	32,114	4,659	2,604	168,977	164,015

## 5. Other operating income

DKK '000	2020/21	2019/20
Gain on the sale of non-current assets	5,269	1,687
Profit on rental activity	825	0
Insurance claim compensations and refunds	5,088	1,184
Grants	12,028	16,462
Covid-19 grants	2,384	5,443
Other operating income	3,248	2,312
	<b>28,842</b>	<b>27,088</b>

## 6. Other operating expenses

DKK '000	2020/21	2019/20
Loss on sale of non-current assets	558	383
Loss on rental activity	0	5,010
Other operating expenses	1,294	556
	<b>1,852</b>	<b>5,949</b>

## 7. Financial income

DKK '000	2020/21	2019/20
Foreign exchange gains	1,602	299
Realised and unrealised capital gains and dividends	49,706	27,486
Interest income from banks	92	39
Other financial income	2,069	1,745
	<b>53,469</b>	<b>29,569</b>

## 8. Financial expenses

DKK '000	2020/21	2019/20
Interest expenses from long-term loans	4,816	4,685
Interest expenses from short-term debt	3,527	4,680
Foreign exchange loss	1,495	5,345
Interest expenses from leasing contracts	45	194
Realised and unrealised capital losses	3,643	772
Loss on receivables	0	3,919
Other financial expenses	940	333
	<b>14,466</b>	<b>19,928</b>

## 9. Tax on profit for the year

DKK '000	2020/21	2019/20
<b>Tax on profit or loss for the year can be calculated as follows:</b>		
Current tax on profit for the year	28,749	25,456
Deferred tax on profit for the year	9,520	2,953
Change in tax rates compared to last year	-500	0
Adjustment of tax for previous years	290	41
<b>Tax on profit for the year</b>	<b>38,059</b>	<b>28,450</b>
Current tax on entries on shareholders' equity	-38	26
<b>Total tax for the year</b>	<b>38,021</b>	<b>28,476</b>

### Reconciliation of tax for the year

Calculated 22% tax on the profit before tax	37,597	22,586
Adjustment of calculated tax in foreign group enterprises in relation to 22%	3,448	1,890
Change in tax rates compared to last year	500	0

### Tax effect of:

Non-deductible expenses and non-taxable income	2,439	5,860
Adjustment of tax for previous years	290	-142
Value adjustment of capitalised tax asset	9,025	7,314
Profit from associates and other equity investments	-15,240	-9,058
	<b>38,059</b>	<b>28,450</b>

<b>Effective tax rate for the year</b>	<b>22.3%</b>	<b>27.7%</b>
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### The calculated current tax for the year is distributed as follows.

DKK '000	2020/21	2019/20
Denmark	342	5,662
Germany	19,769	15,602
Sweden	8,638	4,187
USA	0	5
	<b>28,749</b>	<b>25,456</b>



## 10. Intangible assets

DKK '000	Completed development projects	Customer relations	Goodwill	IT development and software	Intangible assets in progress	Total
Cost at 1 November	1,947	66,849	65,125	14,140	3,331	<b>151,392</b>
Transfer	0	0	0	0	0	<b>0</b>
Currency translation adjustment	0	2,184	2,039	99	0	<b>4,322</b>
Additions during the year	0	0	0	955	21,651	<b>22,606</b>
Additions relating to acquisitions during the year	0	4,500	12,431	0	0	<b>16,931</b>
Disposals during the year	0	0	0	0	0	<b>0</b>
<b>Cost at 31 October</b>	<b>1,947</b>	<b>73,533</b>	<b>79,595</b>	<b>15,194</b>	<b>24,982</b>	<b>195,251</b>
Amortisation and write-downs at 1 November	772	34,180	15,990	12,899	0	<b>63,841</b>
Currency translation adjustment	0	1,707	913	85	0	<b>2,705</b>
Amortisation and write-downs during the Year	486	13,533	10,130	908	0	<b>25,057</b>
Amortisation on disposals	0	0	0	0	0	<b>0</b>
<b>Amortisation and write-downs at 31 October</b>	<b>1,258</b>	<b>49,420</b>	<b>27,033</b>	<b>13,892</b>	<b>0</b>	<b>91,603</b>
<b>Carrying amount at 31 October</b>	<b>689</b>	<b>24,113</b>	<b>52,562</b>	<b>1,302</b>	<b>24,982</b>	<b>103,648</b>
To be amortised over a period of	3 years	5 years	10 years	3 years	-	

## 11. Property, plant and equipment

DKK '000	Land and buildings	Plant and machinery	Other plant, operating equipment, tools and equipment	Tangible assets under construction	Total
Cost at 1 November	730,378	1,330,103	84,121	24,194	<b>2,168,796</b>
Transfer	13	17,931	0	-17,944	<b>0</b>
Currency translation adjustment	4,241	7,041	717	196	<b>12,195</b>
Additions during the year	32,743	34,372	9,856	29,132	<b>106,103</b>
Additions relating to acquisitions during the year	0	7,204	363	0	<b>7,567</b>
Disposals during the year	-9,105	-5,343	-5,704	0	<b>-20,152</b>
<b>Cost at 31 October</b>	<b>758,270</b>	<b>1,391,308</b>	<b>89,353</b>	<b>35,578</b>	<b>2,274,509</b>
Depreciation and write-downs at 1 November	241,539	714,217	50,988	0	<b>1,006,744</b>
Currency translation adjustment	627	4,196	442	0	<b>5,265</b>
Depreciation and write-downs during the year	22,940	111,519	9,461	0	<b>143,920</b>
Depreciation on disposals	-5,430	-4,172	-4,113	0	<b>-13,715</b>
<b>Amortisation and write-downs at 31 October</b>	<b>259,676</b>	<b>825,760</b>	<b>56,778</b>	<b>0</b>	<b>1,142,214</b>
<b>Carrying amount at 31 October</b>	<b>498,594</b>	<b>565,548</b>	<b>32,575</b>	<b>35,578</b>	<b>1,132,295</b>
To be depreciated over a period of	5-50 years	5-12 years	3-8 years	-	-

## 12. Associates

DKK '000	Investments in associates
Cost at 1 November	159,032
Disposals during the year	-30,662
<b>Cost at 31 October</b>	<b>128,370</b>
Value adjustments at 1 November	62,742
Profit for the year	26,060
Dividend received	-9,480
Equity adjustments	-6,029
Disposals during the year	-6,303
<b>Value adjustments at 31 October</b>	<b>66,990</b>
<b>Carrying amount at 31 October</b>	<b>195,360</b>

### Equity investments in associates are specified as follows:

DKK '000	Domicile	Currency	Share capital (in thousands)	Ownership	Market value (share price 398)
SP Group A/S	Søndersø, Denmark	DKK	24,980	15.18%	754,652

The profit for the year is based on the latest interim financial statements received.

## 13. Other Investments

DKK '000	Other securities and equity investments	Other receivables	Total
Cost at 1 November	290	14,995	15,285
Currency translation adjustments	2	23	25
Additions during the year	0	5,323	5,323
Additions relating to acquisitions during the year	0	1,513	1,513
Short-term share of long-term receivables	0	-3,177	-3,177
Disposals during the year	0	-4,177	-4,177
<b>Cost at 31 October</b>	<b>292</b>	<b>14,500</b>	<b>14,792</b>
Value adjustments at 1 November	-266	-5,944	-6,210
Currency translation adjustments	-2	4	2
Disposals during the year	-5	2,440	2,435
<b>Value adjustments at 31 October</b>	<b>-273</b>	<b>-3,500</b>	<b>-3,773</b>
<b>Carrying amount at 31 October</b>	<b>19</b>	<b>11,000</b>	<b>11,019</b>

The carrying amount of other receivables as at 31 October 2021 consists of DKK 5,522 thousand relating to deposits, and DKK 5,478 thousand relating to lease agreements.

## 14. Contract work in progress

DKK '000	2020/21	2019/20
Selling price of work carried out	48,931	49,516
Invoicing on account	-45,883	-53,856
	<b>3,048</b>	-4,340

### Classified in the balance sheet as follows:

Net receivables	13,452	3,884
Net liabilities	-10,404	-8,224
	<b>3,048</b>	-4,340

## 15. Deferred tax

DKK '000	2020/21	2019/20
Deferred tax at 1 November	-9,994	-4,168
Additions relating to acquisitions of subsidiaries	0	-2,591
Currency translation adjustments	157	-282
Deferred tax for the year recognised in the profit for the year	-9,520	-2,953
Adjustment of tax rates compared to previous years	500	0
	<b>-18,857</b>	<b>-9,994</b>

### Deferred tax is recognised in the balance sheet as follows:

	2020/21	2019/20
Deferred tax, assets	8,684	13,498
Deferred tax, liabilities	-27,541	-23,492
	<b>-18,857</b>	<b>-9,994</b>

### Deferred tax relates to:

	2020/21	2019/20
Intangible assets	1,947	1,366
Property, plant and equipment	-55,211	-57,960
Current assets	-1,771	2,925
Provisions	968	3,956
Other liabilities	33,288	26,560
Tax loss allowed for carryforward	40,310	41,592
Write-down	-38,388	-28,433
	<b>-18,857</b>	<b>-9,994</b>

The tax asset of DKK 8,684 thousand relates to the US company (DKK 2,869 thousand) and internal eliminations on inventory and machines (DKK 5,815 thousand). Based on the budget for the US company up to and including 2025-2026, Management has estimated that future taxable profit is likely to be at disposal, against which the tax assets can be used.

## 16. Share Capital

DKK '000	2020/21	2019/20
15,750 (21,000) A shares at DKK 1 thousand	15,750	21,000
7,875 (14,000) B shares at DKK 1 thousand	7,875	14,000
5,250 C shares at DKK 1 thousand	5,250	0
2,625 D shares at DKK 1 thousand	2,625	0
	<b>31,500</b>	<b>35,000</b>

## 17. Other provisions

DKK '000	2020/21	2019/20
Pensions	7,032	8,319
Warranties	3,074	1,510
Tenancy commitments	5,409	4,217
Provision for restoration of tenancies	976	205
Other provisions	262	0
	<b>16,753</b>	<b>14,251</b>

Other provisions include a pension liability regarding a Swedish scheme, 'direct pension'. The net liability amounts to DKK 0 as the pension debt of DKK 14,622 million is offset by corresponding plan assets. The scheme entails no risk for the Group and is therefore recognised at net value in the balance sheet.

## 18. Deferred income

Deferred income comprises DKK 74,010 thousand (DKK 82,685 thousand) regarding a grant for the factory in Gallin which is booked as income in connection with the depreciation of property and production machinery. The grant is included in non-current liabilities at an amount of DKK 65,422 thousand (DKK 74,081 thousand) and in short-term liabilities of an amount of DKK 8,604 thousand (DKK 8,632 thousand).

## 19. Non-current Liabilities

DKK '000	2020/21	2019/20
Total liabilities	317,373	384,288
Current portion of non-current liabilities	-5,427	-15,784
Deferred income, short-term	-12,174	-12,172
<b>Total non-current liabilities</b>	<b>299,772</b>	<b>356,332</b>
<b>Falling due after more than five years:</b>		
Credit institutions and bank loans	156,342	175,406
Deferred income	30,987	39,844
Deposits and other non-current liabilities	706	23,842
	<b>188,035</b>	<b>239,092</b>

## 20. Fee for auditor appointed by the general meeting

DKK '000	2020/21	2019/20
<b>EY</b>		
Fee for statutory audit services	1,470	1,453
Fee for services in relation to tax and VAT	527	751
Fee for other assurance reports	0	22
Other non-audit fees	1,334	539
	<b>3,331</b>	<b>2,765</b>
<b>Other auditors</b>		
Fee for statutory audit services	77	87
Fee for services in relation to tax and VAT	25	35
Other non-audit fees	0	16
	<b>102</b>	<b>138</b>

## 21. Contractual obligations, contingent liabilities, etc.

DKK '000	2020/21	2019/20
Operating lease	8,508	9,728
Lease commitments	30,660	32,207
- hereof recognised under "Provisions"	-1,271	-4,217
Payment guarantees for customers	5,072	548
Guarantees for the associates' utilisation of credit limits in the banks	0	12,811
Guarantees for the associates' mortgage loans	0	17,855

Not recognised deferred tax assets amount to DKK 38.4 million cf. note 15.

## 22. Pledged assets and guarantees

DKK '000	2020/21	2019/20
<b>The following assets have been provided as security for mortgage credit institution:</b>		
Placed as security for mortgage deeds, in total	114,140	114,140
Book value of Danish properties	180,586	159,862
Mortgage debt in Danish properties at 31 October	100,508	105,909
<b>The following assets have been provided as security for the Group's banks:</b>		
Placed as security for mortgage deeds, total	148,720	148,924
Book value of foreign properties	202,214	211,093
Payables to banking connections at 31 October	137,194	150,786

According to German practice, suppliers making deliveries to German companies may retain the title to the goods in question until payment takes place.

## 23. Financial instruments

As part of the hedging of already recognised transactions and future cash-flows, the Schur International Holding Group uses hedging instruments such as forward exchange contracts and interest rate and currency swaps. The hedging of recognised transactions primarily comprises receivables and liabilities. The Group uses forward exchange contracts for the hedging of selected sales agreements.

DKK '000	Remaining period	Contract value/ Calculated principal		Value adjustment recognised in equity before tax		Fair value	
		2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
<b>Forward exchange transactions</b>							
GBP	1 month	1,322	0	-117	0	-117	0
USD	0 months	0	14,804	-56	117	0	56
		<b>1,322</b>	<b>14,804</b>	<b>-173</b>	<b>117</b>	<b>-117</b>	<b>56</b>

## 24. Related parties

Related parties of the Group include the members of the Companies' management and the Company's shareholders.

### Controlling interest

No related parties hold a controlling interest.

### Transactions with related parties:

DKK '000	2020/21	2019/20
Interest paid to shareholders	480	344
Amounts owed to shareholders 31 October	42,519	37,584

## 25. Post balance sheet events

No post-balance-sheet events have occurred which will affect the valuation of the earnings and financial position of the Group.

## 26. Change in working capital

DKK '000	2020/21	2019/20
Change in stocks	-34,073	-5,027
Change in contract work in progress	-7,388	1,748
Change in receivables	-43,030	-14,062
Change in debt to trade payables	25,027	-10,431
Change in other short-term debt	6,112	6,463
	<b>-53,352</b>	<b>-21,309</b>

## 27. Cash and cash equivalents and short-term bank loans at year-end

DKK '000	2020/21	2019/20
Securities	0	13,744
Cash at bank and in hand	45,765	158,832
Bank loans	-91,789	-154,975
	<b>-46,024</b>	<b>17,601</b>

# Parent Company Financial Statements

## Income Statement

DKK '000	Note	2020/21	2019/20
Administrative expenses	1+2	-79,874	-57,961
<b>Profit or loss on primary activities</b>		<b>-79,874</b>	<b>-57,961</b>
Other operating income	3	56,839	47,413
<b>Profit before net financials</b>		<b>-23,035</b>	<b>-10,548</b>
Income from equity investments in group enterprises	9	148,694	83,162
Financial income	4	5,851	8,073
Financial expenses	5	-2,549	-8,777
<b>Profit or loss before tax</b>		<b>128,961</b>	<b>71,910</b>
Tax on profit for the year	6	3,877	2,303
<b>Profit for the year</b>		<b>132,838</b>	<b>74,213</b>

# Balance Sheet

## Assets

DKK '000	Note	2020/21	2019/20
IT development and software		203	566
Intangible assets in progress		24,614	3,331
<b>Intangible assets</b>	7	<b>24,817</b>	3,897
Other plant, operating equipment and tools and equipment		2,538	4,075
<b>Property, plant and equipment</b>	8	<b>2,538</b>	4,075
Equity investments in group enterprises	9	1,332,728	1,094,804
Amounts owed by group enterprises	9	35,335	309,408
Other securities and equity investments	10	19	19
Other receivables	10	0	298
<b>Investments</b>		<b>1,368,082</b>	<b>1,404,529</b>
<b>Total non-current assets</b>		<b>1,395,437</b>	<b>1,412,501</b>
Trade receivables		15	15
Amounts owed by group enterprises		152,618	39,611
Other receivables		920	60
Deferred tax assets	11	1,227	1,229
Corporation tax receivables		5,214	7,247
Deferred income		1,884	2,550
<b>Receivables</b>		<b>161,878</b>	<b>50,712</b>
<b>Cash at bank and in hand</b>		<b>27,507</b>	135,809
<b>Total current assets</b>		<b>189,385</b>	<b>186,521</b>
<b>Total Assets</b>		<b>1,584,822</b>	1,599,022

## Liabilities

DKK '000	Note	2020/21	2019/20
Share capital	12	31,500	35,000
Reserve under the equity method		84,383	0
Reserves for development costs		19,357	3,897
Retained earnings		1,260,165	1,334,612
Proposed dividend		1,050	5,000
<b>Equity</b>		<b>1,396,455</b>	<b>1,378,509</b>
Debt to group enterprises		1,347	41,793
Lease commitments		0	3,926
Other debt		0	2,626
<b>Non-current liabilities</b>	13	<b>1,347</b>	<b>48,345</b>
Current portion of non-current liabilities other than provisions	13	0	4,344
Bank loans		87,598	111,648
Trade payables		2,394	2,370
Debt to group enterprises		53,674	1,844
Other debt		43,354	51,962
<b>Current liabilities</b>		<b>187,020</b>	<b>172,168</b>
<b>Total liabilities</b>		<b>188,367</b>	<b>220,513</b>
<b>Total Equity and liabilities</b>		<b>1,584,822</b>	1,599,022
Fee for statutory audit services	14		
Contractual obligations, contingent liabilities, etc.	15		
Related parties	16		
Distribution of the profit for the year	17		
Post balance sheet events	18		

## Statement of Changes in Equity

DKK '000	Share capital	Reserve under the equity method	Reserves for development costs	Retained earnings	Proposed dividend	Total equity
Equity at 1 November 2019	35,000	0	0	581,125	0	<b>616,125</b>
Addition due to merger	0	0	0	697,796	25,000	<b>722,796</b>
Equity at 1 November 2019 after merger	35,000	0	0	1,278,921	25,000	<b>1,338,921</b>
Ordinary dividends paid	0	0	0	0	-25,000	<b>-25,000</b>
Currency translation adjustments	0	0	0	-1,200	0	<b>-1,200</b>
Equity adjustments in group enterprises	0	0	0	-8,516	0	<b>-8,516</b>
Adjustment of hedging instruments, net	0	0	0	117	0	<b>117</b>
Profit for the year	0	0	3,897	65,316	5,000	<b>74,213</b>
Tax on changes in equity	0	0	0	-26	0	<b>-26</b>
Equity at 31 October 2020	35,000	0	3,897	1,334,612	5,000	<b>1,378,509</b>
Ordinary dividends paid	0	0	0	0	-5,000	<b>-5,000</b>
Profit for the year	0	76,220	15,460	40,108	1,050	<b>132,838</b>
Purchase of treasury shares	0	0	0	-118,055	0	<b>-118,055</b>
Capital reduction	-3,500	0	0	3,500	0	<b>0</b>
Currency translation adjustments	0	13,128	0	0	0	<b>13,128</b>
Equity adjustments in group enterprises	0	-4,831	0	0	0	<b>-4,831</b>
Adjustment of hedging instruments, net	0	-172	0	0	0	<b>-172</b>
Tax on changes in equity	0	38	0	0	0	<b>38</b>
<b>Equity at 31 October</b>	<b>31,500</b>	<b>84,383</b>	<b>19,357</b>	<b>1,260,165</b>	<b>1,050</b>	<b>1,396,455</b>

## Notes

### 1. Staff costs

DKK '000	2020/21	2019/20
Salaries and wages	<b>12,492</b>	26,915
Pensions	<b>855</b>	2,110
Other social security costs	<b>104</b>	188
Other staff costs	<b>2,380</b>	105
	<b>15,831</b>	<b>29,318</b>
Salaries and fees paid to the Management Board	<b>3,352</b>	0
Salaries and fees paid to the Board of Directors	<b>1,810</b>	0
Salaries and fees paid to the Management Board and the Board of Directors	<b>0</b>	5,253
Average number of full-time employees	<b>32</b>	36
Staff costs are included in administrative expenses	<b>15,831</b>	29,318

In connection with the simplification of the group structure, the employees were transferred to Schur International a/s in April 2021, where they provide management services to the parent company. Salaries and fees paid to the Management Board and Board of Directors are disclosed in 2019/20 in accordance with section 98b(3) of the Danish Financial Statements Act.

### 2. Depreciation and amortisation of intangible assets and property, plant and equipment

DKK '000	2020/21	2019/20
IT development and software	<b>364</b>	951
Other plant, operating equipment, tools and equipment	<b>1,592</b>	1,888
	<b>1,956</b>	<b>2,839</b>

Depreciation and amortisation are included in administrative expenses

### 3. Other operating income

DKK '000	2020/21	2019/20
IT fee	25,801	19,214
Management fee	24,029	21,652
Trademark fee	921	873
Wage and salary administration	1,763	1,612
Other operating income	4,325	4,062
	<b>56,839</b>	<b>47,413</b>

#### 4. Financial income

DKK '000	2020/21	2019/20
Interest income from group enterprises	3,847	6,456
Foreign exchange gains	0	62
Other financial income	2,004	1,555
	<b>5,851</b>	<b>8,073</b>

#### 5. Financial expenses

DKK '000	2020/21	2019/20
Interest expenses from group enterprises	371	584
Interest expenses from short-term debt	1,787	1,596
Foreign exchange loss	316	981
Other financial expenses	75	5,616
	<b>2,549</b>	<b>8,777</b>

#### 6. Tax on profit for the year

DKK '000	2020/21	2019/20
<b>Tax on profit or loss for the year can be calculated as follows:</b>		
Current tax on profit for the year	3,879	6,388
Deferred tax on profit for the year	-2	-4,085
<b>Tax on profit for the year</b>	<b>3,877</b>	<b>2,303</b>

#### 7. Intangible assets

DKK '000	IT develop- ment and software	Intangible assets in progress	Total
Cost at 1 November	9,487	3,330	12,817
Additions during the year	0	21,284	21,284
<b>Cost at 31 October</b>	<b>9,487</b>	<b>24,614</b>	<b>34,101</b>
Amortisation and write-downs at 1 November	8,920	0	8,920
Amortisation and write-downs during the year	364	0	364
<b>Amortisation and write-downs at 31 October</b>	<b>9,284</b>	<b>0</b>	<b>9,284</b>
<b>Carrying amount at 31 October</b>	<b>203</b>	<b>24,614</b>	<b>24,817</b>

#### 8. Property, plant and equipment

DKK '000	Other plant, operating equipment, tools and equip- ment
Cost at 1 November	12,712
Additions during the year	55
<b>Cost at 31 October</b>	<b>12,767</b>
Depreciation and write-downs at 1 November	8,637
Depreciation and write-downs during the year	1,592
<b>Depreciation and write-downs 31 October</b>	<b>10,229</b>
<b>Carrying amount at 31 October</b>	<b>2,538</b>



## 9. Group enterprises

DKK '000	Equity investments in group enterprises	Amounts owed by group enterprises	Total
Cost at 1 November	1,119,283	3,940	<b>1,123,223</b>
Addition due to merger	0	306,666	<b>306,666</b>
Cost at 1 November after merger	1,119,283	310,606	<b>1,429,889</b>
Additions during the year	139,860	13,012	<b>152,872</b>
Disposals during the year	-10,798	-287,946	<b>-298,744</b>
<b>Cost at 31 October</b>	<b>1,248,345</b>	<b>35,672</b>	<b>1,284,017</b>
Value adjustments at 1 November	-24,479	-14	<b>-24,493</b>
Addition due to merger	0	-1,184	<b>-1,184</b>
Disposals during the year	10,130	25	<b>10,155</b>
Exchange rate adjustments	13,128	836	<b>13,964</b>
Value adjustment of hedging instruments, net	-134	0	<b>-134</b>
Other equity adjustments	-4,831	0	<b>-4,831</b>
Dividends received	-58,125	0	<b>-58,125</b>
Profit for the year	148,694	0	<b>148,694</b>
<b>Value adjustments at 31 October</b>	<b>84,383</b>	<b>-337</b>	<b>84,046</b>
<b>Carrying amount at 31 October</b>	<b>1,332,728</b>	<b>35,335</b>	<b>1,368,063</b>

### Equity investments in group enterprises are specified as follows:

Name:	Domicile:	Currency	Share capital	Owner-Ship
Schur Finance a/s	Horsens, Denmark	DKK	3,000,000	100%
Schur Pack Denmark a/s	Horsens, Denmark	DKK	5,100,000	100%
Schur Pack Sweden AB	Kumla, Sweden	SEK	7,000,000	100%
Schur Pack Norway as	Sarpsborg, Norway	NOK	100,000	100%
Schur Pack Germany GmbH	Gallin, Germany	EUR	1,500,000	100%
Schur Star Systems GmbH	Flensburg, Germany	EUR	2,350,000	100%
Schur Star Systems Inc.	Carlsbad, USA	USD	10	100%
Schur Star Systems Australia Pty. Ltd.	Thomastown, Australia	AUD	35,001	100%
Schur Technology a/s	Horsens, Denmark	DKK	1,100,000	100%
Schur Packaging Systems AB	Eksjö, Sweden	SEK	25,000	100%
Schur Conference Center a/s	Glud, Denmark	DKK	1,100,000	100%
Schur International a/s*	Horsens, Denmark	DKK	561,200	100%
Schur Labels a/s	Horsens, Denmark	DKK	10,001,000	100%
Sarepta a/s	Horsens, Denmark	DKK	1,200,000	100%

All group enterprises are independent units.

\*Renamed in 2020/21 from AXRU Invest a/s to Schur International a/s.

## 10. Other investments

DKK '000	Other securities and equity investments	Other receivables	Total
Cost at 1 November	269	6,243	<b>6,512</b>
Currency translation adjustments	0	-4	<b>-4</b>
Disposals during the year	0	-2,739	<b>-2,739</b>
<b>Cost at 31 October</b>	<b>269</b>	<b>3,500</b>	<b>3,769</b>
Value adjustments at 1 November	-250	-5,945	<b>-6,195</b>
Currency translation adjustments	0	4	<b>4</b>
Disposals during the year	0	2,441	<b>2,441</b>
<b>Value adjustments at 31 October</b>	<b>-250</b>	<b>-3,500</b>	<b>-3,750</b>
<b>Carrying amount at 31 October</b>	<b>19</b>	<b>0</b>	<b>19</b>

## 11. Deferred tax

DKK '000	2020/21	2019/20
Deferred tax at 1 November	<b>1,229</b>	5,296
Adjustment of deferred tax for the year	<b>-2</b>	-4,067
	<b>1,227</b>	1,229

As of 31 October 2021, the company has recognized a tax asset totaling DKK 1,227 thousand, which relates to the tax value of unutilized tax deductions due to timing differences.

## 12. Share capital

DKK '000	2020/21	2019/20
15,750 (21,000) A shares at DKK 1 thousand	<b>15,750</b>	21,000
7,875 (14,000) B shares at DKK 1 thousand	<b>7,875</b>	14,000
5,250 C shares at DKK 1 thousand	<b>5,250</b>	0
2,625 D shares at DKK 1 thousand	<b>2,625</b>	0
	<b>31,500</b>	35,000

### Treasury shares

As part of the merger, the Company has acquired 2,202,137 treasury shares during the year. The shares were cancelled during the year. The Company owns no treasury shares as of 31 October 2021.

### 13. Non-current liabilities

DKK '000	2020/21	2019/20
Total liabilities	0	479,154
Current portion of non-current liabilities	0	-4,344
<b>Total non-current liabilities</b>	<b>0</b>	<b>474,810</b>

Non-current liabilities fall due within 5 years.

### 14. Fee for auditor appointed by the general meeting

DKK '000	2020/21	2019/20
Fee for statutory audit services	377	395
Fee for services in relation to tax and VAT	352	461
Other non-audit fees	915	102
	<b>1,644</b>	<b>958</b>

### 15. Contractual obligations, contingent liabilities, etc.

DKK '000	2020/21	2019/20
Operating lease	0	2,131
Tenancy commitments in group enterprises	313	307
Guarantees for the group enterprises' utilisation of credit limits in the banks	242,592	299,158
Guarantee for payment guarantees provided by group enterprises	5,072	548

The company is jointly taxed with other Danish consolidated companies. Being the Management Company, the Company has unlimited, joint and several liabilities together with the other consolidated companies for Danish corporation tax and withholding tax on dividends, interest and royalties within the group of jointly taxed companies.

### 16. Related Parties

Related parties of the Company include the members of the management in associated companies, Schur International Holding a/s' shareholders and members of the management.

#### Controlling interest

No related parties hold a controlling interest in the Company.

#### Transactions with related parties.

DKK '000	2020/21	2019/20
Sale of goods and services to consolidated companies	58,907	50,012
Sale of intangible assets and property, plant and equipment to consolidated companies	0	786
Purchase of goods and services from consolidated companies	-24,872	-4,617
Interest income from consolidated companies	4,237	6,872
Interest paid to consolidated companies	-371	-584
Interest paid to shareholders	-480	-344
Amounts owed by group enterprises at 31 October	187,953	349,019
Debt to group enterprises at 31 October	-55,021	-43,637
Amounts owed to shareholders at 31 October	-42,519	-37,584

### 17. Distribution of the profit for the year

DKK '000	2020/21	2019/20
<b>Proposed distribution of the profit for the year</b>		
Proposed dividend for the year	1,050	5,000
Reserves for development costs	15,460	3,897
Reserve under the equity method	76,220	0
Retained earnings	40,108	65,316
<b>Distributed, total</b>	<b>132,838</b>	<b>74,213</b>

### 18. Post balance sheet events

No post balance sheet events have occurred which will affect the valuation of the earnings and financial position of the company.

# Accounting Policies



## Accounting Policies

The Annual Report of Schur International Holding a/s for 2020-21 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C enterprises.

The Company has merged with former Schur International Holding a/s and Bertha Holding ApS during the year. The Company has applied the pooling-of-interests method meaning that comparatives are restated.

No changes have been made in the accounting policy compared to last year.

### Foreign currency translation

Foreign currency transactions are translated upon initial recognition at the exchange rate prevailing at the date of the transaction. Exchange differences arising between the exchange rates at the transaction date and the exchange rate at the date of payment are recognised in the income statement as an item under financial income and expenses.

Accounts receivable, debts and other monetary items denominated in foreign currencies which have not been translated at the balance sheet date, are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries and associates are all considered independent businesses in relation to the accounting treatment of foreign currencies.

The income statement is translated using the average exchange rates. The balance sheet is translated using approximate average exchange rates.

Foreign exchange gains and losses in connection with the translation of the subsidiaries' equity at the exchange rate prevailing at the balance sheet date and in connection with the translation of the income statement using average exchange rates are taken directly to equity.

### Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised in other debtors or other debt under short-term or long-term share, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset

or recognised liability, are recognised in the income statement together with changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other debtors or other debt under short-term or long-term share, respectively, and in the equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised directly 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.

For derivative financial instruments that do not qualify for hedge accounting, changes in the fair value are currently recognised in the income statement.

### Consolidation

The consolidated financial statements include the Parent Company Schur International Holding a/s and all companies in which the Parent Company holds more than 50% of the voting rights or otherwise exercises control, see the above chart of the consolidated companies. Enterprises over which the Group exercises significant influence, are classified as associated enterprises, see the Group chart.

The financial statements of the subsidiaries are recognised according to the same accounting policies used in the Parent Company. The consolidated financial statements are prepared on the basis of the financial statements of the individual companies by aggregating items of a similar nature and by subsequently eliminating intercompany revenue, profit, interest, dividends, balances and shareholdings.

Schur Pack Germany GmbH, Gallin, Germany and Schur Star Systems GmbH, Flensburg, Germany are fully consolidated subsidiaries availing themselves of the exemption provisions of section 264 (3) HGB (The German Commercial Code).

### Business combinations

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

Gains or losses on disposal of subsidiaries and associates are recognised as the difference between the selling amount and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated disposal costs.

Acquisitions of enterprises are accounted for using the acquisition method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. In connection with the acquisition, provision is made for costs related to adopted and announced plans to restructure the acquired enterprise. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset. In the event of intra-group business combinations, the pooling-of-interests method will be used.

### Minority interests

Minority interests constitute part of the Group's total equity. In the distribution of the profit for the year, the net profit for the year is allocated to the share attributable to the minorities and to the share attributable to the parent company's shareholders. Minority interests are recognised at the carrying amount of the acquired assets and liabilities at the date of the acquisition of subsidiaries.

## Income statement

### Revenue

Revenue is measured and recognised using IAS 11 and IAS 18 as the basis.

The revenue from the sale of goods and services is recognised in the income statement when delivery and the passing of the risk to the purchaser have taken place and if the income can be reliably measured. The revenue is recognised exclusive of VAT less discounts in connection with the sale.

Furthermore, contract work in progress is recognised according to the stage of completion with the revenue corresponding to the selling price of work carried out (percentage of completion method). The revenue from work in progress is recognised when the total income and expenses of the orders and the stage of completion at the balance sheet date can be reliably calculated and when it is likely that the economic benefits including payments will flow to the company.

### Production costs

Production costs include costs of depreciation/amortisation and salaries, which are paid to obtain the revenue for the year. This includes direct and indirect costs for raw materials and consumables, wages and salaries, hire and leasing and depreciation of plant.

Production costs also include research and development costs, which do not meet the criteria for capitalisation and amortisation/depreciation on capitalised development costs.

In addition, provision for losses on construction contracts is recognised.

### Sales and distribution costs

Sales and distribution costs include costs paid for the distribution of goods sold during the year, and for sales campaigns carried out during the year, etc. Costs relating to sales staff, advertising, exhibitions and depreciation/amortisation are also recognised as distribution costs.

### Administrative Expenses

Administrative expenses include expenses, which are paid during the year, for the management and administration of the Company, including expenses for the administrative personnel, the management, office premises and office expenses and amortisation/depreciation.

### Other operating income and costs

Other operating income and expenses include items of a secondary nature relative to the companies' principal activities, including gains and losses on disposal of non-current assets, subsidiaries and associated companies. Profit and loss related to secondary activities are presented net. Furthermore, government grants are recognised concurrently with depreciation of the subsidised assets.

### Net financials

Financial income and expenses include interest, capital gains and losses on debt and foreign currency transactions, amortisation of investments and liabilities and surcharges and allowances under the tax prepayment scheme, etc. Dividends from other securities

and investments are booked as an income in the accounting year in which the dividend is declared.

### Shares of profit/loss in subsidiaries and associates

In the Parent Company's income statement, the subsidiaries' post-tax profit or loss is recognised less amortisation of goodwill and after full elimination of internal profits and losses.

The proportionate share of the associates' post-tax profit or loss less depreciation/amortisation on goodwill and after elimination of the proportionate share of internal profits and losses are recognised both in the Parent Company's and the Group's income statements.

### Tax on profit for the year

Tax for the year, including current tax for the year and changes in deferred tax, is recognised in the income statement with the share that can be attributed to the profit for the year. The share that can be attributed to changes in equity is recognised directly in the equity. The Parent Company is subject to the Danish rules regarding compulsory joint taxation of the Group's subsidiaries. Subsidiaries are included in the joint taxation with effect from the date on which they are included in the consolidated financial statements and until the date at which they are excluded from the consolidation.

The Parent Company is the Management Company as far as the joint taxation is concerned and consequently settles all payments of corporation tax with the tax authorities.

## Balance sheet

### Goodwill

Goodwill is amortised on a straightline basis over the estimated economic life which is determined based on an assessment of, among other factors, the nature and market position of the business, the stability of the industry and the dependence on key staff. The amortisation period covers 10 years.

	<i>Useful life</i>
<i>Goodwill</i>	<i>10 years</i>

### Development projects, customer relations, IT development and software

Costs for development projects are recognised as intangible assets if they qualify for recognition. Other development costs are recognised as expenses in the income statement when incurred.

Development projects are measured at direct costs and a portion of the costs that can be related indirectly to the individual development projects. Customer relations, IT development and software are measured at cost less accumulated amortisation and impairment losses. Amortisation is made on a straight-line basis over the expected useful lives:

	<i>Useful life</i>
<i>Completed development projects</i>	<i>3 years</i>
<i>Customer relations</i>	<i>5 years</i>
<i>IT development and software</i>	<i>3-10 years</i>

Amortisation is recognised in the income statement as production, distribution and administrative expenses.

Gains and losses on disposal of development projects, software and customer relations are calculated as the difference between the selling price after deducting the costs of disposals and the carrying amount at the time of the sale. Gains and losses are recognised in the income statement under other operating income and expenses, respectively.

### Property, plant and equipment

Property, plant and equipment include land and buildings, plant and machinery as well as other plant, operating equipment and tools and property, plant and equipment under construction. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not subject to depreciation.

The cost includes the purchase price and costs directly related to the purchase until the time when the asset is ready for use. The cost of self-constructed non-current assets includes payroll costs and cost of materials, etc. directly used in the construction process as well as a share of the costs which are indirectly attributable.

The cost of buildings is broken down and individually depreciated if the useful lives differ. Other assets are not broken down as the individual components are not estimated to have markedly different useful lives.

Depreciation is made on a straight-line basis over the expected useful lives:

	<i>Useful life</i>
<i>Buildings</i>	<i>25-50 years</i>
<i>Installations and other building components</i>	<i>5-20 years</i>
<i>Plant and machinery</i>	<i>5-12 years</i>
<i>Other plant, operating equipment, tools and equipment</i>	<i>3-8 years</i>

The basis of depreciation is calculated as the cost less any residual value of the asset after the expiry of its useful life. The residual value of the Company's property, plant and equipment is reassessed annually. Depreciation is recognised in the income statement as production, distribution, and administrative expenses and as other operating income and expenses as far as secondary activities are concerned.

### Lease contracts

Lease contracts are recognised and measured using IAS 17 as the basis.

Upon initial recognition in the balance sheet, lease contracts regarding non-current assets where the Company bears all significant risks and rewards of ownership (financial leasing) are measured at the lower of the fair value and the present value of the future lease payments. In calculating the present value, the interest rate implicit in the lease agreement or the alternative borrowing rate is used as discount factor. Assets held under finance lease are then treated like the Company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability and the lease payment's share of

interest is recognised in the income statement during the term of the contract.

All other lease contracts are operating leases. Payments in connection with operating leases and other rental agreements are recognised in the income statement during the term of the contract. The Group's total commitment regarding operating leases and rental agreements must be disclosed as contingent liabilities, etc.

### Investments in subsidiaries and associates

Upon initial recognition, equity in subsidiaries and associates are recognised at cost and subsequently at the proportionate share of the companies' equity value calculated in accordance with the Parent Company's accounting policies with the addition of or less unrealised intra-group gains and losses and with the addition of goodwill.

Equity investments in subsidiaries and associates with a negative equity value are measured at zero, and any amounts owed to these companies are to be written down to the extent these are considered uncollectible. To the extent that the Parent Company has a legal or constructive obligation to cover a deficit exceeding the outstanding amount, the remainder is recognised under "Provisions".

Net revaluations of equities in subsidiaries and associates are disclosed as reserve for net

revaluation according to the equity method in the equity to the extent that the carrying value exceeds the cost. Dividends from subsidiaries expected to be adopted prior to the approval of the Annual Report for Schur International Holding a/s, are not tied up in the revaluation reserve.

### Other investments

Other investments comprise securities, equity investments, debtors relating to finance lease agreements and other long-term receivables.

Other securities and equity investments comprising listed shares and bonds are measured at fair value corresponding to the market value at the balance sheet date. Unlisted securities are measured at cost if a fair value cannot be reliably estimated.

Amounts outstanding from finance lease agreements are measured at the present value of the remaining minimum lease payments with an addition of any unguaranteed residual value. Write-downs are based on an individual assessment of the individual receivables.

Other receivables under non-current assets are recognised at amortised cost.

### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment, equity investments in subsidiaries and associates and other fixed asset investments are assessed annually to determine whether there is any indication of impairment.

If there is any indication of impairment, an impairment test is carried out for each individual asset or group of assets, respectively. The assets are written down to the recoverable amount, if this is lower than the carrying amount.

For the recoverable amount, the higher of the net selling price and the value in use has been used. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or group of assets and expected net cash flows from the sale of the asset or group of assets at the end of the useful life.

### Stocks

Stocks are measured at cost based on the FIFO method or at net realisable value if this is lower.

Raw materials, consumables and goods for resale are measured at cost.

Work in progress and finished goods are measured at manufacturing cost, which includes the cost of materials and direct payroll costs with the addition of indirect production costs.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. The receivables are written down for anticipated uncollectible debt according to an individual assessment of receivables.

### Contract work in progress

Contract work in progress in the machinery division is measured at the selling price of work

carried out. The selling price is calculated on the basis of the stage of completion at the balance sheet date and the total expected income from the contract in question. The stage of completion is calculated on the basis of the costs incurred in relation to the expected total costs.

Deductions in connection with losses are calculated as the total expected loss on the construction irrespective of the stage of completion. The value of the ongoing contracts, less invoiced payments on account is classified as debtors if the amounts are positive and as debt, if the amounts are negative.

### Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding the subsequent accounting year.

### Equity

#### Reserve from the use of the equity method

Reserve from the use of the equity method comprises net revaluation of equity investments in subsidiaries and associates in relation to cost.

The reserve can be eliminated by loss, realisation of equity investments or dividends received. The reserve cannot be recognised at a negative amount.

#### Reserves for development costs

Reserves for development costs comprise recognised development costs.

The reserves cannot be used for the payment of dividends or the

cover of losses.

The reserves shall be reduced or dissolved if the recognised development costs are depreciated or abandoned. This is affected by a transfer directly to the equity's distributable reserves.

#### Exchange adjustment reserve

Exchange adjustment reserve comprises the share of currency differences arising from the translation of accounts for entities with a functional currency other than Danish kroner, exchange rate adjustments relating to assets and liabilities that form part of the company's net investments in such entities and exchange rate adjustments for hedging transactions that hedge the company's net investments in such entities. The reserve is dissolved by the disposal of foreign entities or if the conditions for effective hedging are no longer present. When investments in subsidiaries and associates in the parent company's financial statements are subject to the reserve requirement in the net revaluation reserve under the equity method, exchange rate adjustments will instead be included in this equity reserve.

#### Hedging transactions reserve

The hedging transactions reserve contains the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future payment flows and where the hedged transaction has not yet been realized. The reserve is dissolved when the hedged transaction is realized if the hedged cash flows are no longer expected to be realized or the hedging relationship is no longer

effective. The reserve does not represent a company law bond and can therefore constitute a negative amount.

### Dividend

Proposed dividends are recognised as a liability at the date of adoption at the ordinary general meeting (time of declaration). Dividends proposed paid for the year are presented as a separate item under 'Shareholders' equity'.

### Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, defined pension schemes, restructurings, tenancy commitments, etc. Provisions are recognised when, at the balance sheet date, the Company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Pension schemes that include pension liabilities as well as related scheme assets are recognised in the balance sheet at the net value of the scheme. Provisions expected to be settled after more than one year after the balance sheet date are measured at the present value of the expected payments. Other provisions are measured at net realisable value.

### Corporation tax due and deferred tax

Current tax liabilities are recognised in the balance sheet as the assessed tax on the taxable profit for the year adjusted for tax on prior years' taxable profit and tax paid on account. Joint taxation contributions payable and receivable are recognised

in the balance sheet as 'Corporation tax payable' or 'Corporation tax receivable'.

Deferred tax is calculated using the balance sheet liability method for all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences occurring at the date of acquisition of assets and liabilities neither affecting the results of operations nor the taxable profit.

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

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

### Liabilities other than provisions

Liabilities other than provisions are recognised at the date of borrowing at the proceeds received less transaction costs. Interest-bearing debt is subsequently measured at amortised cost calculated based on the effective interest rate method at the date of borrowing. Other debt is subsequently measured at amortised cost corresponding to the nominal debt outstanding.

### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial years, including any government grants received in settlement of investments.

### Cash flow statement

The cash flow statement shows the Group's cash flows, the year's changes in cash and cash equivalents and the Group's cash at bank and in hand at the beginning and at the end of the financial year. The cash flow statement is presented on the basis of the Group's profit and shows cash flows from operating activities, investing activities and financing activities.

The cash flow effect of acquisitions and disposals of companies is presented separately under 'Cash flows from investment activities'. Cash flows regarding acquired companies are recognised in the cash flow statement from the date of acquisition and cash flows regarding companies disposed of are recognised until the date of disposal.

A cash flow statement for the Parent Company has not been prepared as the Parent Company's cash flows are contained in the Group's cash flow statement.

### Cash flows from operating activities

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

### Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of companies and activities as well as acquisitions and disposals of non-current assets.

### Cash flow from financing activities

Cash flows from financing activities comprise payment of dividends to shareholders, capital increases and reductions as well as borrowings and repayments of interest-bearing debt.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term bank loans.

### Segment information

Information on geographical markets is provided. The segment information complies with the Group's accounting policies, risks and internal financial management.

## Financial Highlights

### Explanation of key figures:

<b>Gross margin ratio</b>	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
<b>EBITDA margin</b>	$\frac{\text{Profit before net financials, depr., amor. and write-downs} \times 100}{\text{Revenue}}$
<b>EBT margin</b>	$\frac{\text{Profit before tax} \times 100}{\text{Revenue}}$
<b>Solvency ratio</b>	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$
<b>Return on equity</b>	$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$
<b>Leverage ratio</b>	$\frac{\text{Net interest bearing debt}}{\text{EBITDA excl. other operating income \& cost}}$



## Management's Statement

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Schur International Holding a/s for 1 November 2020 - 31 October 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the accounting policies selected appropriate and the accounting estimates made reasonable. In our opinion, the Annual Report gives

a true and fair view of the Company's and the Group's assets, liabilities and financial position as at 31 October 2021 and the results of the activities and the cash flow of the Group and the Company for the financial year 1 November 2020 – 31 October 2021.

In our opinion, the Management's Review gives a true and fair description of the conditions outlined in the Review. We recommend that the annual report be adopted by the Annual General Meeting.

Horsens, 17<sup>th</sup> January 2022  
**Management Board**



Hans Christian Schur

Johan Sebastian Schur

## Board of Directors

Søren Birn  
Chairman

Hans Schur

Torsten Erik Rasmussen



Morten Rahbek Hansen

Henrik Burkal

Anna Katharina Schur

Hans Christian Schur

Johan Sebastian Schur



# The Independent Auditor's Report

To the Shareholders of Schur International Holding a/s

## Opinion

We have audited the consolidated financial statements and the parent company financial statements of Schur International Holding A/S for the financial year 1 November – 31 October 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 October 2021 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 November – 31 October 2021 in accordance with the Danish Financial Statements Act.

## Basis for the 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 company financial statements" (hereinafter

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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

## The management's responsibility 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 responsibility 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 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 additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit.

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.

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 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.

## Statement on 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.

 Aarhus, 17 January 2022  
Godkendt Revisionspartnerselskab. CVR-no.: 30 70 02 28

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