WhiteAway Group A/S

Agerbæksvej 21
DK-8240 Risskov

Annual report

2019/20

CVR no. 33 76 79 86

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

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Management's review

The annual report for WhiteAway Group A/S is presented in accordance with the International Financial Reporting Standards (IFRS), constituting a change from previous reporting in accordance with Danish Financial Statements Act. All 2018/19 comparison figures are presented in accordance with IFRS.

Primary activities

WhiteAway Group A/S has since 2004 focused on home appliances online to the Danish consumers. The vision then and today is to supply consumers with a seamless shopping experience when buying home appliances. In 2011 the brand Skousen was acquired, adding retail sales through a franchise set-up. In 2016 the Swedish online platform Tretti was acquired. Today, WhiteAway Group A/S is present in Denmark, Norway and Sweden servicing these markets with the broadest assortment in the market of household appliances and other related product categories. We offer our products to private consumers online and through our franchise shops. Further, we operate in the professional segment with a strong B2B offering. We are proud of being the white goods experts delivering on a 'customer first' ambition of matching our consumers with products that fit their individual needs.

Development during the financial year

Market development

The Scandinavian market for home appliances is a very competitive market and has in recent years grown at a slow pace.
In the Winther/Spring of 2020 Scandinavia was hit by the covid-19 pandemic. Restrictions were imposed, limiting the populations possibilities of traveling across countries, and participating in a number of social activities. Focus turned to activities in and around people's homes, resulting in an increased demand for our products during 2020. Online saw higher than normal growth rates, as physical shops were fully or partial required to close their shops for a certain period of time. However, focusing on servicing the local community with home appliances, our Franchise shops were able to increase market share and deliver strong growth in the remaining part of the year.

Business development

During the financial year we have increased our business activities across all markets and channels.
The online business performed above expectations during the year, with growth in all markets. We continue our focus on ensuring the right product offerings to our customers. We make buying complex household appliances online as seamless and uncomplicated as possible for our customers. We offer a very broad and deep product assortment to ensure the best possible offering to satisfy customer needs. This along with market growth as a result of covid-19, secured high growth in our online business.
Our retail business, operating through a franchise set-up delivered strong growth during the year. We continue seeing an increase in same-store revenue year on year, and with the addition of a few new stores in Denmark and starting up a franchise concept in Sweden we performed above expectations in our retail business.
Last year we entered the professional B2B market focusing on large national customers in Denmark. We have seen significant growth by offering tailor-made solutions to the B2B segment and performed above expectations.

Result for the Year

The annual report for Whiteaway Group A/S is presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.
The annual report for 2019/20 shows a record revenue of 2.427mDKK vs 2.118mDKK last year, as a result of strong growth in all markets and channels.
Operating profit (EBIT) ended at 83,2mDKK, the highest ever in the history of the Group, compared to 27,4mDKK last year. Profit before tax ended at 78,0mDKK, compared to 13,8mDKK last year. The 2019/20 result and general performance is better than expected. Cash flow from operations amounted to 99,6 mDKK vs 54,6mDKK last year. The Group has identified a misstatement in the accounting for foreign exchange gains and losses in 18/19, which has been adjustet in the comparison figures as described in note 2.

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Business Risk

We operate in a very competitive industry with a high degree of product transparency. The Group's intellectual capital resources are primarily attributable to two factors: staff and the web platform. The Group currently focuses on maintaining and developing the web platform as well as staff skills.
Main business risk is related to fluctuations in exchange rates.

Business Outlook

We expect that covid-19 will continue limiting the populations ability to travel across countries for a good part of the year. We see a continued focus on products in and around the household and expect a high demand for our products during the coming year. We estimate a revenue growth of minimum 10% and a corresponding improvement in the expected result.

Corporate social

At WhiteAway Group we believe and live our first value: It is all about people. We respect the partners and people we work with: Franchisees, customers online or offline, suppliers and our employees – and the society surrounding us. In the following we have outlined our way of thinking, implementing, and working towards a more sustainable and responsible organization. We are inspired by the UN Global Compact's 10 principles within environment, human rights, labor, and anticorruption.

Climate and environment

We strive to protect the environment and to continuously reduce emissions relative to output, categorized in three areas of impact:

Reducing environmental footprint: We encourage our suppliers to reduce the total environmental impact in the value chain, to reduce energy consumption and CO2 emissions, to reduce water consumption and to enhance material utilization efficiency – all relative to output. We strive to ensure efficient distribution of our products to reduce energy consumption in co-operation with our last mile distribution partners and warehouse management partnerships. The franchisees are also involved in reducing the environmental footprint locally.

Environmental management: We encourage our suppliers to monitor and continuously improve environmental performance, e.g. by having an environmental management system in place.

Circular economy: We fully support the Waste Electrical and Electronic Equipment (WEEE) Directive.

In 2020 the encouragements are set into play and results in the following:

We offer solutions to collect and dispose the products that are at the end of their life cycle to ensure a safe and correct disposal with high focus on re-using as much of the products as possible across channels. In 2020, we disposed 35.338 products on behalf of our customers across our three markets, the majority in Sweden and Denmark.

We support with maintenance of products to prolong product life cycle. Our products are used for many years and correct use is important to minimize environmental impact. We therefore focus on informing about correct product use to reduce the overall lifetime impact of our products. This is done through guidance by phone or chat for online customers and especially our local franchisees and their employees have focused on this in 2020 with campaigns focusing on repair and spare parts.

We focus on reducing consumption and waste at our offices to minimize our environmental footprint by sorting waste, low to none, single use tableware, fair trade or organic products in roughly 85 % of the products consumed at the offices and separate waste in categories. The latter is also a great focus in our retail channels, the majority of the Danish stores are sorting waste in plastic and paperboard and 4 stores are testing reusing methods with press units for paperboard or compress styrofoam for reuse.

At our three Whiteaway webshops across Scandinavia we have launched landing pages and filters for the customer to choose more sustainable products with the mark 'a little more green' if the product is produced in Europe and with high energy label.

The vast majority of our suppliers are international publicly traded entities with audited CSR policies. We work closely with our suppliers and partners to ensure their values and policies align with our goals – at supplier meetings in 2020 we have experienced higher focus from the supplier on the development of sustainable product life cycles.

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Human rights

Our employees are of the most important asset in ensuring we can deliver on our 'customer first' ambition and ensure the best possible customer service.

Employee satisfaction and development

We constantly work on developing our employees' competences within product knowledge, specialist or general skills required to perform their job and ensure high employee satisfaction. We offer product training and personal development to attract, develop and maintain loyal and motivated employees. Biyearly our leaders perform individual deep dives with their employees. Due to covid-19 these conversations have had focus on work satisfaction working more from home, management by distance and meaningfulness in one's function and the ability to influence the end consumer experience. We track these individual deep dives and educate leaders in having meaningful conversations on an ongoing basis.
We perform employee satisfaction surveys twice a year to track our performance, and ensure we maintain a high employee satisfaction. This is done through GAIS and we ask everyone, no matter if you are an Intern, C-level or just had your first day. In October 2020 the response rate was 88 %. The overall score was 78 in April and 77 in October 2020 out of 100 points. In comparison the level is 75 in Denmark according to Krifa, who performs annual national reports via GAIS. Our highscore is Leadership (85) and Colleagues (80), while Mastery is our key focus for 2021 (74). After each survey, concreate actions are put in place to work on improvement areas. We feel these actions have had a positive impact on our employee satisfaction, especially during 2020 with new ways of working remotely. Furthermore, we have kept at high information level of tips to structure the new office day at home, access to hardware set-up at home and attractive prices on home office furniture.

Diversity and non-discrimination

Regardless of country, we are committed to upholding human rights and treating our employees with dignity and respect. We support and respect the protection of internationally proclaimed human rights as stated in the Universal Declaration of Human Rights.
We will not tolerate any discrimination or harassment based on religion, race, color, gender, disabilities, age, sexual orientation, political orientation, or any other kind of harassment. Given the attention on harassment especially during 2020 the CEO have addressed the topic on how to act, leaders have been educated and a new section in our employee handbook has been implemented. We ensure non-discrimination with addressing the subject at both recruitment workshops for leaders and value introduction for employees building open and honest relationships.

The underrepresented gender

At WhiteAway Group we want to have an open and inclusive environment, where employees are welcomed and can contribute regardless of background. We see diversity as an important part of doing business with a diverse customer group.
For the composition of the Board of Directors the Board in WhiteAway Group has decided that both genders must be represented. Our target figure is a 40/60 gender balance, to be reached within 3 years. Historically, changes in members of the Board have been few, one addition in the last six years. The Board representation is connected to the ownership group of WhiteAway Group. In the event of changes in the Board of Directors we will strive to search openly and fairly to attract both genders to the open position. Currently the Board of Directors consists of five members, one female, four males. Therefore, the target figure was not reached in the financial year.
The structure of our policy and culture widely appeals to male as well as female leaders, with a safe and inclusive environment and focus on work-life balance including flexible workhours. By end of the financial year, October 31 2020, 41 % of WhiteAway Group employees are female. 33 % in the senior management team are female (2 of 6). During 2020 we started to review our hiring and promotion structure and practices to foster a diverse leadership pipeline. This work will continue and followed closely by our senior management team.

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Preventing forced or child labour

The following two subjects are relevant for both our own organization and partners like the franchisees or suppliers.
Child labour: We do not tolerate the use of child labor and do not accept employment of anyone who is under the age of 15, (or 14 where the law of the country permits).
Forced labor and human trafficking: We will not accpet any form of forced labor or any form of human trafficking. We will not permit withholding of identification papers, labor or work papers linked to any form of duress or threat of punishment.
The Group do not employ or use child labor or forced labor. This practice is illegal in the countries we operate in and we adhere strictly to local laws. Our code of conduct with suppliers and other partners also prohibits child and forced labor. Current Code of Conduct was implemented in 2014, and will be reviewed in 2021 with all suppliers.

GDPR

We respect the right to privacy when gathering and keeping personal information or if monitoring employees, customers etc.
An annual internal audit is conducted to ensure that WhiteAway Group at all times is compliant in accordance with the GDRP regulations. To document GDPR compliance, we (as a data controller) will perform inspections to verify that the data processor lives up to the requirements in the data processing agreement and the GDPR. Therefore, we conduct an annual audit of the data processor. Under no circumstances will we use data processor form third countries but are well aware of the challenges that stand before us due to the Court of Justice of the European Union ruling that invalidated the EU-US Safe Harbour agreement.
As an employer we store personal information on our employees. This is necessary for the purpose of safety, renumeration and the ability to run the business. All systems, practices and controls live up to the GDPR regulation.

Labour

The following three subjects are equivalent relevant for both our own organization and partners like the franchisees or suppliers.

- We act as responsible employer ensuring proper terms of employment, appropriate health and safety standards and a motivating working environment for our employees
- We respect employees' right to associate freely, form or join organizations of their choosing and to bargain collectively
- We are committed to assure full compliance with applicable laws, regulations and relevant collective agreements concerning working hours and overtime, leave and minimum rest periods, and that workweeks do not exceed the maximum set by local law

This apply not only for our own employees, but we also work with our suppliers to ensure that they as a minimum also live up to these standards via contracts and especially encouragement to franchisees.
For our employees we provide a safe and healthy work environment for by taking necessary precautions to prevent potential accidents and injury to our employees' health arising from, associated with, or occurring in the course of work. We ensure this in close cooperation with a health and safety committee at each office in Aarhus and Stockholm (Arbejdsmiljøorganisationen in Denmark, Arbejdsmiljögruppen in Sweden). In Norway our employees work from home or on the road, therefore they are given individual guidance by our People & Performance team to ensure a safe work environment in accordance to local laws. The committees in Aarhus and Stockholm have both leadership and employee representatives, who all have completed courses in health and safety. They perform annual safety assessment. All employees are informed about the committees and how to fill concerns, ideas, or work-related accidents. In 2020 we have had 0 work-related accidents.

Anticorruption

Our ambition is to significantly exceed the expectations of our customers and set new standards for purchase and delivery of MDA and SDA products across the Nordics. And while we grow and prosper, we want to contribute to a world where business is conducted in a fair and transparent way. We work against corruption in all its forms, including bribery and facilitation payments.

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Entertainment and gifts

We do not accept payment, gifts or other types of compensation from third parties that could influence or call into question our impartiality in business decisions.
We comply with all laws and regulations to prevent bribery and corruption. We will not (directly or indirectly) offer, provide or accept any form of inappropriate benefit or bribe to/from guests, suppliers, public officials, or others.
This is also an integral part of our employee handbook and key employees are continuously informed and guided. However, in 2021 we will stress this topic when introducing our Code of Ethics to both protect our employees and the reputation of WhiteAway Group. Our Code of Ethics follows the TEFA principle introducing questions one should ask oneself about transparency, effect, fairness and advantage.
Towards our partners and suppliers, we incorporate this into all new contracts with all our main suppliers when reviewing our Code of Conduct in 2021. We value this to be important in ensuring we live up to our ambitions, and our constant focus on this area has not revealed any violations.

Subsequent events

No subsequent events have occurred that affect the annual report 2019/20.

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Financial highlights for the Group

DKK thousands

	2019/20	2018/19	2017/18*	2016/17*	2015/16*
Total revenue	2.427.213	2.118.294	2.120.249	2.186.454	1.654.708
Operating profit (EBIT)	83.199	27.440	-39.775	13.124	29.947
Net financial items	-5.245	-13.614	-4.767	-3.737	5.668
Total profit for the year	61.199	11.008	-42.061	3.053	27.619
Total assets	828.819	796.172	607.065	627.518	486.146
Total equity	182.782	96.071	51.668	95.756	108.169
Investment in Property, Plant & Equipment	797	98	1.752	663	3.945
Profit margin	3,4%	1,3%	-1,9%	0,6%	1,8%
Return on equity	43,9%	14,9%	-57,1%	3,0%	27,2%
Equity ratio	22,1%	12,1%	8,5%	15,3%	22,3%

Definitions:

Profit margin is operating profit divided by total revenue.

Return on equity is the total profit for the year divided by the average equity (average of equity at the beginning of the year and at the end of the year).

Equity ratio is total equity devided by total assets

* The main and key figures for the financial year 2015/16 through 2017/18 have not been adjusted to reflect the changed accounting principles resulting from the implementation of IFRS, replacing the use of Danish GAAP. The changes from the transition to IFRS affects the figures retrospectively from 1 November 2018.

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Management's statement

The Board of Directors and the Executive Board have today discussed and approved the annual report of WhiteAway Group A/S for the financial year 1 November 2019 - 31 October 2020.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 October 2020 and of the results of their operations and cash flows for the financial year 1 November 2019 – 31 October 2020.

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, results for the year, cash flows and financial position as well as a description of material risks and uncertainties that the Group and the Parent Company face.

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

Aarhus 29. March 2021

Executive Board:

Esben Morre Aabenhus
CEO

Kim Mose
CFO

Board of Directors:

Johannes Emil Kjærsgaard Gadsbøll
Chairman

Jon Tophøj Kristensen

Ib Dyhr Nørholm

Lars Fløe Nielsen

Lise Kaae (vice chairmann)

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Independent auditor's report

To the shareholders of WhiteAway Group A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of WhiteAway Group A/S for the financial year 1 November 2019 – 31 October 2020, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 October 2020 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 November 2019 – 31 October 2020 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

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 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 our procedures, 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.

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

Independent auditor's report

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 International Financial Reporting Standards as adopted by the EU and additional requirements of 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 additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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Independent auditor's report

- 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.

Aarhus, 29 March 2021
EY Gokendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Friis State Authorised Public Accountant Identification No: mne32732	Jonas Busk State Authorised Public Accountant Identification No: mne42771

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Consolidated income statement

for the year ended 31 October 2020

	Notes	2019/20 *DKK thousands*	2018/19 *DKK thousands*
Revenue		2.324.976	2.028.918
Other revenue		102.238	89.376
Total revenue	4	**2.427.213**	**2.118.294**
Cost of sales		-2.038.542	-1.809.617
Gross profit		**388.672**	**308.677**
Staff costs	5	-122.586	-106.333
Other external costs	6	-172.437	-166.500
Depreciation, amortisation and impairment losses	10,11	-10.450	-8.405
Operating profit/loss		**83.199**	**27.440**
Other financial income	7	15.046	13.752
Other financial costs	8	-20.291	-27.366
Profit/loss before tax		**77.955**	**13.825**
Income tax	9	-16.756	-2.818
Profit/loss for the year		**61.199**	**11.008**
Attributable to:			
Equity holders of the parent		61.150	10.979
Non-controlling interest		-49	29
		61.199	**11.008**

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Consolidated statement of other comprehensive income

for the year ended 31 October 2020

	Notes	2019/20	2018/19
		DKK thousands	*DKK thousands*
Profit for the year		**61.199**	**11.008**
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		-3.496	2.195
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):		**-3.496**	**2.195**
Total comprehensive income for the year, net of tax		**57.703**	**13.203**
Attributable to:			
Equity holders of the parent		57.760	13.174
Non-controlling interest		-57	29
		57.703	**13.203**

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Consolidated statement of financial position

as at 31 October 2020

	Notes	2019/20 *DKK thousands*	2018/19 *DKK thousands*	1 Nov 2018 *DKK thousands*
Assets				
Non-current assets				
Intangible assets	10			
Goodwill		142.600	145.483	146.250
Software		3.858	2.285	741
Brands		15.000	17.500	20.000
Other intangible assets		6.390	3.689	200
Total intangible assets		**167.848**	**168.957**	**167.191**
Tangible assets	11			
Lease assets		5.358	7.638	8.720
Fixtures and fittings, tools and equipment		904	675	3.311
Total Tangible assets		**6.262**	**8.313**	**12.031**
Financial assets	12			
Lease receivables		125.606	147.136	162.189
Non-current financial assets		16.695	15.783	8.038
Total Financial assets		**142.301**	**162.919**	**170.227**
Deferred tax assets	13	**13.779**	**20.235**	**20.209**
Total non-current assets		**330.190**	**360.424**	**369.658**
Current assets				
Inventories	14	**162.420**	**176.949**	**226.354**
Receivables	12			
Trade receivables		86.591	98.856	84.626
Other receivables		51.584	31.090	40.552
Prepayments		6.147	7.976	6.646
Lease receivables		32.787	32.535	30.321
Total receivables		**177.109**	**170.457**	**162.145**
Cash and short-term deposits	12	**159.100**	**88.342**	**85.738**
Total current assets		**498.629**	**435.748**	**474.237**
Total assets		**828.819**	**796.172**	**843.895**

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Consolidated statement of financial position

as at 31 October 2020	Notes	2019/20 *DKK thousands*	2018/19 *DKK thousands*	1 Nov 2018 *DKK thousands*
Equity and liabilities				
Equity				
Issued capital		588	565	565
Retained earnings		181.441	92.147	81.168
Foreign currency translation reserve		-1.293	2.195	-
Proposed dividends		-	-	-
Equity attributable to equity holder of the parent		**180.736**	**94.907**	**81.733**
Non-controlling interests		2.046	1.164	1.135
Total equity		**182.782**	**96.071**	**82.868**
Non-current liabilities	12			
Interest-bearing loans and borrowings		-	-	83.708
Subordinate loan		371	53.956	12.809
Provisions		-	600	2.000
Lease liabilities		129.553	152.128	168.462
Deferred tax liabilities	13	3.300	3.850	4.400
Total non-current liabilities		**133.224**	**210.534**	**271.379**
Current liabilities	12			
Trade payables		333.604	373.349	333.032
Interest-bearing loans and borrowings		-	120	-
Lease liabilities		34.317	35.110	32.768
Income tax payable	9	8.898	348	9.742
Deferred income		12.960	6.198	4.616
Other payables		123.033	74.443	109.490
Total current liabilities		**512.813**	**489.567**	**489.648**
Liabilities directly associated with the assets held for sale				
Total liabilities		**646.037**	**700.101**	**761.027**
Total equity and liabilities		**828.819**	**796.172**	**843.895**

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Consolidated cash flow statement

for the year ended 31 October 2020

	Notes	2019/20	2018/19
		DKK thousands	*DKK thousands*
Profit before tax from continuing operations		77.955	13.825
Amortisation, depreciation and impairment losses		10.450	8.405
Change in working capital	15	14.036	45.118
Income tax paid		-2.834	-12.788
Net cash flows from operating activities		**99.607**	**54.560**
Purchase of intangible assets		-3.169	-2.408
Purchase of property, plant and equipment		-797	-98
Proceeds from sale of property, plant and equipment		0	0
Sale of subsidiaries, net of cash sold		0	0
Repayment, receivables		5.485	-7.745
Dividends received		0	0
Net cash flows form investment activities		**1.519**	**-10.251**
Incurrence of subordinate loan capital		-53.585	41.147
Payment of lease liabilities		-23.368	-13.992
Received lease payments		21.278	12.839
Capital increase		28.069	0
Dividends paid to equity holders of the parent		0	0
Net cash flows from financing activities		**-27.606**	**39.994**
Net change in cash and cash equivalents		73.519	84.303
Cash and cash equivalents at 1 November		88.342	2.090
Net foreign exchange difference		-2.761	1.949
Cash and cash equivalents 31 October		**159.100**	**88.342**

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Consolidated statement of financial position

for the year ended 31 October 2020

DKK thousands	ttributable to the equity holders of the pare					
	Issued capital	Foreign currency translation reserve	Retained earnings	Total	Non-control-ling interests	Total equity
As at 1 November 2018	**565**		**81.168**	**81.733**	**1.135**	**82.868**
Profit for the period			10.979	**10.979**	29	**11.008**
Other comprehensive income:						
Exchange difference on translation of foreign operations		2.195		**2.195**		**2.195**
Total comprehensive income	**0**	**2.195**	**10.979**	**13.174**	**29**	**13.203**
As at 31 October 2019	**565**	**2.195**	**92.147**	**94.907**	**1.164**	**96.071**

	Attributable to the equity holders of the parent					
	Issued capital	Foreign currency translation reserve	Retained earnings	Total	Non-control-ling interests	Total equity
As at 1 November 2019	**565**	**2.195**	**92.147**	**94.907**	**1.164**	**96.071**
Profit for the period			61.248	**61.248**	-49	**61.199**
Other comprehensive income:						
Exchange differences on translation of foreign operations		-3.488		**-3.488**	-8	**-3.496**
Total comprehensive income	0	-3.488	61.248	**57.760**	-57	57.703
Transactions with shareholders						
Issue of share capital	23		28.046	**28.069**		**28.069**
Issue of capital from non-controlling interests					939	**939**
Transactions with shareholders	23	0	28.046	**28.069**	939	29.008
As at 31 October 2020	**588**	**-1.293**	**181.441**	**180.736**	**2.046**	**182.782**

Equity has increased by nominel 23 to a total of 588, representing an increase of 28mDKK due to dissue of new shares and execution of warrents.

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Notes to the consolidated financial statements

DKK thousands

1 Corporate information

WhiteAway Group A/S and its subsidiaries (the Group) primary business area is selling home appliances. The Group's main business is selling through the Group's e-commerce platforms, sales through a franchise set-up and B2B sales to the professional segment as well as partnerships. The Group operates in Denmark, Norway and Sweden.

2 Summary of significant accounting policies

The financial statement section of the annual report for the period 1 November 2019 – 31 October 2020 comprises the consolidated financial statements of the Group and its subsidiaries and the separate parent company financial statements.

The consolidated financial statements of the Group and the separate parent company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and further Danish requirements for class C large enterprises.

Basis of preparation

This annual report is the first annual report the Group has presented in accordance with IFRS. For periods up to and including the year ended 31 October 2019, the Group prepared its annual report in accordance with the Danish Financial Statements Act (local GAAP). In connection with the transition, IFRS 1 First time adoption of International Financial Reporting Standards is applied. The accounting effect of the transition to IFRS is explained below, including a description of changes to accounting policies compared to previous years.

The functional currency of the Group is Danish kroner. The presentation currency of the consolidated financial statements and the separate parent company financial statements is Danish kroner. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Transition to IFRS

In accordance with IFRS 1, the opening statement of financial position at 1 November 2018 and comparative figures for 2018/19 have been prepared in accordance with the IFRS applicable as of 31. October 2020. The opening statements of financial position at 1 November 2018 has been prepared as if these standards and interpretations had always been applied apart from the exceptions, which are described below:

- Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 November 2018.
- Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. Right-of-use assets and lease receivables were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1. November 2018. In applying IFRS 16, the Group has applied a single discount rate to a portfolio of leases with reasonable similar characteristics. The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying assets is of low value have been recognised as an expense on either a straight-line basis over the lease term or another systematic basis.

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The reconciliation below explains the principal adjustments made by the Group in restating its local GAAP statements of financial position as at 1 November 2018 and its previously published local GAAP financial statements as at and for the year ended 31 October 2019:

		1. Nov. 2018	2018/19		31. Oct. 2019
	Comments	Equity	Total profit for the Year	Other compre-hensive income	Equity
As per Danish Financial Statement Act		51.668	5.879		59.955
Amortisation of goodwill	1	31.200	14.263		45.250
Leases (IFRS 16)	2		66	-213	66
Exchange differences on translation of foreign operations	3			2.408	
Group determined in accordance with IFRS		82.868	20.208	2.195	105.271
Effect of significant misstatement 18/19	7		-9.200		-9.200
Group determined in accordance with IFRS adj.		82.868	11.008	2.195	96.071

Comments to the reconciliations of the Group equity as at 1 November 2018 and 31 October 2020, and total comprehensive income for the year ended 31 October 2020:

1) According to local GAAP goodwill recognised in the business combinations is amortised. According to IFRS no amortisation of goodwill takes place instead an annually impairment test is performed to ensure that the goodwill is written down if the carrying amount exceed the recoverable amount.
2) The Group has adopted IFRS 16, which impacts the Group's presentation of leases and sub-leases. The Group has entered into a number of leases, which are then subleased to the Group's franchise partners. The adoption of IFRS has impacted as follows:
   a. Revenue has been reduced by 72,3mDKK and Cost of sales has been reduced by 40,6mDKK and other external cost has been reduced by 35,2mDKK
   b. Depreciations has decreased by 11,4mDKK
   c. Other Financial income and costs has increased by 8,2mDKK and 8,5mDKK respectively
   d. Right-of-use assets and financial obligations has increased by 158,3mDKK and 163,9mDKK respectively.
3) Previously exchange rate differences on the translation of the income statement and the opening net assets of foreign operations were recognised directly in equity. According to IAS 21 the exchange rate differences have to be recognised in other comprehensive income. According to local GAAP the exchange rate differences were recognised in retained earnings, whereas they, according to IFRS, have to be recognised in a separate component of equity, a special translation reserve for exchange rate differences.
4) The Group can, based on purchase performance, obtain product related bonuses from its vendors. The Group can share part of the obtained product related bonuses to its partners. When adapting IFRS, the bonus shared with partners has reduced revenue.

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Apart from the changes mentioned above the following reclassifications and changes in format, including restatement of the opening statement of financial position at 1 January 2019 and comparative figures for 2019, have been made:

5) Deferred tax is classified as non-current assets or non-current liabilities. Previously, deferred tax assets where classified as current assets.
6) Provisions are no longer presented as a separate main group in the statement of financial position but are included in non-current and current liabilities.
7) The Group has identified a misstatement in the accounting for foreign exchange gains and losses in 18/19. The affected fugures in 18/19 has been adjusted accordingly. Financial income has been reduced by 11,8mDKK and receivables from Group entities has been reduced by 11,8mDKK. The corresponding tax adjustment of 2,6mDKK has decreased tax in the profit and loss statement and increased deferred tax in the balance sheet.

Minor reclassifications have been made between line items in the income statement compared to the previous reporting according to local GAAP.

None of the reclassifications have affected the result or equity.

There are no difference between the cash flow statement presented in accordance with IFRS and the presentation under local GAAP, except for a few reclassifications between line items within operation activities and investment activities respectively, and a change to financing activities as a consequence of some outstanding balances with related parties being part of cash and cash equivalents according to local GAAP but not according to IFRS.

Basis of consolidation

The subsidiaries, which are consolidated in the Group, are:

	Share of issued share capital and voting rights	Principal place of business and country of incorporation
WhiteAway A/S	100%	Aarhus, Denmark
- WhiteAway NO AS	100%	Oslo, Norway
- Skousen GLH AS	100%	Oslo, Norway
- Skousen Eiendommer-Norge AS	100%	Oslo, Norway
- WhiteAway AB	100%	Stockholm, Sweden
Skousen Online Services A/S	100%	Aarhus, Denmark
- SOS Ejendomme 1 ApS	100%	Aarhus, Denmark
- Skousen Mega Syd ApS	67%	Aarhus, Denmark
- Skousen Randers ApS	67%	Aarhus, Denmark
Tretti AB	100%	Stockholm, Sweden
- Tretti Danmark ApS	100%	Aarhus, Denmark
Karl Køkken ApS	100%	Aarhus, Denmark
Panorama Retail AB	60%	Umeå, Sweden

The following shareholders own more than 5 % of the share capital and the voting rights in WhiteAway Group A/S:

Union Nine A/S, Inge Lehmanns Gade 2, Aarhus, Denmark
HAK Holding ApS, Stationsgade 27B, Aarhus, Denmark
TIN Holding ApS, Tjørnevej 14, Aarhus, Denmark

Ultimate owner of WhiteAway Group A/S is HEARTLAND A/S, Inge Lehmanns Gade 2, Aarhus, Denmark

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Accounting policies, income statement

Revenue from contracts with customers

Revenue from the sale of goods and services is recognised at delivery. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group takes into account the amount of any trade discounts and expected returns, and excluding amounts collected on behalf of third parties such as sales taxes and value added taxes.

The Group provides customers with a right to return the goods within a specified period, and a refund liability and a right of return asset will be recognised.The Group uses historical return data to estimate the expected return percentages. These percentages are applied to determine the expected value of the variable consideration related to returns.

Cost of sales

Cost of sales comprises the cost incurred in generating revenue.

Other external costs

Other external cost include expenses relating to the Group's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions and related costs.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relates to property, plant and equipment and right-of-use assets for the financial year.

Other financial income

Other financial income comprises interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, interest related to lease receivables as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial costs

Other financial expenses comprise interest expenses, including expenses related to lease liabilities, net capital or exchange losses on payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income Tax for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement, other comprehensive income or directly in equity.

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Accounting policies, statement of financial position

Intangible assets

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

Subsequent to initial recognition goodwill is measured at cost net of accumulated impairment losses if any. Goodwill is not amortised. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the combination.

Acquired intangible assets

Acquired intangible assets comprise acquired intellectual property rights. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost net of accumulated amortisation and accumulated impairment losses if any. Acquired intangible assets related to Brand value is assessed and valued at time of acquition and depreciated over a maximum 10 years.

Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment. Property, plant and equipment is measured initially at cost comprising purchase price and any costs directly attributable to the acquisition until the date, when the asset is available for use.

Subsequent to initial recognition property, plant and equipment is measured at cost net of accumulated depreciation and accumulated impairment losses if any.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Other fixtures and fittings, tools and equipment: 3-5 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if necessary.

Lease assets and Lease liabilities

At contract inception it is assessed whether a contract is, or contains, a lease. A single recognition and measurement approach is applied for all leases, except for short-term leases and leases of low value assets. Right-of-use assets representing the right to use the underlying assets and lease liabilities to make lease payments are recognised.

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses if any, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Other fixtures and fittings, tools and equipment: 1-5 years

The short-term lease recognition exemption is applied to short-term leases (leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The lease of low value assets recognition exemption is applied to leases that are considered to be low value . Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Investments in subsidiaries

Investments in subsidiaries are initially measured at cost in the parent company's statement of financial position. Subsequent to initial recognition investments in subsidiaries are measured at cost net of accumulated impairment losses if any.

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Non-current financial assets

Non-current financial assets are measured at amortised cost, usually equalling nominal value less write downs.

Impairment testing of non-current assets

Goodwill is tested annually. The carrying amount of other non-current assets is evaluated annually for indications of impairment.

If indications of impairment exist, tests are performed to determine whether recognition of impairment losses is necessary for individual assets as well as groups of assets. If the recoverable amount is lower than an asset's carrying amount, an impairment loss is recognised so that the carrying amount is reduced to the recoverable amount.

The recoverable amount is the higher value of an asset's net sales price and its value in use. The value in use is assessed as the present value of the expected net cash flow from utilisation of the asset or the group of assets and expected net cash flow from disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at the lower of cost price according to the FIFO principle and net realisable value. The cost consists of the purchase price including delivery costs. Supplier discounts directly attributable to the article in inventory, reduces the calculated cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Trade receivables, lease receivables and other financial assets

Receivables are measured at amortised cost, usually equalling nominal value less write downs for bad and doubtful debts. Trade receivables that do not contain a significant financing component are measured at transaction price.

Impairment is recognised as an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. The expected credit losses are based on the difference between the contractual cash flow due in accordance with the contract and all the cash flows that the Group expects to receive. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default. For trade receivables, the Group applies a simplified approach in calculation expected credit losses, and recognises a loss allowance based on lifetime expected credit losses at each reporting date irrespectively of changes in credit risk using a provision matrix, which is based on historical credit loss experienced, adjusted for forward-looking factors specific to debtors and the economic environment. A receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits.

Provisions

Provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

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Financial liabilities

Financial liabilities comprise loans, borrowings, trade payables and other financial liabilities. Financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Group's liabilities include trade and other payables, loans and borrowings.

Lease liabilities

At the commencement date of leases, lease liabilities are recognised measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised and payments of penalties for terminating the lease, if the lease term reflects that the option to terminate is exercised. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Groups incremental borrowing rate at the lease commencement date is used unless the interest rate implicit in the lease is readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement or the statement of other comprehensive income.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the income statement is recognised outside the income statement. Deferred tax items are recognised in correlation to the underlying transaction either in the statement of other comprehensive income or directly in equity.

Accounting policies, cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

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Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under financial leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of financial leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.

Accounting policies, other

Consolidated financial statement

The consolidated financial statements comprise the Parent and the Group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in Group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Foreign currency translation

For each of the enterprises in the Group, a functional currency is determined. The functional currency is the currency used in the primary financial environment in which the enterprise operates. Transactions denominated in other currencies than the functional currency are foreign currency transactions.

On initial recognition, foreign currency transactions are translated to the functional currency 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.

Receivables and payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the date at which the receivable or payable arose or the rates in the latest annual report is recognised in the income statement as financial income or financial expenses.

Foreign consolidated enterprises' statements of financial position are translated to Danish kroner at the exchange rates at the reporting date, while the enterprises' income statements and the statement of other comprehensive income are translated to the average exchange rates.

Foreign exchange differences arising on translation of the opening equity of such foreign enterprises at the exchange rates at the reporting date and on translation of the income statements and the statement of other comprehensive income from the exchange rates at the transaction date to the exchange rates at the reporting date are recognised in other comprehensive income and in a separate translation reserve under equity.

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3 Significant accounting judgements, estimates, and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, costs, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Recognition of right-of-use assets and lease liabilities

The Group has entered into a number of lease agreements regarding property leases for our Franchise partners. The Group sub-leases these property leases to our Franchise partners.
In recognising right-of-use assets and lease liabilities the lease terms of the leases have to be determined. The lease term is the non-cancellable term of the lease together with any periods covered by an option to extend the lease, if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Several lease contracts include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, all relevant factors that create an economic incentive to exercise either the renewal or termination are considered. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements).

For leases of land and buildings renewal periods are included as part of the lease term for leases with shorter non-cancellable periods. The renewal periods are included for the period that the Group expects to continue the lease taking into consideration that the retail business might look different in the future compared to the present setup. The renewal periods for leases of land and buildings with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for no longer than the non-cancellable period and, hence, is not exercising any renewal options.

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Valuation of intangible assets

Intangible assets are tested for impairment if there is an indication of impairment. For goodwill annual impairment tests are carried out. An impairment loss is recognised if the recoverable amount of an asset is lower than the asset's carrying amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the financial five-year plan. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the development in turnover and gross margins during the forecast period and the growth rate used for extrapolation purposes. For most intangible assets no fair value less costs of disposal exists. The key assumptions used to determine the recoverable amount are disclosed and further explained in the relevant notes.

Inventories

Inventories are valued at the lower of calculated cost and net realisable value. The calculated cost comprises supplier discounts. Supplier discounts are recognised when it is probable that the economic benefits associated with the transaction will flow to the Group. A specific assessment of the need for write-down for obsolescence of inventories is made based on the future sales potential.

Receivables

The group is exposed to credit risk when selling to B2B customers. Historically the risk has been highest in Norway. Accounts Receivables are assessed at the balance sheet date, and based on a thorough evaluation of each account, the need for provision for loss on receivables is assessed. It is the Group's judgement that as of the balance sheet date, sufficient provision has been taken.

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DKK thousands

		2019/20	2018/19
4	**Total revenue**		
	Revenue	2.324.976	2.028.918
	Other Services	102.238	89.376
	Total Revenue	**2.427.213**	**2.118.294**
	Geographical split		
	Denmark	1.519.856	1.323.165
	Sweden	571.298	494.254
	Norway	336.059	300.875
	Total revenue	**2.427.213**	**2.118.294**
	Channel split		
	B2C	1.364.543	1.224.759
	B2B	1.062.670	893.535
	Total revenue	**2.427.213**	**2.118.294**

The Groups revenue consists of sales of products and services to B2C and B2B customers. Services consist of royalties and fees, delivery & installation services and other after sales services. B2C revenue is generated through our various online platforms and is mainly cash based. B2B revenue is generated through sales to our Franchisees and through a wholesale concept to developers and key accounts, where sales are on credit terms. Sales on credit terms are non-interest bearing if paid when due.

The Group is invocing in local currency in Norway and Sweden. Sourcing is mainly done in DKK and EUR, whereby the Group is exposed to fluctuations in currency. According to Group policy, the currency exposure is not hedged.

No significant liability or right of product return is recognised, as the products are covered by manufactures guarantee.

All revenue from contracts with customers is recognised at a point in time, and no revenue is recognised from performance obligations satisfied in previous years.

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

DKK thousands

5	**Staff costs**	**2019/20**	**2018/19**
	Wages and salaries	98.251	90.732
	Pension costs	8.776	9.636
	Other social security costs	706	1.172
	Other staff costs	14.853	4.793
	Total staff costs	**122.586**	**106.333**
	Average number of employees	**237**	**202**
	Remuneration of management		
	Executive Board	3.894	3.765
	Board of Directors	510	770
	Total	**4.404**	**4.535**
	Wages and salaries	4.074	4.239
	Pension cost	330	296
	Other	-	-
	Total staff cost	**4.404**	**4.535**

Key management personnel includes, Executive Board. Executive Board participate in a short term incentive programe, where the bonus is dependent on the profit for the year and other key figures.

6	**Other external cost**	**2019/20**	**2018/19**
	Fees paid to the auditors appointed at the Annual General Meeting:		
	Fee regarding the statutory audit	341	798
	Tax assistance	50	270
	Assurance engagements	15	15
	Other services	260	100
	Total	**666**	**1.183**
	Fees paid to other auditors		
	Fee regarding the statutory audit	945	-
	Tax assistance	225	-
	Assurance engagements	-	-
	Other services	484	-
	Total	**1.654**	**-**

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

Notes to the consolidated financial statements

DKK thousands

7	**Other financial income**	**2019/20**	**2018/19**
	Intrest income from banks	92	131
	Other financial income	694	816
	Income from lease receivables	8.193	8.545
	Foreign exchange gain	6.067	4.259
	Total Other financial income	**15.046**	**13.752**

8	**Other financial costs**	**2019/20**	**2018/19**
	Interest expense to banks	3.254	1.859
	Interest expense on loans from entities with significant influence	3.903	2.610
	Interest expenses on lease liabilities	8.513	8.944
	Other financial expenses	62	381
	Foreign exchange loss	4.559	13.572
	Total Other financial costs	**20.291**	**27.366**

All financial expenses are related to financial assets and liabilities, which ar not measured at fair value.

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

Notes to the consolidated financial statements

DKK thousands

		2019/20	2018/19
9	**Income tax**		
	Current income tax	8.898	3.394
	Adjustment regarding prior years, current income tax	-	-
	Change in deferred tax	7.858	-576
	Adjustment regarding prior years, deferred tax	-	-
	Total Income tax	**16.756**	**2.818**
	Income tax recognised in the income statements	16.756	2.818
	Income tax recognised in other comprehensive income	-	-
	Total Income tax	**16.756**	**2.818**

Reconciliation of income tax recognised in the income statement

	2019/20		2018/19	
	DKK	**%**	***DKK***	**%**
Tax on result for the year at the Danish income tax rate	17.150	22,0%	3.042	22,0%
Non-deductible costs	612	0,8%	-	0,0%
Non-taxable income	-	0,0%	-	0,0%
Deviating tax rates in foreign operations	-	0,0%	-	0,0%
Adjustment to prior periods	-	0,0%	25	0,2%
Not capitalised tax loss carry forwards	-1.006	-1,3%	-249	-1,8%
Other	-	0,0%	-	0,0%
Income tax recognised in the income statement	**16.756**	**21,5%**	**2.818**	**20,4%**

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

DKK thousands

10 Intangible assets

2018/19:

	Goodwill	Software	Brands	Other intangible assets	Total
Cost					
Balance at 1 November 2018	146.450	6.701	25.000	5.878	184.029
Additions		2.129		3.738	5.867
Reclassifications					-
Balance at 31 October 2019	146.450	8.830	25.000	9.616	189.896
Accumulated amortisation and impairment losses					
Balance at 1 November 2018	-200	-5.960	-5.000	-5.678	-16.838
Amortisation		-585	-2.500	-249	-3.334
Impairment	-767				-767
Balance at 31 October 2019	-967	-6.545	-7.500	-5.927	-20.939
Carrying amount at 31 October 2019	145.483	2.285	17.500	3.689	168.957

2019/20:

	Goodwill	Software	Brands	Other intangible assets	Total
Cost					
Balance at 1 November 2019	146.450	8.830	25.000	9.616	189.896
Additions		2.824		3.887	6.711
Reclassifications					-
Balance at 31 October 2020	146.450	11.654	25.000	13.503	196.607
Accumulated amortisation and impairment losses					
Balance at 1 November 2019	-967	-6.545	-7.500	-5.927	-20.939
Amortisation		-1.251	-2.500	-1.186	-4.937
Impairment	-2.883				-2.883
Balance at 31 October 2020	-3.850	-7.796	-10.000	-7.113	-28.759
					-
Carrying amount at 31 October 2020	142.600	3.858	15.000	6.390	167.848

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

DKK thousands

10 Intangible assets - continued

Impairment losses during the year

For impairment testing, goodwill acquired through business combinations are allocated to the cash generating units that benefit from the synergies resulting from the acquisitions.

Carrying amount of goodwill within the Group:

	Goodwill		Other Goodwill	
	2019/20	2018/19	2019/20	2018/19
Goodwill Whiteaway A/S	100.000	100.000	0	2.883
Goodwil Tretti AB	42.600	42.600	0	0

The goodwill amount in the Group is mainly related to acquired e-commerce activities. For impairment testing, the goodwill acquired is allocated to the cash generating units that benefit from the synergies resulting from the acquisition.

The recoverable amount of the goodwill related to e-commerce has been determined based on a value in use calculation, using cash flow projections from the approved budgets for a 5 year period.

The impairment test is carried out with the e-commerce activities in Sweden considered as being the cash generating unit. The recoverable amount is based on value in use and is estimated on input from Group management. The test includes a five year budget period followed by a terminal period.

Key assumptions applid in the impairment test are expected revenue, gross margin, capacity cost, discount rate and growth rate in terminal period. Sensitivity tests over the key assumptions have been carried out showing gross margin and WACC to be the assumptions with the largest impact to the value-in-use. In the test, a discount rate of 7,76 % and a perpetual growth assumption of 0,25 % have been applied (same in 2018/19).

The impairment shows headroom from value in use to the carrying amount, thus there is no need for impairment. The management is of the opinion that the assumptions applied are sustainable.

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

Notes to the consolidated financial statements

DKK thousands

11 Tangible assets

2018/19:

	Lease assets	Fixtures and fittings, tools and equipment	Total
Cost:			
Balance at 1 November 2018	8.720	20.470	29.190
Foreign currency translation			
Additions		98	98
Reclassifications			
Disposals	-	-1.727	-1.727
Balance at 31 October 2019	8.720	18.841	27.561
Accumulated amortisation and impairment losses:			
Balance at 1 November 2018		-17.159	-17.159
Foreign currency translation			
Depreciation		-1.007	-1.007
Impairment losses recognised in the income statement			-
Disposals	-1.082		-1.082
Balance at 31 October 2019	-1.082	-18.166	-19.248
Carrying amount at 31 October 2019	7.638	675	8.313

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

Notes to the consolidated financial statements

DKK thousands

11 Tangible assets

2019/20:

	Lease assets	Fixtures and fittings, tools and equipment	Total
Cost:			
Balance at 1 November 2019	8.720	18.841	27.561
Foreign currency translation			
Additions		797	797
Reclassifications			-
Disposals		-218	-218
Balance at 31 October 2020	8.720	19.420	28.140
Accumulated amortisation and impairment losses			
Balance at 1 November 2019	-1.082	-18.166	-19.248
Foreign currency translation			
Depreciation	-2.280	-512	-2.792
Impairment losses recognised in the income statement			-
Disposals			-
Disposals, sale of subsidiaries		162	162
Balance at 31 October 2020	-3.362	-18.516	-21.878
Carrying amount at 31 October 2020	5.358	904	6.262

Amounts recognised in the consolidated income statement

The following amount regarding lease contracts classified as short term and low value leases is recognised in the income statement

	2019/20	2018/19
Cost related to short term and low value leases	238	101

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

Notes to the consolidated financial statements

DKK thousands

12 Financial assets and Financial liabilities

Financial assets comprise the following:	Carrying amount		Fair value	
	2019/20	2018/19	2019/20	2018/19
Financial assets:				
Trade receivables	86.591	98.856	86.591	98.856
Other receivables	51.584	31.090	51.584	31.090
Prepayments	6.147	7.976	6.147	7.976
Lease receivables	158.394	179.671	158.393	179.671
Cash and short-term deposits	159.100	88.343	159.100	88.343

Trade receivables:		
Trade receivables	102.001	116.660
Expected loss on receivables	-15.410	-17.804
Trade receivables, net	**86.591**	**98.856**
Trade Receivables		
Not due	66.308	74.142
<30 days past due	12.079	14.828
31 to 90 days past due	8.204	9.886
Total	**86.591**	**98.856**

Trade Receivables 2019/20	Trade receivables	Reserve for exp. Loss	Exp. Loss %	Trade Rec. Net
DK	42.425	-1.441	3,4%	40.984
NO	51.705	-12.960	25,1%	38.745
SE	7.871	-1.009	12,8%	6.862
Total	**102.001**	**-15.410**	15,1%	**86.591**

Trade Receivables 2018/19	Trade receivables	Reserve for exp. Loss	Exp. Loss %	Trade Rec. Net
DK	52.374	-1.441	2,8%	50.933
NO	61.101	-16.363	26,8%	44.738
SE	3.185	0	0,0%	3.185
Total	**116.660**	**-17.804**	15,3%	**98.856**

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

Lease receivables	2019/20	2018/19
Lease receivables	162.382	183.068
expected loss on Lease receivables	-3.988	-3.397
Lease receivabels net	**158.394**	**179.671**
Lease receivables -Denmark	112.770	128.898
Lease receivables - Norway	45.624	50.773
Lease receivables total	**158.394**	**179.671**
Lease receivables - short term	32.787	32.535
Lease receivables - long term	125.606	147.136
Lease receivables total	**158.394**	**179.671**

Financial liabilities comprise the following:	Carrying amount		Fair value	
	2019/20	2018/19	2019/20	2018/19
Financial liabilities:				
Subordinate loan - non current	371	53.956	371	53.956
Interest-bearing loans and borrowings	0	120	0	120
Trade payables	333.604	373.349	333.604	373.349
Lease liabilities	163.870	187.238	163.870	187.238
Other payables	123.033	74.443	123.033	74.443

Liabilities 2019/20	Carrying amount	Contractual cash flow	Within 1 year	Within 1-5 years	After 5 years
Subordinate loan - non current	0	0	0	0	0
Interest-bearing loans and borrowings	0	0	0	0	0
Trade payables	333.604	333.604	333.604	0	0
Lease liabilities	163.870	202.327	36.854	161.655	3.818

Liabilities 2018/19	Carrying amount	Contractual cash flow	Within 1 year	Within 1-5 years	After 5 years
Subordinate loan - non current	53.956	53.956	53.956	0	0
Interest-bearing loans and borrowings	120	120	120	0	0
Trade payables	373.349	373.349	373.349	0	0
Lease liabilities	187.238	238.131	35.803	186.709	15.618

Fair value

For cash and short-term deposits, trade receivables and payables, other receivables and payables and other short-term receivables and payables the carrying amount is a reasonable approximation of fair value, largely due to the short-term maturities of the financial instruments.

The Group's main risks are market risks relating to fluctuations in foreign exchange rates and interest rates, liquidity risk relating to the availability of funds to support business needs and credit risk relating to the undesirable event of a default among the Group's financial counterparties. There has been no structural changes in the Group's risk exposure or risks compared to 2019.

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Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risks such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and debt.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rate relates primarily to the Group's operating activities and the Group's net investments in foreign subsidiaries.

Interest rate risks

The Group is only exposed to interest risk to a minor extend.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle its financial liabilities, when they fall due. The liquidity reserve consist of cash and undrawn credit facilities. The Group currently has a covenant related to divident payment. The Group assesses the liquidity risk to be low.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and lease recivables).

The Group prepares credit ratings of customers and counterparties on a regular basis. Credit risks are managed on the basis of internal credit ratings and credit lines for customers and financial counterparties. The credit lines are determined on the basis of the customers' and counterparties' creditworthiness. Counterparty credit lines are reviewed on an ongoing basis and may be updated throughtout the year subject to approval of management. Reserve for expected loss is based on individual valuation of each counterpart and based on expected repayment ability.

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

DKK thousands

13 Deferred tax

Specification of deferred tax

	Consolidated income statement		Consolidated statement of financial position	
	2019/20	2018/19	2019/20	2018/19
Intangible assets	550	550	-3.300	-3.850
Property, plant and equipment	0	0	0	0
Investment property	0	0	0	0
Financial assets	0	0	0	0
Other assets	0	0	0	0
Provisions	0	0	0	0
Other liabilities	0	0	0	0
Tax loss carried forward	-13.063	26	7.172	20.235
Leases	0	0	0	0
Other	6.607	0	6.607	0
Deferred tax expense / Net deferred tax	-5.906	576	10.479	16.385

Deferred tax is recognised in the consolidated statement of financial position as follows:

Deferred tax assets	13.779	20.235
Deferred tax liabilities	-3.300	-3.850
Net deferred tax	10.479	16.385

Reconciliation of deferred tax

Opening balance at 1 November 2019	16.385	15.809
Adjustment to prior year	0	0
Adjustment of deferred tax recognised in the income statement	-5.906	576
Closing balance at 31 October 2020	10.479	16.385

All deferred tax liabilities are recognized. Tax loss carried forward that are not recognised amounts to a total value of 2,5mDKK. The tax losses have not been capitalised as no convincing evidence of use of the losses exists at the balance sheet date.

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

14 Inventories

	2019/20	2018/19
Goods held for resale	**162.420**	**176.949**
Goods held for resale at cost	168.618	179.748
Writedown	-6.198	-2.799
Inventory Net	**162.420**	**176.949**

15 Change in working capital

	2019/20	2018/19
Change in inventories	14.529	49.405
Change in receivables	-9.338	-9.557
Change in trade payables and others	8.845	5.270
Total change in working capital	**14.036**	**45.118**

16 Related party disclosures

Paid for consulting and services to Heartland A/S	948
Paid for legal servies to Bestseller A/S	641
Paid for transportation services to United Broker A/S	397

17 Capital Management

The Group manages its capital to ensure that the entities in the Group will be able to continue as going concerns while maximising the return to the shareholders through the optimisation of the debt and equity balance. For the purpose of the Group's capital management, capital includes total equity

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital struture, the Group may adjust the dividend payments to shareholders or issue new shares. The Group has covenants in relation to bank facilities restricting dividend payments.

18 Events after the reporting period

Other than as set out elsewere in this annual report, the Group is not aware of events occurring after 31. October 2020 which are expected to have a material effect on the Group's financial position or outlook.

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19 New financial reporting regulations

As of the date of release of this annual report, the ISAB had issued a number of new and amended financial reporting standards and interpretations which are not mandatory for the Group in 2019/20. Adopted standards and improvements that have not yet come into force are implemented as and when they become mandatory to the Group as per the EU effective dates. None of the above mentioned standards and interpretations are expected to influence recognition and measurement for the Group.

20 Contingent liabilities and financial commitments

As security for the Group's bank facilities, a company pledge of 30mDKK has been issued. The shares in Tretti AB has been pledged as security for the bank facility

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

Parent company income statement

for the year ended 31 October 2020

	Notes	2019/20 *DKK million*	2018/19 *DKK million*
Other revenue		34.725	31.034
Total Revenue	4	**34.725**	**31.034**
Cost of sales		0	0
Gross profit		**34.725**	**31.034**
Staff costs		0	-90
Other external costs	5	-8.186	-18.749
Depreciation, amortisation and impairment losses		0	0
Operating profit/loss		**26.539**	**12.195**
Other financial income	6	1.211	0
Other financial costs	7	-8.817	-6.016
Profit/loss before tax		**18.933**	**6.179**
Income tax	8	-4.068	-2.684
Profit/loss for the year		**14.865**	**3.495**
Proposal for distribution of profit for the year:			
Proposed dividend		0	0
Equity reserve		14.865	3.495
		14.865	**3.495**

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

Parent company statement of other comprehensive income

for the year ended 31 October 2020

	Notes	2019/20	2018/19
		DKK million	*DKK million*
Profit for the year		**14.865**	**3.495**
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		-	-
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):		**-**	**-**
Total comprehensive income for the year, net of tax		**14.865**	**3.495**
Attributable to:			
Equity holders of the parent		14.865	3.495
Non-controlling interest			
		14.865	**3.495**

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

Parent company statement of financial position

as at 31 October 2020

	Notes	2019/20	2018/19	2017/18
		DKK thousands	*DKK thousands*	*DKK thousands*
Assets				
Financial assets				
Investment in subsidiaries	9	274.172	276.634	236.613
Total financial assets		274.172	276.634	236.613
Deferred tax assets				
Total non-current assets		**274.172**	**276.634**	**236.613**
Current assets				
Receivables	10			
Receivables from group enterprises		32.077	38.742	13.411
Income tax receivables		-	932	-
Other receivables		6.372	4.021	1.993
Total receivables		38.449	43.695	15.404
Cash and short-term deposits		**-**	**83.045**	**78.768**
Total current assets		**38.449**	**126.740**	**94.172**
Total assets		**312.621**	**403.374**	**330.785**

Parent company statement of financial position

as at 31 October 2020

	Notes	2019/20	2018/19	2017/18
		DKK thousands	*DKK thousands*	*DKK thousands*
Equity and liabilities				
Equity				
Issued capital		588	565	565
Retained earnings		96.352	53.441	49.946
Proposed dividends		-	-	-
Equity attributable to equity holder of the parent		**96.940**	**54.006**	**50.511**
Non-current liabilities				
Subordinate loan capital		-	41.146	-
Payables to associates		-	12.809	12.809
Total non-current liabilities		**-**	**53.955**	**12.809**
Current liabilities	10			
Bank loans		347	120	83.709
Trade payables		675	999	1.847
Payables to group enterprises		205.700	291.825	171.296
Income tax payable		4.068	-	8.424
Other payables		4.891	2.469	2.189
Total current liabilities		**215.681**	**295.413**	**267.465**
Total liabilities		**215.681**	**349.368**	**280.274**
Total equity and liabilities		**312.621**	**403.374**	**330.785**

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

Parent company cash flow statement

for the year ended 31 October 2020

	Notes	2019/20 *DKK thousands*	2018/19 *DKK thousands*
Profit before tax from continuing operations		18.933	6.179
Amortisation, depreciation and impairment losses		0	0
Change in working capital	11	-74.716	83.245
Income tax paid		-4.064	-2.684
Net cash flows from operating activities		-59.847	86.740
Investment in subsidiaries		2.462	-40.021
Net cash flows form investment activities		2.462	-40.021
Incurrence of subordinate loan capital		-53.956	41.147
Capital increase		28.069	0
Dividends paid to equity holders of the parent		0	0
Net cash flows from financing activities		-25.887	41.147
Net change in cash and cash equivalents		-83.272	87.866
Cash and cash equivalents at 1 November 2019		82.925	-4.941
Cash and cash equivalents 31 October 2020		-347	82.925

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

Parent company statement of changes in equity

for the year ended 31 October 2020

DKK thousands	Attributable to the equity holders of the parent		
	Issued capital	**Retained earnings**	**Total equity**
As at 1 November 2018	**565**	**49.946**	**50.511**
Profit for the period		3.495	**3.495**
Total comprehensive income	-	3.495	3.495
At 31 October 2019	**565**	**53.441**	**54.006**

DKK thousands	Attributable to the equity holders of the parent		
	Issued capital	**Retained earnings**	**Total equity**
As at 1 November 2019	**565**	**53.441**	**54.006**
Profit for the period		14.865	**14.865**
Total comprehensive income	-	14.865	**14.865**
Transactions with shareholders			
Issue of share capital	23	28.046	**28.069**
Transactions with shareholders	23	28.046	**28.069**
At 31 October 2020	**588**	**96.352**	**96.940**

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

Index to Notes to the parent company financial statements

Penneo dokumentnøgle: VTZGC-6YUUZ-X8Q0E-1LTOX-BIZXQ-WXFN6

Notes to the parent company financial statements

DKK thousands

1 Corporate information

WhiteAway Group A/S and its subsidiaries (the Group) primary business area is selling home appliances. The Group main business is selling through the Groups e-commerce platforms, sales through a franchise set-up and B2B sales to the professional segment as well as partnerships. The Group operates in Denmark, Norway and Sweden.

2 Summary of significant accounting policies

For a summary of significant accounting policies, please refer to note 2 in the notes to the consolidated financial statement

In accordance with IFRS 1, the opening statement of financial position at 1. November 2018 and comparative figures for 2018/19 have been prepared in accordance with the IFRS applicabale as of 31. October 2020. The opening statements of financial position at 1. November 2018 has been prepared as if these standrds and interpretations had always been applied apart from the exceptions, which are described below:

- Investment in subsidiary is measured at cost. The cost price in the opening balance 1. November 2018 is the booked amount at this date and this is the new cost price.

The reconciliation below explains the principal adjustments made by the Group in restating its local GAAP statements of financial position as at 1 November 2018 and its previously published local GAAP financial statements as at and for the year ended 31 October 2019:

	November 2018	2018/19		October 2019
	Equity	Total profit for the year	Exch.rate adj. Booked on Equity	Equity
WhiteAway Group dertermined in accordance with Danish Financial	50.511	5.475	2.429	58.415
Investment in affiliates measured at cost		-1.980	-2.429	-4.409
WhiteAway Group determined in accordance with IFRS	50.511	3.495	0	54.006

Investment in subsidiaries are measured at cost. If the cost exceeds the recoverable amount, the carrying amount is reduced to this lower amount. When selling subsidiaries gains or losses are calculated as the difference between the carrying amount of the sold investments and the fair value of the proceeds from the sale.

3 Significant accounting judgements, estimates, and assumptions

For a summary of significant accounting judgements, estimates and assumptions please refer to note 3 in the notes to the consolidated financial statements.

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4 Total revenue

Revenue consist of royalty payments related to trademarks

5 Other external cost

Fees paid to the auditors appointed at the Annual General Meeting:

	2019/20	2018/19
Fee regarding the statutory audit	139	145
Tax assistance	0	0
Assurance engagements	0	0
Other services	0	0
Total	139	145

6 Other financial income

	2019/20	2018/19
Foreign exchange gain	1.211	-
Total Other financial income	**1.211**	**-**

7 Other financial cost

	2019/20	2018/19
Interest expenses to group entities	1.473	1.509
Interest expenses bank	1.213	1.284
Interest expenses from assocates	3.903	1.970
Other financial expenses	176	950
Foreign exchange loss	2.053	303
Total Other financial costs	**8.817**	**6.016**

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Notes to the consolidated financial statements

DKK thousands

		2019/20	2018/19
8	**Income tax**		
	Current income tax	4.068	2.684
	Adjustment regarding prior years, current income tax	-	-
	Total Income tax	**4.068**	**2.684**
	Income tax recognised in the income statements	4.068	2.684
	Income tax recognised in other comprehensive income	-	-
	Total Income tax	**4.068**	**2.684**

Reconciliation of income tax recognised in the income statement

	2019/20		2018/19	
	DKK	**%**	***DKK***	**%**
Tax on result for the year at the Danish income tax rate	3.270	22,0%	1.359	22,0%
Non-deductible costs	798	5,4%	1.324	21,4%
Non-taxable income	-	0,0%	-	0,0%
Deviating tax rates in foreign operations	-	0,0%	-	0,0%
Adjustment to prior periods	-	0,0%		0,0%
Not capitalised tax loss carry forwards	-	0,0%		0,0%
Other	-	0,0%	-	0,0%
Income tax recognised in the income statement	**4.068**	**27,4%**	**2.684**	**43,4%**

		2019/20	2018/19
9	**Investment in subsidiaries**		
	WhiteAway A/S	78.925	78.925
	Tretti AB	146.161	146.161
	Skousen Online Services A/S	47.316	47.316
	Karl Køkken A/S	238	238
	Hvidevarefinansieringsselskabet af 21/8 2002 ApS	-	3.973
	Panorama Retail AB	1.532	21
	Total investment in subsidiaries	**274.172**	**276.634**

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DKK thousands

10 Financial assets and Financial liabilities

Financial assets comprise the following:	Carrying amount		Fair value	
	2019/20	2018/19	2019/20	2018/19
Financial assets:				
Receivables from group enterprises	32.077	38.742	32.077	38.742
Income tax receivables		932		932
Other receivables	6.372	4.021	6.372	4.021
Cash and short-term deposits	0	83.045	0	83.045

The parent company recognises an allowance for impairment of receivables. The entire allowance for impairment of receivables related to receivables from group enterprises and Other receivables is immaterial.

Financial liabilities comprise the following:	Carrying amount		Fair value	
	2019/20	2018/19	2019/20	2018/19
Financial liabilities:				
Subordinate loan - non current	0	53.955	0	53.955
Interest-bearing loans and borrowings	347	120	347	120
Trade payables	675	99	675	99
Payables to group enterprises	205.700	291.825	205.700	291.825
Income tax payable	4.068	0	4.068	0
Other payables	4.891	2.469	4.891	2.469

Liabilities 2019/20	Carrying amount	Contractual cash flow	Within 1 year	Within 1-5 years	After 5 years
Subordinate loan - non current	0	0	0	0	0
Interest-bearing loans and borrowings	347	347	347	0	0
Trade payables	675	675	675	0	0
Payables to group enterprises	205.700	205.700	205.700	0	0
Income tax payable	4.068	4.068	4.068	0	0
Other payables	4.891	4.891	4.891	0	0

Liabilities 2018/19	Carrying amount	Contractual cash flow	Within 1 year	Within 1-5 years	After 5 years
Subordinate loan - non current	53.955	53.955	53.955	0	0
Interest-bearing loans and borrowings	120	120	120	0	0
Trade payables	99	99	99	0	0
Payables to group enterprises	291.825	291.825	291.825	0	0
Income tax payable	0	0	0	0	0
Other payables	2.469	2.469	2.469	0	0

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Fair value

For cash and short-term deposits, trade receivables and payables, other receivables and payables and other short-term receivables and payables the carrying amount is a reasonable approximation of fair value, largely due to the short-term maturities of the financial instruments.

Risks arising from financial instruments

The parent company's main risks are market risks relating to fluctuations in foreign exchange rates. There has been no structural changes in the Group's risk exposure or risks compared to 2019.
For an in-depth description of risks and policies for managing risks please refer to note 12 in the notes to the consolidated financial statement

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The parent company's exposure to the risk of changes in foreign exchange rate relates primarily to the parent company's payable and receivables to group enterprises

11 Change in working capital

	2019/20	2018/19
Receivables	5.246	-28.291
Trade payables and other	-79.962	111.536
Total change in working capital	**-74.716**	**83.245**

12 Related party disclosures

	2019/20
Royalty income Group entities	34.725
Consultancy services Heartland A/S	948
Legal services Bestseller A/S	641

13 Capital Management

The Group manages its capital to ensure that the entities in the Group will be able to continue as going concerns while maximising the return to the shareholders through the optimisation of the debt and equity balance. For the purpose of the Group's capital management, capital includes total equity

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital struture, the Group may adjust the dividend payments to shareholders or issue new shares. The Group has covenants in relation to bank facilities restricting dividend payments.

14 Events after the reporting period

Other than as set out elsewere in this annual report, the Group is not aware of events occurring after 31. October 2020 which are expected to have a material effect on the Group's financial position or outlook.

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15 New financial reporting regulations

As of the date of release of this annual report, the ISAB had issued a number of new and amended financial reporting standards and interpretations which are not mandatory for the Group in 2019/20. Adopted standards and improvements that have not yet come into force are implemented as and when they become mandatory to the Group as per the EU effective dates. None of the above mentioned standards and interpretations are expected to influence recognition and measurement for the Group.

16 Contingent liabilities and financial commitments

As security for the Group's bank facilities, a company pledge of 30mDKK has been issued. The shares in Tretti AB has been pledged as security for the bank facilities.

The Danish companies in the Group are jointly taxed. As administration company, the company has joint and several unlimited liability together with the other group companies for the Danish corporation taxes and withholding taxes on dividend, interest and royalties within the joint taxation group. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends etc. may entail that the company's receivables decrease or a liability will arise.

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Kim Mose
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Dirigent
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Esben Morre Aabenhus
Direktion
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Jon Tophøj Kristensen
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Johannes Emil Kjærsgaard Gadsbøll
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Lise Kaae
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Lars Fløe Nielsen
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Jonas Busk
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