

BERING

inspired by arctic beauty

BERING Group ApS

Skrænten 34, 6200 Aabenraa

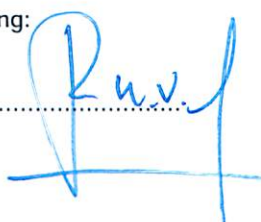
CVR no. 35 38 82 65

Annual report 2020

Approved at the Company's annual general meeting on 2 June 2021

Chair of the meeting:

.....
Frank Waller



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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of BERING Group ApS for the financial year 1 January - 31 December 2020.


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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2020 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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

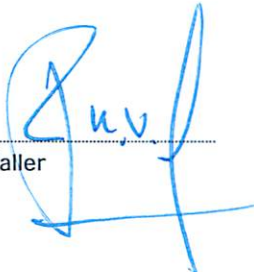
Aabenraa, 2 June 2021
Executive Board:


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Frank Waller

Board of Directors:

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Michael Witt Johansen
Chair

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René Gross Kærskov


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Frank Waller

Independent auditor's report

To the shareholders of BERING Group ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of BERING Group ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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" (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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

Independent auditor's report

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.


Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aabenraa, 2 June 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28


Jon Midtgaard
State Authorised Public Accountant
no. 28657

Management's review

Company details

Name	BERING Group ApS
Address, Postal code, City	Skrænten 34, 6200 Aabenraa
CVR no.	35 38 82 65
Established	1 June 2013
Registered office	Aabenraa
Financial year	1 January - 31 December
Website	www.beringtime.com
E-mail	info@beringtime.com
Telephone	+45 86 16 90 90
Board of Directors	Michael Witt Johansen, Chair René Gross Kærskov Frank Waller
Executive Board	Frank Waller
Auditors	EY Godkendt Revisionspartnerselskab Skibbroen 16, 6200 Aabenraa, Denmark
Bankers	Sydbank A/S

Management's review

Financial highlights for the Group

DKK'000	2020	2019	2018	2017	2016
Key figures					
Revenue	230,926	300,535	287,601	349,206	319,550
Gross profit	63,516	68,579	55,907	77,757	57,244
Operating profit/loss	11,326	23,564	20,577	47,141	34,230
Net financials	-4,172	530	-4,926	-9,804	-5,094
Profit for the year	6,638	17,834	13,039	28,025	22,840
Total assets					
Equity	191,721	216,660	230,473	224,606	215,281
Cash flows					
Cash flows from operating activities	33,150	2,558	47,859	13,091	1,105
Net cash flows from investing activities	-5,739	-47,623	-3,880	16	729
Amount relating to investments in property, plant and equipment	-5,739	-6,172	-4,400	0	0
Financial ratios					
Operating margin	5.8%	7.9%	7.6%	13.5 %	10.7 %
Gross margin	27.5%	22.8%	19.4%	22.3%	17.9%
Equity ratio	43.0%	35.4%	40.4%	35.7%	25.4%
Return on equity	7.6%	18.0%	15.1%	41.6%	54.6%
Average number of employees					
	164	134	98	82	40

Financial ratios are calculated in accordance with the recommendations of the Danish Finance Society.

Management's review

Business review

The BERING Group is a design enterprise whose activities comprise the sale of wrist watches and jewelry.

The Group is engaged in sale almost all over the world, both directly and via agents and distributors. Today, the Group has companies in Denmark, Germany, the UK, the Netherlands, USA and Hong Kong.

The BERING Group presents a series of watches and jewellery that blend minimalistic Danish design and optimal material strength. HighTech ceramic and sapphire glass make the watches extremely tough and uniquely resistant. Time leaves no trace on the streamlined forms and pure elegance of the watches.

A brand that redefines time with its love for detail.

The parent company, BERING Group ApS' objective is to hold shares in subsidiaries, own intellectual property rights, exercise management and support functions for subsidiaries, make investments and related activities.

Financial review

The income statement for 2020 shows a profit of DKK 6,638 thousand against a profit of DKK 17,834 thousand last year, and the group's balance sheet at 31 December 2020 shows equity of DKK 105,241 thousand.

The Group has realised a drop in revenue of 23 % compared to last year. The drop in revenue is largely affected by the COVID-19 outbreak, which has led to a short-term decrease in the demand for wrist watches and jewelry.

The traditional watch and jewelry market (retailer/shops) has been heavily influenced by Covid-19. It has also affected Bering. Despite this, Bering has managed to grow significantly online. Online sales make up 35 % of sales in 2020 - normally online sales make up 10-12 %. Online sales have increased by 85 % compared to 2019.

The results in 2020 are considered acceptable and in line with expectations, when taking into account the effect of COVID-19 in 2020.

Financial risks and use of financial instruments

Due to its activities, the Group is exposed to a number of risks. The Group actively strives to reduce these risks to acceptable levels, see below.

The Group's main operational risk is linked to the ability to be highly positioned in the main markets for wrist watches and jewelry, including developing and supplying products demanded by the market. Due to its financial position and solidity, the Group is only limited exposed to changes in interest rates. However, the Group is exposed to currency risks and credit risks in terms of current operations.

Currency risks:

The Group's foreign currency risks primarily relate to purchases from the Far East. Profit and equity are thus affected by the exchange rate movements for a number of currencies, primarily USD. The Company relies to some extent on forward contracts to reduce commercial currency risks, primarily in relation to the hedging of purchases. No agreements on speculative financial instruments are made.

Credit risks:

Based on a specific credit rating, the Group grants credit to selected customers. It is Group policy to have tight control of the credit risk, by applying e.g. a credit max. at customer level.

Outlook

Due to the current situation and the changed outlook for our markets, we are not able to give a precise outlook for financial year 2021. The impact on the Group's operations and financial position for financial year 2021 will depend on the length and scope of the virus-outbreak. Our best estimate is that 2021 will at least be on par with 2020. We do not expect normality before 2022.

Management's review

Other matters

The Group's employees have a thorough knowledge of the market and have shown a particular ability to develop a unique product programme. Upgrading of employees is made on an ongoing basis. The Group does not perform research and development activities, and the influence of the external environment is not regarded as material.

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

Income statement

Note	DKK'000	Group		Parent company	
		2020	2019	2020	2019
	Revenue	230,926	300,535	6,501	15,399
	Cost of sales	-109,371	-157,694	0	0
	Other operating income	2,121	80	202	0
	Other external expenses	-60,160	-74,342	-839	-9,556
	Gross profit	63,516	68,579	5,864	5,843
3	Staff costs	-45,344	-42,924	-2,304	-5,924
4	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-4,725	-2,011	-156	-112
	Other operating expenses	-7	0	0	0
	Profit/loss before net financials	13,440	23,644	3,404	-193
	Income from investments in group entities	0	0	2,566	13,133
	Income from investments in associates	0	-63	0	-63
5	Financial income	1,196	4,341	3,804	6,986
6	Financial expenses	-5,368	-3,811	-2,727	-4,192
	Profit before tax	9,268	24,111	7,047	15,671
7	Tax for the year	-2,630	-6,277	-986	-386
	Profit for the year	6,638	17,834	6,061	15,285
Specification of the Group's results of operations:					
	Shareholders in BERING Group ApS	6,061	15,285		
	Non-controlling interests	577	2,549		
		6,638	17,834		

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

Balance sheet

Note	DKK'000	Group		Parent company	
		2020	2019	2020	2019
		ASSETS			
		Fixed assets			
8	Intangible assets				
	Patents and licences	1,698	456	1,194	456
	Goodwill	259	382	0	0
		<u>1,957</u>	<u>838</u>	<u>1,194</u>	<u>456</u>
9	Property, plant and equipment				
	Other fixtures and fittings, tools and equipment	8,822	9,066	0	0
		<u>8,822</u>	<u>9,066</u>	<u>0</u>	<u>0</u>
10	Investments				
	Investments in group entities	0	0	101,948	98,999
	Other receivables	800	875	0	0
		<u>800</u>	<u>875</u>	<u>101,948</u>	<u>98,999</u>
	Total fixed assets	<u>11,579</u>	<u>10,779</u>	<u>103,142</u>	<u>99,455</u>
	Non-fixed assets				
	Inventories				
	Finished goods and goods for resale	96,902	113,783	0	0
	Prepayments for goods	2,771	1,220	0	0
		<u>99,673</u>	<u>115,003</u>	<u>0</u>	<u>0</u>
	Receivables				
	Trade receivables	66,456	72,633	0	0
	Receivables from group entities	0	0	127,690	126,064
13	Deferred tax assets	803	610	0	0
	Income taxes receivable	1,251	2,132	1,198	2,115
	Other receivables	3,555	6,343	1,098	426
11	Prepayments	510	1,582	0	0
		<u>72,575</u>	<u>83,300</u>	<u>129,986</u>	<u>128,605</u>
	Cash	7,894	7,578	4	5
	Total non-fixed assets	<u>180,142</u>	<u>205,881</u>	<u>129,990</u>	<u>128,610</u>
	TOTAL ASSETS	<u>191,721</u>	<u>216,660</u>	<u>233,132</u>	<u>228,065</u>

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

Balance sheet

Note	DKK'000	Group		Parent company	
		2020	2019	2020	2019
		EQUITY AND LIABILITIES			
		Equity			
12	Share capital	501	501	501	501
	Net revaluation reserve according to the equity method	0	0	48,946	45,998
	Retained earnings	81,944	76,114	32,998	30,116
	Shareholders in BERING Group ApS' share of equity	82,445	76,615	82,445	76,615
	Non-controlling interests	22,796	22,312	0	0
	Total equity	105,241	98,927	82,445	76,615
	Provisions				
13	Deferred tax	556	368	94	65
	Warranty commitments	566	698	0	0
10	Provision, investments in group entities	0	0	5,143	4,870
15	Total provisions	1,122	1,066	5,237	4,935
	Liabilities other than provisions				
14	Non-current liabilities other than provisions				
	Payables to group entities	0	0	2,285	2,290
	Payables to shareholders	20,250	20,063	20,250	20,063
	Other payables	0	242	0	78
		20,250	20,305	22,535	22,431
	Current liabilities other than provisions				
	Bank debt	11,386	34,874	5,221	8,501
	Prepayments received from customers	2,741	50	0	0
	Trade payables	12,184	12,179	31	157
	Payables to group entities	0	0	93,657	84,841
	Payables to shareholders	21,916	27,897	21,915	27,879
	Income taxes payable	123	6,507	0	0
	Other payables	16,713	14,787	2,091	2,706
	Deferred income	45	68	0	0
		65,108	96,362	122,915	124,084
		85,358	116,667	145,450	146,515
	TOTAL EQUITY AND LIABILITIES	191,721	216,660	233,132	228,065

- 1 Accounting policies
- 2 Special items
- 17 Contractual obligations and contingencies, etc.
- 18 Collateral
- 19 Related parties
- 20 Appropriation of profit

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

Statement of changes in equity

		Group				
Note	DKK'000	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
	Equity at 1 January 2020	501	76,114	76,615	22,312	98,927
	Transfer through appropriation of profit	0	6,061	6,061	577	6,638
	Exchange adjustment, foreign subsidiaries	0	-181	-181	-93	-274
	Other value adjustments of equity	0	-50	-50	0	-50
	Equity at 31 December 2020	501	81,944	82,445	22,796	105,241

		Parent company			
Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
	Equity at 1 January 2020	501	45,998	30,116	76,615
20	Transfer, see "Appropriation of profit"	0	2,948	3,113	6,061
	Exchange adjustment, foreign subsidiaries	0	0	-181	-181
	Other value adjustments of equity	0	0	-50	-50
	Equity at 31 December 2020	501	48,946	32,998	82,445

Exchange adjustments recognised under equity relate to foreign currency adjustment of financial statements of foreign subsidiaries into Danish kroner.

Other value adjustments of equity relate to adjustment in fair value of derivative financial instruments to hedge future assets and liabilities.

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

Cash flow statement

Note	DKK'000	Group	
		2020	2019
	Profit for the year	6,638	17,834
21	Adjustments	7,030	9,214
	Cash generated from operations (operating activities)	13,668	27,048
22	Changes in working capital	27,620	-14,561
	Cash generated from operations (operating activities)	41,288	12,487
	Income taxes paid	-8,138	-9,871
	Other cash flows from operating activities	0	-58
	Cash flows from operating activities	33,150	2,558
	Additions of property, plant and equipment	-5,739	-6,172
	Disposals of property, plant and equipment	0	431
23	Acquisition of companies and activities	0	-41,882
	Cash flows to investing activities	-5,739	-47,623
	Proceeds of long-term liabilities	0	13,622
	Proceeds of debt, associates	0	1,313
	Repayments, borrowings from associates	-3,607	0
	Acquisition of own shares	0	-32,372
	Cash flows from financing activities	-3,607	-17,437
	Net cash flow	23,804	-62,502
	Cash and cash equivalents at 1 January	-27,296	35,206
24	Cash and cash equivalents at 31 December	-3,492	-27,296

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

Notes to the financial statements

1 Accounting policies

The annual report of BERING Group ApS for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

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

Consolidated financial statements

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

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

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

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

Entities over whose financial and operating policy decisions the group exercises significant influence are classified as associates. Significant influence is assumed to exist if the Parent Company directly or indirectly holds or controls 20% or more of the voting power of the investee, but does not control the investee.

The existence of potential voting rights which may presently be exercised or be converted into additional voting rights is considered when assessing if significant influence exists.

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates are recognised in the consolidated financial statements using the equity method.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquiree is recognised.

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

Notes to the financial statements

1 Accounting policies (continued)

External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from disposal of subsidiaries which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

Foreign currency translation

Transactions denominated in foreign currencies are translated to Danish Kroner at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

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

Notes to the financial statements

1 Accounting policies (continued)

Receivables and payables and other monetary items denominated in foreign currencies are translated to Danish Kroner at the exchange rates 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 group entities

Foreign subsidiaries and associates are considered separate enterprises. Items in such enterprises' income statements are translated at the average exchange rates, and their balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of such enterprises at the exchange rates at the balance sheet date and on translation of the income statements from the average exchange rates at the transaction date to closing are recognised in the equity.

Derivative financial instruments

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

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

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 receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

Income statement

Revenue

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

Income from the sale of goods, which includes the sale of wrist watches and jewellery, is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

The date of transition of the principal advantages and risks is based on standardised delivery terms on the basis of Incoterms® 2010.

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

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of fixed assets.

Cost of sales

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

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

Notes to the financial statements

1 Accounting policies (continued)

Other external expenses

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

Staff costs

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

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

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

Patents and licences	10 years
Goodwill	10 years

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

Other fixtures and fittings, tools and equipment	3-5 years
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Profit/loss from investments in subsidiaries and associates

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

The proportionate share of the individual subsidiaries' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

Financial income and expenses

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

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

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

Notes to the financial statements

1 Accounting policies (continued)

On payment of joint taxation contributions, the Danish corporate income tax charge 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 been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Patents and licences are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

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

Investments in subsidiaries

Equity investments in subsidiaries and associates are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

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

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

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

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

Notes to the financial statements

1 Accounting policies (continued)

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

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

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

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The objective indicators used for portfolios are determined based on historical loss experience.

Investments - Other receivables includes subordinated loan, where the group has indicated willingness to step back in favor of other creditors.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

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

Cash

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

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

Notes to the financial statements

1 Accounting policies (continued)

Equity

Treasury shares

Own shares are not recognised as assets, but the acquisition price or sales price for own shares is recognized under equity as a transaction with shareholders.

Reserve for net revaluation according to the equity method

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

Proposed dividends

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

Provisions

Provisions comprise expected expenses relating to litigations/disputes raised against the Group and the Company. Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event at the balance sheet date and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Warranty commitments include expenses for remedial action in respect of the sales of watches and jewelry within the warranty period of up to 3 years. Provisions for warranty commitments are measured at net realisable value and recognised based on past experience. Provisions that are expected to mature more than one year after the balance sheet date are discounted at average bond yields.

Income taxes

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

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

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

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

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. 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 the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Deferred income

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

Cash flow statement

The cash flow statement shows the Group's net cash flows, broken down by operating, investing and financing activities, the year's changes in cash and cash equivalents and the entity's cash and cash equivalents at the beginning and the end of the year.

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

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

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

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

Financial ratios

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

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity excl. non-controlling interests, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax ex. non-controlling interests} \times 100}{\text{Average equity excl. non-controlling interests}}$

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

Notes to the financial statements

2 Special items

Special items comprise significant income and expenses of a special nature relative to the Group's revenue-generating operating activities, and special items also comprise significant one-off items that, in Management's opinion, do not form part of the Group's operating activities.

The profit/loss for the year is affected by received compensation payments from the state of Denmark in relation to the COVID-19 outbreak. Due to that this is not part of the normal operating activities, the effect has been disclosed below as special items.

The profit/loss for 2019 was affected by a tax audit in the subsidiary Time In Style GmbH related to income years 2012 - 2016. Management accepted the tax authorities position and adjusted fees between Time In Style GmbH and Bering Group ApS accordingly.

Special items are specified below, including the line items in which they are recognised in the income statement.

DKK'000	Group		Parent company	
	2020	2019	2020	2019
Income				
Adjusted fee to Time In Style GmbH (group entity) related to prior years services, adjusted as an outcome of tax audit in Germany for the years 2012 - 2016	0	0	0	-8,291
Corresponding fee adjusted in subsidiary after tax	0	0	0	5,540
Tax effect tax of audit incl. other minor adjustments prior year	0	-774	0	1,977
Received compensation payments from the state of Denmark in relation to the COVID-19 outbreak	1,495	0	202	0
	<u>1,495</u>	<u>-774</u>	<u>202</u>	<u>-774</u>
Special items are recognised in the below items of the financial statements				
Other external expenses	0	0	0	-8,291
Income from investments in group entities	0	0	0	5,540
Tax for the year	0	-774	0	1,977
Other operating income	1,495	0	202	0
Net profit/loss on special items	<u>1,495</u>	<u>-774</u>	<u>202</u>	<u>-774</u>

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

Notes to the financial statements

DKK'000	Group		Parent company	
	2020	2019	2020	2019
3 Staff costs				
Wages/salaries	37,948	37,139	1,931	5,653
Pensions	678	562	334	236
Other social security costs	6,646	5,139	38	35
Other staff costs	72	84	1	0
	<u>45,344</u>	<u>42,924</u>	<u>2,304</u>	<u>5,924</u>
Average number of full-time employees	<u>164</u>	<u>134</u>	<u>6</u>	<u>6</u>

Group

Total remuneration to group Management : DKK 3.927 thousand

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the group Management for 2019 is not disclosed. For 2020 total remuneration include both Executive Board and Board of Directors.

Parent company

Total remuneration to Management: DKK 1.271 thousand.

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the group Management for 2019 is not disclosed. For 2020 total remuneration include both Executive Board and Board of Directors.

DKK'000	Group		Parent company	
	2020	2019	2020	2019
4 Amortisation/depreciation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	279	235	156	112
Impairment of intangible assets	0	-741	0	0
Depreciation of property, plant and equipment	4,446	2,517	0	0
	<u>4,725</u>	<u>2,011</u>	<u>156</u>	<u>112</u>

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

Notes to the financial statements

DKK'000	Group		Parent company	
	2020	2019	2020	2019
5	Financial income			
Interest receivable, group entities	0	0	2,629	4,728
Other interest income	21	215	0	195
Exchange adjustments	1,175	4,126	1,175	2,063
	<u>1,196</u>	<u>4,341</u>	<u>3,804</u>	<u>6,986</u>
6	Financial expenses			
Interest expenses, group entities	0	0	1,801	535
Interest expenses, associates	780	2,934	780	2,934
Other interest expenses	277	877	146	723
Exchange adjustments	4,311	0	0	0
	<u>5,368</u>	<u>3,811</u>	<u>2,727</u>	<u>4,192</u>
7	Tax for the year			
Estimated tax charge for the year	2,633	5,824	957	2,352
Deferred tax adjustments in the year	-28	-321	29	11
Tax adjustments, prior years	25	774	0	-1,977
	<u>2,630</u>	<u>6,277</u>	<u>986</u>	<u>386</u>
8	Intangible assets			
	Group			
DKK'000	Patents and licences	Goodwill	Total	
Cost at 1 January 2020	1,116	1,233	2,349	
Additions in the year	1,398	0	1,398	
Cost at 31 December 2020	<u>2,514</u>	<u>1,233</u>	<u>3,747</u>	
Impairment losses and amortisation at 1 January 2020	660	851	1,511	
Depreciation in the year	156	123	279	
Impairment losses and amortisation at 31 December 2020	<u>816</u>	<u>974</u>	<u>1,790</u>	
Carrying amount at 31 December 2020	<u>1,698</u>	<u>259</u>	<u>1,957</u>	
	Parent company			
DKK'000	Patents and licences			
Cost at 1 January 2020				1,116
Additions in the year				894
Cost at 31 December 2020				<u>2,010</u>
Impairment losses and amortisation at 1 January 2020				660
Depreciation in the year				156
Impairment losses and amortisation at 31 December 2020				<u>816</u>
Carrying amount at 31 December 2020				<u>1,194</u>

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

Notes to the financial statements

9 Property, plant and equipment

	Group
	Other fixtures and fittings, tools and equipment
DKK'000	
Cost at 1 January 2020	19,649
Exchange adjustment	-338
Additions in the year	4,341
Disposals in the year	-83
Cost at 31 December 2020	<u>23,569</u>
Impairment losses and depreciation at 1 January 2020	10,583
Exchange adjustment	-238
Depreciation in the year	4,446
Reversal of amortisation/depreciation and impairment of disposals	-44
Impairment losses and depreciation at 31 December 2020	<u>14,747</u>
Carrying amount at 31 December 2020	<u>8,822</u>

10 Investments

	Group
	Other receivables
DKK'000	
Cost at 1 January 2020	875
Disposals in the year	-75
Cost at 31 December 2020	<u>800</u>
Carrying amount at 31 December 2020	<u>800</u>

Group			
Name	Legal form	Domicile	Interest
Subsidiaries			
BERING Time	ApS	Aabenraa	100.00%
BERING Time	Ltd	Hong Kong	100.00%
BERING Time	Inc	USA	100.00%
BERING Time	Limited	United Kingdom	100.00%
ARENA Copenhagen	ApS	Aabenraa	100.00%
Polarboutique	GmbH	Germany	100.00%
Polarlounge	GmbH	Germany	100.00%
BERING Time Maastrich	BV	Netherlands	51.00%
Polarzeit	GmbH	Germany	100.00%
BERING Time Utrecht	BV	Netherlands	51.00%
Bering Time	GmbH	Germany	100.00%
Time In Style	GmbH	Germany	66.60%

The consolidated financial statements comprise the Parent Company and above mentioned subsidiaries.

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

Notes to the financial statements

10 Investments (continued)

DKK'000	<u>Parent company</u> <u>Investments in</u> <u>group entities</u>
Cost at 1 January 2020	53,002
Cost at 31 December 2020	53,002
Value adjustments at 1 January 2020	45,997
Exchange adjustment	-181
Share of the profit/loss for the year	2,689
Depreciation, goodwill	-123
Investments with negative equity value transferred to provisions	564
Value adjustments at 31 December 2020	48,946
Carrying amount at 31 December 2020	<u>101,948</u>

Bering Time Limited has taken advantage of exemption from audit under section 479a of the Companies Act 2006 in United Kingdom.

The carrying amount of group entities comprises share of the entities' net asset value, DKK 96,217 thousand, goodwill at carrying amount of DKK 259 thousand and less elimination of intra-group gains of DKK 394 thousand.

Of the total carrying amount, negative net assets in group entities amount to DKK 5,866 thousand. Of these DKK 5,143 thousand have been recognised under provisions and DKK 723 thousand are reduced in receivables.

Parent company

Subsidiaries

Bering Time	ApS	Aabenraa	100.00%
Bering Time	Ltd	Hong Kong	100.00%
Bering Time	Inc	USA	100.00%
Bering Time	Limited	United Kingdom	100.00%
ARENA Copenhagen	ApS	Aabenraa	100.00%
Polarboutique	GmbH	Germany	100.00%
Polarlounge	GmbH	Germany	100.00%
BERING Time Maastrich	BV	Netherlands	51.00%
Polarzeit	GmbH	Germany	100.00%
BERING Time Utrecht	BV	Netherlands	51.00%
Time In Style	GmbH	Germany	66.60%

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

Notes to the financial statements

11 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years including insurance.

DKK'000	Parent company	
	2020	2019
12 Share capital		
Analysis of the share capital:		
501,000 shares of DKK 1.00 nominal value each	501	501
	501	501

No shares have special rights.

The Parent's share capital has remained DKK 501 thousand since the foundation. Hereoff, the parent company holds own shares DKK 167 thousand.

13 Deferred tax

Analysis of the deferred tax

DKK'000	Group		Parent company	
	2020	2019	2020	2019
Deferred tax assets	-803	-610	0	0
Deferred tax liabilities	556	368	94	65
	-247	-242	94	65

Group

Deferred tax includes deferred tax regarding intangible assets, property, plant and equipment, tax loss for carry-forwards as well as current liabilities. It is expected that DKK 0 thousand of the deferred tax recognised at 31 December 2020 is realised as current tax in 2021.

Parent company

Provision relating to deferred tax includes deferred tax regarding intangible assets. It is expected that DKK 0 thousand of the deferred tax recognised at 31 December 2020 is realised as current tax in 2021.

14 Non-current liabilities other than provisions

DKK'000	Group			
	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Payables to shareholders	20,250	0	20,250	0
	20,250	0	20,250	0

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

Notes to the financial statements

14 Non-current liabilities other than provisions (continued)

DKK'000	Parent company			
	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Payables to group entities	2,285	0	2,285	0
Payables to shareholders	20,250	0	20,250	0
	<u>22,535</u>	<u>0</u>	<u>22,535</u>	<u>0</u>

15 Provisions

Group

Other provisions comprise provisions for warranty commitments, totalling DKK 566. Warranty provisions relate to expected warranty expenses in accordance with usual guarantee commitments applicable to the sale of goods. The obligation is expected to be settled over the warranty period, which is up to three years.

16 Derivative financial instruments

Group

Forecast transactions

The Group and the parent company uses forward exchange contracts to hedge expected currency risks relating to purchase of goods in the coming year.

DKK'000	Period	Contractual value		Gains and losses recognised in equity	
		2020	2019	2020	2019
Forward exchange contracts (Put)	0-12 months	<u>-44,631</u>	<u>-39,911</u>	<u>346</u>	<u>410</u>

17 Contractual obligations and contingencies, etc.

Other financial obligations

Group

The Group has entered into rent agreements with terms of notice up to 6 years and 3 months. The total residual rent liability amounts to DKK 2,801 thousand.

The Group has entered into lease agreements with a residual liability of DKK 984 thousand.

Parent company

As management company, the Company is jointly taxed with other Danish group entities. The Company is jointly and severally with other jointly taxed group entities for payment of income taxes and withholding taxes in the group of jointly taxed entities.

Contingent liabilities

The Group and the parent company is party to a few pending legal actions. In Management's opinion, the outcome of these legal actions will not affect the Group's financial position apart from the receivables and payables recognised in the balance sheet at 31 December 2020.

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

Notes to the financial statements

18 Collateral

Group

As security for the group's debt to credit institutions, DKK 5.4 million, the group has placed security in inventories, property, plant and equipment, trade receivables and intangible assets, for an amount of DKK 62.5 million.

Parent company

As security for the company's debt to credit institutions, DKK 5.2 million, the company has placed security in inventories, property, plant and equipment, receivables and intangible assets, for an amount of DKK 26.0 million.

BERING Group ApS has placed security toward subsidiaries bank amounting to DKK 0,6 million.

19 Related parties

Transactions with related parties

The Group and the parent company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

Name	Domicile
Kærskov Holding ApS	Aabenraa
M. Witt ApS	Rødekro
Bering Group ApS	Aabenraa

DKK'000	Parent company	
	2020	2019
20 Appropriation of profit		
Recommended appropriation of profit		
Net revaluation reserve according to the equity method	2,948	13,338
Retained earnings	3,113	1,947
	6,061	15,285

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Notes to the financial statements

		Group	
DKK'000		2020	2019
21	Adjustments		
	Amortisation/depreciation and impairment losses	4,724	2,752
	Gain/loss on the sale of non-current assets	0	-399
	Tax for the year	2,630	6,277
	Other adjustments	-324	584
		<u>7,030</u>	<u>9,214</u>
		Group	
DKK'000		2020	2019
22	Changes in working capital		
	Change in inventories	15,330	-10,890
	Change in receivables	7,925	-5,320
	Change in trade and other payables	4,226	1,656
	Other changes in working capital	139	-7
		<u>27,620</u>	<u>-14,561</u>
23	Acquisition of enterprises and activities		
	Property, plant and equipment	0	1,935
	Receivables	0	69,495
	Cash	0	-275
	Other payables	0	-8,935
		<u>0</u>	<u>62,220</u>
	Negative goodwill	0	-740
	Cost of acquisition	0	61,480
	Cash	0	275
	Non-controlling interests	0	-19,873
	Cost of acquisition paid in cash	<u>0</u>	<u>41,882</u>
		Group	
DKK'000		2020	2019
24	Cash and cash equivalents at year-end		
	Cash according to the balance sheet	7,894	7,578
	Short-term debt to banks	-11,386	-34,874
		<u>-3,492</u>	<u>-27,296</u>