DAFA Group A/S

Holmstrupgårdvej 12
DK-8220 Brabrand

CVR no. 17 63 01 80

Annual report 2021

The annual report was presented and approved at the Company's annual general meeting

on 2. March 2022

chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of DAFA Group A/S for the financial year 1 January – 31 December 2021.

The annual report has been 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 Group's and the Parent Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Group's and the Parent Company's operations and 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 Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

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

Aarhus, 2 March 2022
Executive Board:

Steen Bødtker
CEO

Board of Directors:

Lars Dige Knudsen
Chairman

Charlotte Norby

Jacob Norby

Jens Villads Bjerregaard
Thomsen

KPMG

Independent auditor's report

To the shareholder of DAFA Group A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of DAFA Group A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and 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 Group's and the Parent Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Group's and the Parent Company's operations and 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" section of our report.

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the consolidated financial statements and the parent company 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 that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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 consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 2 March 2022
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Steffen S. Hansen
State Authorised
Public Accountant
mne32737

Niklas R. Filipsen
State Authorised
Public Accountant
mne47781

Management's review

Company details

DAFA Group A/S
Holmstrupgårdvej 12
DK-8220 Brabrand

CVR no. 17 63 01 80

Telephone:	+45 87 47 66 66
Website:	www.dafa.dk
E-mail:	dafa@dafa.dk
CVR no.	17 63 01 80
Established:	7 February 1994
Registered office:	Aarhus
Financial year:	1 January – 31 December

Board of Directors

Lars Dige Knudsen
Charlotte Norby
Jacob Norby
Jens Villads Bjerregaard Thomsen

Executive Board

Steen Bødtker

Auditor

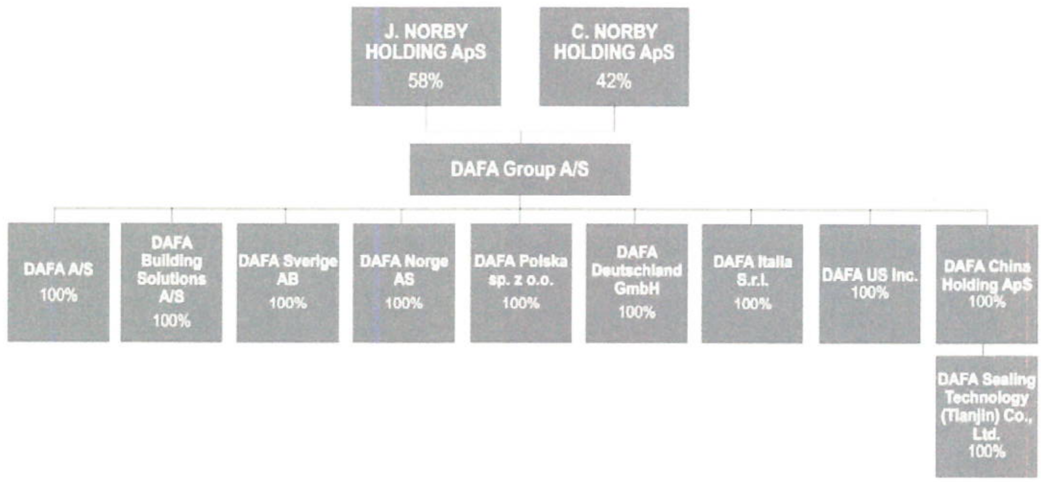
KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
DK-8000 Aarhus C
CVR no. 25 57 81 98

Management's review

Group structure

In November 2020, DAFA Building Solutions A/S was established, and from 1 January 2021, the construction dealer activities in the building materials segment was split from DAFA A/S into the newly established DAFA Building Solutions A/S entity. The group chart below reflects the legal structure end of the year.

Group chart



Management's review

Financial highlights for the Group

DKK'000	2021	2020	2019	2018	2017
Revenue	567,944	513,276	515,362	460,980	425,327
Gross profit	234,391	211,129	205,909	167,528	155,363
EBITDA	100,117	88,849	78,918	48,505	31,277
Operating profit (EBIT)	79,003	68,608	58,838	28,189	12,753
Profit/loss from financial income and expenses	-161	-1,935	-1,082	-678	-3,997
Profit before tax	78,842	66,673	57,756	27,511	6,167
Profit for the year	57,697	50,510	42,653	19,947	2,648
Total assets	349,600	321,538	310,916	307,463	318,977
Investments in property, plant and equipment	16,578	11,289	14,478	11,497	10,602
Equity	227,516	183,941	160,791	126,998	109,329
Cash flows from operating activities	60,743	63,853	77,044	56,646	-2,091
Cash flows from investing activities	-15,039	-16,757	-14,591	-11,514	-24,557
Cash flows from financing activities	-35,973	-45,800	26,209	-13,473	-13,731
Total cash flows	9,731	1,296	88,662	31,659	-40,379
EBITDA%	17.6%	17.3%	15.3%	10.5%	7.4%
Return on equity	28.0%	29.3%	29.6%	16.9%	2.5%
Solvency ratio	65.1%	57.2%	51.7%	41.3%	34.3%
Return on invested capital	23.5%	21.7%	19.0%	9.0%	4.1%
Average number of full-time employees	340	309	302	318	315

The financial ratios have been calculated as follows:

EBITDA% $\frac{\text{EBITDA x 100}}{\text{Revenue}}$

Return on equity $\frac{\text{Profit from ordinary activities after tax x 100}}{\text{Average equity}}$

Solvency ratio $\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$

Return on invested capital $\frac{\text{Operating profit x 100}}{\text{Average invested capital}}$

Management's review

Operating review

Principal activities

DAFA contributes sustainable, long-lasting foam and rubber solutions which seal, absorb and protect. The goal is that customers experience added value by collaborating with DAFA and that they choose DAFA as their preferred supplier.

DAFA sells its products to the industrial segment and building segment.

DAFA's business model is through a global footprint to follow our customers development and requirements by offering high service and quality in sustainable, long-lasting foam and rubber solutions which seal, absorb and protect. We want to grow together with our customers by focusing on close customer relations and development of innovative quality products and solutions.

The solutions are produced and distributed through divisions in Denmark, Poland, Italy and China. In addition, there are sales offices in USA, Sweden, Norway and Germany.

Development in activities and financial position

2021 has been a satisfactory year with significant growth in both revenue and earnings compared with previous years. The split of the construction dealer activity from DAFA A/S into DAFA Building Solutions A/S took place at 1 January 2021.

Overall financial performance shows a satisfactory improvement in 2021 compared to 2020. Revenue grew by 10.7%, which was above budget expectations for 2021. The profit margin is in line with the budget expectations for 2021.

Revenue and results for the year

The income statement of the Group for 2021 shows a profit of DKK 57.7 million, which is an increase on 2020 of DKK 7.2 million.

Consolidated EBIT amounted to DKK 79.0 million in 2021, which was an improvement of DKK 10.4 million compared to 2020.

EBT was DKK 78.8 million, which was an improvement of DKK 12.2 million compared to 2021.

Cash flows

Cash flows from operating activities totalled DKK 60.7 million (2020: DKK 63.9 million) which is considered satisfactory. Total investment costs across intangible assets and property, plant and equipment in 2021 reached DKK 19.4 million (2020: DKK 19.0 million).

Capital structure

DAFA Group is a consolidated family-owned company with a solvency ratio at 65.1%. The current capital structure and credit facilities provide the flexibility required to fully support the future strategy of the Group.

Management's review

Operating review

Outlook

In 2022, revenue is expected to increase at a range between 5% to 10%, and profit margin is expected to be at the same level as realised in 2021. The growth expectation is based on the continuing investment initiated in the last couple of years when DAFA Group has moved from having a local footprint to being present with a global footprint to support both existing global key customers as well as to gain new customers and new markets.

Particular risks

In DAFA, risk is a natural part of the way the business is operating. Efficient risk management secures that the risk is revaluated and addressed daily to reduce the risk to a minimum. The Board of Directors has the overall responsibility for DAFA's risk management and for establishing, identifying and controlling the risk. Management has the daily responsibility to follow the overall guidelines and to report to the Board of Directors inside the most important risk areas.

Operating risks

The Group's key operating risks relate to the ability to maintain and develop its position at existing customers while increasing the market share. The Group's global footprint supports thereby the ability to minimise operating risks.

Market risks

Due to a relatively high solvency ratio and with global presence, the Group is only to a limited extent exposed to major periodic fluctuations in sales.

Financial risks

Currency risks

Due to foreign activities, profit, cash flows and equity are affected by the exchange and interest rate developments for several currencies. It is the Company's currency policy not to hedge currency risks as most transactions are naturally hedged through purchases and sales in the same currencies.

Interest rate risks

Due to its high solvency ratio and financial resources, the Group is exposed to interest rate changes only to a modest extent.

Management's review

Operating review

Credit risks

According to the Group's credit policy, all major customers are rated on a current basis.

Research and development activities

DAFA continuously develops and improves its products in cooperation with its customers. The related costs are charged to the income statement as they are incurred. Resources spent on implementation of new technology is capitalised under the item completed development projects.

Intellectual capital

It is essential for DAFA's continued growth to retain and develop employees; therefore, significant resources are allocated to these efforts.

To ensure competitiveness and efficiency, new technology investments are made continuously alongside continued competence development.

Intellectual capital resources are of great importance to DAFA. In the construction segment, continuous product development is carried out based on knowledge of the market and our customers. In the industry segment, customised quality solutions are developed for which our employees' know-how of materials and possible solutions is a key factor.

Events after the balance sheet date

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Statutory declaration of Corporate Social Responsibility in accordance with section 99a of the Danish Financial Statements Act

DAFA conducts the business activities as described in the business model section with deep respect for all the stakeholders and constant focus on reducing our environmental impact. Since 2010 DAFA has been incorporating the 10 principles of UN Global Compact into strategies, policies and procedure establishing a culture of integrity upholding not only our basic responsibilities to people and planet, but also setting the platform for long term sustainable business operations.

The 10 principles of Global Compact concerning respect for human rights, labour, environment and anti-corruption. A set of guidelines to ensure that DAFA's employees, in cooperation with customers, suppliers, authorities and other stakeholders, create a responsible development of DAFA's business and surroundings. DAFA has latest submitted Communication of Progress No. 13 for publication on our website.

The statutory report "DAFA ESG/COP REPORT - FEB 2022" can be read or downloaded from the below link.

https://dafa-group.com/en/sustainability

The statutory report is based on the principles for ESG reporting set out by CFA Society Denmark, FSR and NASDAQ for "ESG key figures in the annual report" and guidelines for UN Global Compact annual Communication of Progress.

Management's review

Operating review

Environment

DAFA aims to live in harmony with our surroundings, neighbours as well as the environment. While maintaining and strengthening the company's competitiveness, we will actively work to reduce the environmental impact from our processes and products. In its decision making, management will consider environment and energy factors, via risk and opportunity management, so that no significant decisions are made before these factors have been assessed. We aim to refine our existing energy management in order to continually achieve better utilization. Changes in energy consumption are observed and monitored through records and measurements. Efforts will be made to reduce energy consumption every time plant or equipment is replaced, modernized or adapted. Wherever possible, xenobiotic substances will be replaced with environmentally neutral alternatives. We aim to expand collaboration with our suppliers to include environmental issues in relation to processes and products. Employees will be moved towards a high level of environmental awareness through training. We undertake to comply with all statutory environmental requirements, including pollution prevention.

We are committed to contributing to sustainable development: "Development that meets the present needs without compromising the ability of future generations to meet their own". In practice, sustainability means that we will respect and balance environmental, economic and social aspects, thereby continually improving DAFA's local environment, business and organization.

In 2016, the environmental system ISO 14001 was implemented, and once a year Management reviews the targets, actions and results.

DAFA has set out an ambitious strategy: "DAFA Go Green" based on the most significant risks and impacts for climate, environment and CSR. The goals and the status of achievement is reported on DAFAs website on annual basis: "DAFA ESG/COP REPORT – FEB 2022".

Statutory statement regarding the underrepresented gender in accordance with the section 99b of the Danish Financial Statements Act

In DAFA, we acknowledge that diversity in Management and employees is a strength and as a part of this, equality in gender contributes to the business development. DAFA's target regarding the underrepresented gender is that both genders are to be represented on the Board of Directors, and no one is underrepresented. The target was met in 2006 and has remained representative since then with a representation of the underrepresented gender on the Board of Directors of 25% due to a board composition of four members of which one is female. In the future, no new target is needed if the underrepresented gender stays at 25%.

Diversity in other management levels

DAFA is also considering diversity in other management levels than the Board of Directors. The long-term aim is that the Company reflects the surrounding society and especially the Company's customers, not only in terms of gender, but also in terms of nationality and ethnicity. This reflection of the surrounding society is to contribute to the Company being an attractive choice for customers as well as present and future employees and in this way enabling the Company to achieve its long-term business goals.

Management's review

Operating review

The policy of the Company states that both genders are encouraged equally to apply for vacant positions in the Company. Both genders are also guaranteed the same rights and conditions during their employment. As DAFA strives for an equal gender representation in Management, we acknowledge that women are currently underrepresented. Therefore, we have placed special focus on ensuring that women are, where possible, included in the list of candidates for new hires and internal promotions. Moreover, we have in situations where more candidates are assessed to be equally qualified for a position selected the female candidate. In the Global Management the underrepresented gender is represented by 10 %. In 2021 the Danish Management the underrepresented gender has increased by one new manager.

DAFA will in the future increase the work to equal the gender representation, and the expectation for 2022 is to improve the balance of gender compared till today.

Statutory statement regarding data ethics in accordance with the section 99d of the Danish Financial Statements Act

DAFA's data ethics are based on privacy for customer and employees as a fundamental value. The Company strives for a positive staff culture around errors where openness about mistakes and problems leads to improvements. Employees who access data have undergone an e-learning programme on how to process data.

Our data ethics principles support ethical decision-making when using data across the value chain. We further strengthened the integration of data protection and human rights risks in management processes.

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

Income statement

		Group		Parent Company	
DKK'000	Note	2021	2020	2021	2020
Revenue	2	567,944	513,276	3,871	4,228
Other operating income		197	386	0	0
Cost of sales		-284,631	-257,348	0	0
Other external costs		-49,119	-45,185	-689	-798
Gross profit		234,391	211,129	3,182	3,430
Staff costs	3	-134,274	-122,280	-6,120	-5,661
Depreciation and amortisation	4	-21,114	-20,241	0	0
Operating profit		79,003	68,608	-2,938	-2,231
Income from equity investments in group entities	5	0	0	60,791	52,420
Financial income	6	1,549	583	364	461
Financial expenses	7	-1,710	-2,518	-1,313	-1,624
Profit before tax		78,842	66,673	56,904	49,026
Tax on profit for the year	8	-21,145	-16,163	793	1,484
Profit for the year	9	57,697	50,510	57,697	50,510

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

Balance sheet

		Group		Parent Company	
DKK'000	Note	2021	2020	2021	2020
ASSETS					
Fixed assets					
Intangible assets	10				
Goodwill		30,683	37,477	0	0
Completed development projects		0	58	0	0
Software		8,068	8,407	0	0
		38,751	45,942	0	0
Property, plant and equipment	11				
Land and buildings		38,445	39,995	0	0
Plant and machinery		42,014	39,318	0	0
Fixtures and fittings, tools and equipment		3,460	3,894	0	0
Leasehold improvements		2,938	2,274	0	0
		86,857	85,481	0	0
Other fixed assets					
Equity investments in group entities	5	0	0	307,542	277,432
Deposits	12	3,334	3,217	0	0
Receivables from group entities	12	0	0	0	2,307
		3,334	3,217	307,542	279,739
Total fixed assets		128,942	134,640	307,542	279,739

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

Balance sheet

		Group		Parent Company	
DKK'000	Note	2021	2020	2021	2020
ASSETS (continued)					
Current assets					
Inventories					
Raw materials and consumables		32,348	22,446	0	0
Work in progress		2,585	3,381	0	0
Finished goods and goods for resale		51,678	41,099	0	0
		86,611	66,926	0	0
Receivables					
Trade receivables		95,728	91,703	0	0
Receivables from group entities		0	494	505	5,702
Other receivables		3,839	1,675	29	34
Corporation tax		0	1,304	855	747
Prepayments	13	29	76	0	76
		99,596	95,252	1389	6,559
Securities and equity investments		2,229	2,130	0	0
Cash at bank and in hand		32,222	22,590	755	5,086
Total current assets		220,658	186,898	2,144	11,645
TOTAL ASSETS		349,600	321,538	309,686	291,384

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

Balance sheet

		Group		Parent Company	
DKK'000	Note	2021	2020	2021	2020
EQUITY AND LIABILITIES					
Equity					
Contributed capital	14	5,000	5,000	5,000	5,000
Reserve for net revaluation according to the equity method		0	0	115,331	85,999
Reserve for development costs		0	45	0	0
Retained earnings		202,516	168,896	87,185	82,942
Proposed dividends		20,000	10,000	20,000	10,000
Total equity		227,516	183,941	227,516	183,941
Provisions					
Provisions for deferred tax	15	4,526	4,604	0	0
Other provisions	16	2,131	2,152	0	0
Total provisions		6,657	6,756	0	0
Liabilities other than provisions					
Non-current liabilities other than provisions	17				
Mortgage debt		0	13,787	0	13,429
Payable to group entities		0	0	0	43,262
Lease obligations		5,659	7,632	0	0
Other payables		472	0	0	0
		6,131	21,419	0	56,691
Current liabilities other than provisions					
Mortgage debt	17	13,778	14,500	13,778	14,500
Lease obligations	17	1,237	1,222	0	0
Credit institutions		0	0	0	0
Trade payables		66,499	63,104	0	0
Payables to group entities		0	0	62,624	30,000
Corporation tax		2,463	0	0	0
Other payables		25,319	30,596	5,768	6,252
		109,296	109,422	82,170	50,752
Total liabilities other than provisions		115,427	130,841	82,170	107,443
TOTAL EQUITY AND LIABILITIES		349,600	321,538	309,686	291,384

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

Statement of changes in equity

	Group				
DKK'000	Contri- buted capital	Reserve for develop- ment costs	Retained earnings	Proposed dividends	Total
Equity at 1 January 2021	5,000	45	168,896	10,000	183,941
Exchange adjustment	0	0	5,878	0	5,878
Transferred from reserve for development costs	0	-45	45	0	0
Ordinary dividends paid	0	0	0	-10,000	-10,000
Extraordinary dividends paid	0	0	-10,000	0	-10,000
Transferred over the profit appropriation	0	0	37,697	20,000	57,697
Equity at 31 December 2021	5,000	0	202,516	20,000	227,516

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

Statement of changes in equity

	Parent				
DKK'000	Contri-buted capital	Net reva-luation according to the equity method	Retained earnings	Proposed dividends	Total
Equity at 1 January 2021	5,000	85,999	82,942	10,000	183,941
Exchange adjustment on investments	0	0	5,878	0	5,878
Ordinary dividends paid	0	0	0	-10,000	-10,000
Extraordinary dividends paid	0	0	-10,000	0	-10,000
Transferred over the profit appropriation	0	29,332	8,365	20,000	57,697
Equity at 31 December 2021	5,000	115,331	87,185	20,000	227,516

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

Cash flow statement

		Group	
DKK'000	Note	2021	2020
Profit for the year		57,697	50,510
Other adjustments of non-cash operating items	21	48,038	34,696
Cash generated from operations before changes in working capital		105,735	85,206
Changes in working capital	22	-27,375	-62
Cash generated from operations		78,360	85,144
Financial income		1,549	583
Financial expenses		-1,710	-2,518
Corporation tax paid		-17,456	-19,356
Cash flows from operating activities		60,743	63,853
Acquisition of intangible assets		-2,811	-7,735
Acquisition of property, plant and equipment		-16,578	-11,289
Disposal of property, plant and equipment		4,057	2,267
Disposal of intangible assets		293	0
Cash flows from investing activities		-15,039	-16,757
External financing:			
Repayment of long-term debt		-14,509	-27,872
Increase of lease obligations		0	2,071
Repayment of lease obligations		-1,958	0
Settlement of receivables from group entities		494	0
Increase of payables to group entities		0	1
Paid dividends		-20,000	-20,000
Cash flows from financing activities		-35,973	-45,800
Cash flows for the year		9,731	1,296
Cash and cash equivalents at the beginning of the year		24,720	23,424
Cash and cash equivalents at year end	23	34,451	24,720

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

Notes

1 Accounting policies

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

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

The consolidated and parent company financial statements for 2021 are presented in DKK'000.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, DAFA A/S, and group entities in which the Parent Company directly or indirectly holds more than 50% of the votes or in some other way exercises control over. Entities in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are considered associates. A group chart is included on page 7.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Equity investments in group entities are set off against the proportionate share of group entities' fair value of net assets and liabilities at the date of acquisition.

Business combinations

Acquisitions

On acquisition of group entities, the difference between cost and net asset value of the entity acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). Cost comprises the fair value of the consideration paid as well as expenses for consultants, etc., directly related to the acquisition. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over its estimated useful life. Any remaining negative differences are recognised as income in the income statement at the date of acquisition.

Positive and negative differences from entities acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made. Moreover, any change in contingent consideration is adjusted in the value of goodwill or negative goodwill.

Amortisation of goodwill is recognised in "Amortisation, depreciation and impairment losses".

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses. Where foreign exchange transactions are considered hedging of future cash flow, the value adjustments are recognised directly in equity.

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

Notes

1 Accounting policies (continued)

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are measured at the transactions date rates.

Income statement

Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The economic benefits relating to the sale will flow to the Group.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables consumed to achieve revenue for the year.

Other external costs

Other external costs comprise indirect production costs and expenses for premises, costs related to sales, distribution, office, etc.

Staff expenses

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Other operating income and costs

Other operating income and costs comprise items secondary to the activities of the Group, including losses on the disposal of intangible assets and property, plant and equipment.

Income from equity investments in group entities

The proportionate share of the individual group entities' profit/loss after tax is recognised in the Group's and the Parent Company's income statements after elimination of a proportionate share of intra-group gains/losses and amortisation of goodwill.

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Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, etc.

Tax on profit/loss for the year

The Group is comprised by the Danish rules on compulsory joint taxation of the Group's Danish group entities. The group entities are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The ultimate parent, J. Norby Holding ApS, is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. Goodwill is amortised on a straight-line basis over the remaining life of the patent, which is 10 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Development projects

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well development costs. Other development costs are recognised in the income statement as incurred.

Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

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

Notes

1 Accounting policies (continued)

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives. The amortisation period is usually 3 years.

Acquired other similar rights

Acquired other similar rights are measured at cost less accumulated amortisation and impairment losses. Acquired other similar rights are amortised on a straight-line basis over the remaining life of the rights, which is 3-5 years.

Software

Acquired software is measured at cost less accumulated amortisation and impairment losses. Acquired software is amortised on a straight-line basis over 3 years.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	40-50 years
Plant and machinery	5-10 years
Fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	10 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Investments

Investments in group entities are recognised and measured under the equity method.

The caption "Investments in group entities" in the balance sheet includes the proportionate ownership share of the net asset value of the entities calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the entities.

The total net revaluation of investments in group entities is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividends distributed to the Parent Company and adjusted for other equity movements in the group entities.

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

Notes

1 Accounting policies (continued)

Investments (continued)

Group entities with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the entity is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When the net present value is calculated, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

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.

Goods for resale and raw materials and consumables equals landed cost.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production costs. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

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

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Notes

1 Accounting policies (continued)

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning consumption taxes, licenses, insurance, etc.

Current asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Net revaluation reserve according to the equity method

Net revaluation reserve according to the equity method comprises net revaluation of equity investments in group entities in proportion to cost.

Dividends expected to be received before the balance sheet date are not tied to the reserve.

Reserves may be eliminated in connection with loss, realisation of equity investments or changes in accounting estimates.

Reserves cannot be recognised at a negative amount.

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established.

The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

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

Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account. Extra payments and repayments under the on-account taxation scheme are recognised as an interest expense in the income statement and expenses.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost, substantially corresponding to nominal value.

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

Notes

1 **Accounting policies (continued)**

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

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

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Overdraft facilities".

Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Group's accounting policies, risks and internal financial management.

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

Notes

2 Segment information

The Group has only one segment concerning the sale of goods. The Group's geographical segments are as follows:

Geographical

	Group			
DKK'000	Scandi-navia	Rest of Europe	Rest of the world	Total
2021				
Revenue	254,542	197,974	115,428	567,944

3 Staff costs

	Group		Parent Company	
DKK'000	2021	2020	2021	2020
Wages and salaries	117,934	104,709	5,947	5,523
Pensions	7,131	5,940	142	131
Other social security costs	7,547	7,153	0	0
Other staff expenses	1,662	4,478	31	7
	134,274	122,280	6,120	5,661
Average number of full-time employees	340	309	2	2

Staff costs of the Group and the Parent Company include remuneration of the Parent Company's Executive Board and Board of Directors, DKK 4,364 thousand (2020: DKK 3,885 thousand).

4 Depreciation and amortisation

	Group		Parent Company	
DKK'000	2021	2020	2021	2020
Amortisation of intangible assets	9,709	8,064	0	0
Depreciation of property, plant and equipment	11,405	12,177	0	0
	21,114	20,241	0	0

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

Notes

5 Income from equity investments in group entities

	Parent Company	
DKK'000	2021	2020
Cost at 1 January	191,429	191,029
Additions	0	400
Disposals	0	0
Cost at 31 December	191,429	191,429
Value adjustments at 1 January	86,003	45,147
Exchange adjustment	5,878	-7,360
Profit for the year	67,772	59,727
Dividends to the Parent Company	-36,000	-4,767
Amortisation of goodwill	-7,050	-7,109
Other equity adjustments	-560	0
Change in internal profits on inventory, etc.	70	365
Value adjustments at 31 December	116,113	86,003
Carrying amount at 31 December	307,542	277,432

In 2016, the Group acquired equity investments in DAFA Polska sp. Z o.o, which entailed recognition of a positive balance (goodwill) of DKK 60,999 thousand. The carrying amount of goodwill amounted to DKK 27,549 thousand as of 31 December 2021.

In 2016, the Group acquired equity investments in DAFA Italia S.r.l, which entailed recognition of a positive balance (goodwill) of DKK 6,688 thousand. The carrying amount of goodwill amounted to DKK 3,134 thousand at 31 December 2021.

Based on projected profit in the coming years, the Company has not identified any impairment related to the recognised goodwill.

Name/legal form	Registered office	Contributed capital	Votes and ownership
Group entities:			
DAFA A/S	Denmark	25,000,000 (DKK)	100%
DAFA China Holding ApS	Denmark	125,000 (DKK)	100%
DAFA Building Solutions A/S	Denmark	5,000,000 (DKK)	100%
DAFA Sealing Technology (Tianjin) Co., Ltd. (indirect ownership)	China	5,184,548 (CNY)	100%
DAFA Sverige AB	Sweden	100,000 (SEK)	100%
DAFA Deutschland GmbH	Germany	25,000 (EUR)	100%
DAFA US Inc.	USA	20,000 (USD)	100%
DAFA Polska sp. Z o.o.	Poland	2,196,000 (PLN)	100%
DAFA Italia S.r.l	Italy	10,000 (EUR)	100%
DAFA Norway AS	Norge	500 (NO)	100%

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DKK'000	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
6 Financial income				
Interest income from group entities	0	0	142	405
Other financial income	1,549	583	222	56
	1,549	583	364	461
7 Financial expenses				
Interest expenses to group entities	0	0	1,170	238
Other financial expenses	1,710	2,518	143	1,386
	1,710	2,518	1,313	1,624
8 Tax on profit for the year				
Current tax for the year	21,161	17,014	-855	-1,484
Deferred tax adjustment for the year	-78	-114	0	0
Adjustment of tax concerning previous years	62	-737	62	0
	21,145	16,163	-793	-1,484

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

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9 Proposed profit appropriation

	Group		Parent Company	
DKK'000	2021	2020	2021	2020
Reserve for net revaluation according to the equity method	0	0	29,332	40,852
Retained earnings	37,697	40,510	8,365	-342
Proposed dividends	20,000	10,000	20,000	10,000
	57,697	50,510	57,697	50,510

10 Intangible assets

	Group				
DKK'000	Goodwill	Completed development projects	Software	Acquired other similar rights	Total
Cost at 1 January 2021	67,687	2,367	12,151	3,035	85,240
Additions	0	0	2,811	0	2,811
Disposals	0	-1,128	-793	0	-1,921
Cost at 31 December 2021	67,687	1,239	14,169	3,035	86,130
Amortisation and impairment losses at 1 January 2021	-30,210	-2,309	-3,744	-3,035	-39,298
Amortisation	-6,794	-58	-2,857	0	-9,709
Reversed depreciation of disposals for the year	0	1,128	500	0	1,628
Amortisation and impairment losses at 31 December 2021	-37,004	-1,239	-6,101	-3,035	-47,379
Carrying amount at 31 December 2021	30,683	0	8,068	0	38,751

Completed development projects

Completed development projects relate to development and test of various concepts regarding our wind and building segments and development of AX integration in the Group, which has entailed greater productivity.

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

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11 Property, plant and equipment

	Group				
DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2021	52,186	107,669	27,070	4,516	191,441
Foreign exchange adjustments in foreign entities	-284	2,592	-1,768	10	550
Additions	222	13,793	1,431	1,132	16,578
Disposals	-485	-15,049	-641	0	-16,175
Cost at 31 December 2021	51,639	109,005	26,092	5,658	192,394
Depreciation and impairment losses at 1 January 2021	-12,191	-68,351	-23,176	-2,242	-105,960
Foreign exchange adjustments in foreign entities	103	-1,928	1,536	-1	-290
Depreciation	-1,591	-7,724	-1,613	-477	-11,405
Reversed depreciation and impairment losses	485	11,012	621	0	12,118
Depreciation and impairment losses at 31 December 2021	-13,194	-66,991	-22,632	-2,720	-105,537
Carrying amount at 31 December 2021	38,445	42,014	3,460	2,938	86,857
Assets held under finance leases	0	6,297	119	0	6,416

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12 Other fixed assets excl. equity investments in group entities

	Group		Parent Company	
DKK'000	2021	2020	2021	2020
Other fixed assets at 1 January	3,217	2,999	2,307	7,815
Addition for the year	117	218	0	0
Disposal/adjustment for the year	0	0	-2,307	-5,508
	3,334	3,217	0	2,307

13 Prepayments

Prepayments comprise the accrual of costs incurred relating to subsequent financial years, including insurance, IT licences, etc.

14 Contributed capital

All shares rank equally.

	Group		Parent Company	
DKK'000	2021	2020	2021	2020
15 Deferred tax				
Deferred tax at 1 January	4,604	4,718	0	0
Deferred tax adjustment for the year in the income statement	-78	-114	0	0
	4,526	4,604	0	0
16 Other provisions				
Other provisions at 1 January	2,152	0	0	0
Adjustment for the year	-21	2,152	0	0
	2,131	2,152	0	0

Other provisions comprise anticipated costs related to pension provisions to employees.

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DKK'000	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
17 Non-current liabilities other than provisions				
Non-current liabilities other than provisions can be specified as follows:				
Mortgage debt:				
0-1 years	13,778	14,500	13,778	14,500
1-5 years	0	13,787	0	13,429
	13,778	28,287	13,778	27,929
Payables to group entities:				
0-1 years	0	0	62,624	30,000
1-5 years	0	0	0	43,262
	0	0	62,624	73,262
Lease obligations:				
0-1 years	1,237	1,222	0	0
1-5 years	4,821	5,609	0	0
Due after 5 years	838	2,023	0	0
	6,896	8,854	0	0
Other payables:				
0-1 years	25,319	30,596	4,986	6,252
1-5 years	472	0	0	0
	25,791	30,596	4,986	6,252

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DKK'000	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
18 Fees to auditor appointed at the general meeting				
Total fees to appointed auditor	895	1,062	40	50
Statutory audit	784	657	35	20
Tax assistance	48	178	5	5
Non-audit services	63	227	0	25
	895	1,062	40	50

19 Contractual obligations, contingencies, etc.

Operating lease obligations

DKK'000	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
0-1 year	12,237	8,575	315	315
1-5 years	32,718	35,310	179	494
Due after 5 years	0	6,939	0	0
	44,955	50,824	494	809

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income.

Collateral

As guarantor, DAFA Group A/S is liable for all bank balances in DAFA Deutschland GmbH. The bank fund at 31 December 2021 represents DKK 1,385 thousand.

As guarantor, DAFA Group A/S is liable for up to DKK 450 thousand for all bank balances in DAFA Building Solutions A/S. As of 31 December 2021, the net bank fund represents DKK 4,999 thousand.

DAFA Group A/S has pledged the investment in DAFA Polska sp. Z.o.o. for all bank balances. The carrying value of the investment totalled DKK 105,913 thousand at 31 December 2021.

DAFA Group A/S has provided guarantees for operations in DAFA Norway AS of NOK 319 thousand through bank institution.

DAFA Group A/S has provided guarantees to the Danish tax authorities of DKK 200 thousand to secure indirect import taxes.

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

Notes

20 Related parties

DAFA Group A/S' related parties comprise the following:

Control

DAFA Group A/S is part of the consolidated financial statements of J. Norby Holding ApS, P. Heises Vej 10, DK-8000 Aarhus C, and the consolidated financial statements of J. Norby Holding ApS, P. Heises Vej 10, DK-8000 Aarhus C is the largest group, in which the Company is consolidated into as a subsidiary.

The consolidated financial statements of J. Norby Holding ApS can be obtained by contacting the company at the above address.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the contributed capital:

C. Norby Holding ApS, Aarhus C, Denmark

J. Norby Holding ApS, Aarhus C, Denmark

Related party transactions

DKK'000	2021
Parent Company	
Sale of services to group entities	3,871
Received dividends from subsidiaries	36,000

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 3.

Receivables and payables from/to subsidiaries are disclosed in the balance sheet, and interest income and interest expenses from/to subsidiaries are disclosed in notes 6 and 7.

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	DKK'000	Group 2021	Group 2020
21	**Other adjustments of non-cash operating items**		
	Financial income	-1,549	-583
	Financial expenses	1,710	2,518
	Tax on profit for the year	21,145	16,163
	Depreciation, amortisation and impairment losses, including losses and gains on sales	21,114	20,241
	Exchange adjustments in equity	5,878	-7,360
	Exchange adjustments of fixed assets	-260	3,717
		48,038	34,696
22	**Changes in working capital**		
	Change in inventories	-19,685	-6,528
	Change in receivables	-6,259	-8,965
	Change in other provisions	-21	2,152
	Change in trade and other payables	-1,410	13,279
		-27,375	-62
23	**Cash and cash equivalents**		
	Cash and cash equivalents at 31 December comprise:		
	Cash at bank and in hand	32,222	22,590
	Current asset investments	2,229	2,130
	Cash and cash equivalents at 31 December	34,451	24,720