WhiteAway Group A/S

Agerbæksvej 21
DK-8240 Risskov

Annual report

2020/21

CVR no. 33 76 79 86

Chair of the meeting:

Esben Aabenhus

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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). To reflect the accounting period of our parent company, the accounting period has been changed in 2020/21. Previous the accounting period was 1. November – 31. October. From 2020/21 and forward, the accounting period will be 1. August – 31. July. This means that the accounting period for 2020/21 will represent a period of 9 months – 1. November 2020 – 31. July 2021.

Primary activities

WhiteAway Group was founded in 2003 focusing on selling whitegoods 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 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. We operate in the professional segment with a strong B2B offering. We are proud of being the white goods experts enabling us to ensure our consumers get products that match their individual needs.

Development during the financial year

Market development

The Scandinavian market for home appliances is a very competitive market and has historically 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 and a higher market growth than normal. In 2020/21 the pandemic still affected our day-to-day activities,and resulted in mandatory store closings during the Winther months. However, the roll-out of vaccination programs are bringing us closer to a pre Covid-19 social activity level,and travelling restrictions has been lifted. Market growth has in this accounting period continued at a higher-than-normal level, but during the last months, where imposed Covid-19 restrictions has been gradually lifted, we see the market returning to a more normal activity level.

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. Mandatory store closings during the Winther months due to Covid-19, supported online sales. 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 high market growth as a result of Covid-19, secured a solid growth in our online business.
Our retail business, operating through a franchise set-up delivered growth during the year. Despite the mandatory store closing during the Winther across Scandinavia, stores managed to service customers, and performed above expectations after the restrictions were lifted. We continue seeing an increase in same-store revenue year on year, and with the addition of a few new stores in Denmark, Norway 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 big 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

As mentioned in this Annual Report for Whiteaway Group A/S it only represents 9 months to adjust the accounting period to that of our parent company. All figures are presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

The annual report for 2020/21 shows a revenue of 1.986 million DKK vs 2.427 million DKK last year, as a result of strong growth in all markets and channels.

Operating profit before depreciation, amortization, and impairment (EBITDA) ended at 104,7 million DKK, compared to 83,2 million DKK last year.

Profit before tax ended at 105,9 million DKK, compared to 78,0 million DKK last year.
The 2020/21 result and general performance is better than expected.

Cash flow from operations amounted to 42,4 million DKK vs 99,6 million last year.

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 exchange rate risk, sourcing in DKK/EUR and selling in NOK/SEK.

Business Outlook

We expect that the impact of Covid-19 will diminish during the coming financial year, as vaccine programs are rolled out, making it possible to return to more normal social activity level. Market growth is therefore expected to return to pre-Covid-19 levels with yearly growth rates in the low one digit range. However continued growth in our new business areas, the addition of new stores and the addition of new business activities in the coming financial year we expect higher than market growth rates. We estimate a revenue growth of 200-300 mDKK and not the same improvement in the expected result due to investment in the company and an extraordinary growth in 2020/21.

Corporate social responsibility

At WhiteAway Group we believe and live our first value: It is all about people. We respect our partners and the people we work with: Franchisees, customers, suppliers, and our employees – and the society surrounding us. In the following we have mapped 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, labour, and anti-corruption, as elaborated in the following four paragraphs.

1. Climate and environment

We strive to protect the environment and to continuously reduce emissions relative to output

Reducing environmental footprint: We encourage and expect our suppliers to reduce the total environmental impact in the value chain: To reduce energy consumption and CO_2 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 cooperation with our last mile distribution partners and warehouse management partnerships. The franchisees are also involved in reducing the environmental footprint locally – as well as our own footprints at the two WhiteAway Group offices, in Aarhus and Stockholm.

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 Electronical Directive (WEEE Directive)

We focus on a safe and environmentally friendly disposal of our products at the end of their life cycle

For climate issues, the identified risks are those related to excessive energy consumption in the value chain and own offices as well as risks related to incorrect disposal harming the environment. In 2021 the above encouragements where prioritized and followed-up by a cross-functional team, Sustainability Squad, to identify basic adjustments and new larger tasks to push our sustainable impact positively, categorized by the product life cycle.

Our role in the appliance production

Current Code of Conduct was implemented in 2014 and by July 31 2021 all suppliers were reviewed consequently. All suppliers have been categorized in four segments according to country risk and volume of purchase as addressed in the Human Rights paragraph. The vast majority of our products are from suppliers who are international conglomerates with audited CSR policies.

As a part of the segmentation, our requirements to our suppliers have increased based on the risk and volume, all major suppliers are required to live up to our Code of Conduct and (attempt to) enforce it against their suppliers, and we've started sampling of documentational compliance e.g. documentation for compliance with REACH and CE.

At annual meetings and ongoing dialogues, the responsible Purchaser have addressed our interest to push for more sustainable products – an interest that is going to have an increasingly importance not only in the annual meetings but in our ongoing cooperation with our suppliers.

Guiding the customer to make a sustainable choice

Full enrolment of the re-scaled energy label according to EU legislation by March 2021 supported by guides for the customers across all our web shops, instore guides, and training for store personnel. Our Group customer consultants were educated to fully advise our Scandinavian customers by mail, chat, or phone.
For our three primary consumer brands, Skousen, tretti and whiteaway we have implemented a greener universe across markets according to brand position and customer segments to make it easier for the customer to choose a more sustainable product – and use it correctly from day one to prolong the lifetime. Customers that buy online from whiteaway or tretti may also receive green advises after purchasing specific products where we know incorrect usage quickly effect product lifetime negatively.

Prolonging product lifetime

We can push for better 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. In 2021 we have increased this focus guiding our online customers by information in newsletters and the abovementioned green advice mail flow. The Skousen stores have introduced CSR flyers with '10 tips to take care of your appliances'. For the Skousen brand we introduced a partnership with a spare-part supplier to make it easier for customers to repair if possible, showing an increase in sold spare parts prolonging product lifetime, assumingly.

Correct disposal

Naturally, 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 2021, we started a partnership with Simple Very Simple, who repair and reuse spare parts when possible, for all scrapable products at our warehouse, returned or damaged products. By July 31 2021 this partnership has saved 108 tons of CO_2 from 592 scrapable units. The products unable to repair are reused as recycled materials sorted in plastic, iron, copper, or aluminium.

Own offices and franchisee stores

All franchisee stores have reduced their plastic footprint in Denmark and Norway. Current plastic bags are made of 80 % recycled plastic. All instore materials are now FSC labelled, and the distributed campaign paper is now FSC and Nordic Eco labelled. The majority of Danish stores are sorting waste in plastic and cardboard. The vast majority of all new stores (openings and re-locations) are equipped with LED spots and the outdoor LED signs are only lit when dark to reduce energy consumption.

We focus on reducing consumption and waste at our offices to minimize our environmental footprint by sorting waste in four categories: Bio-waste, plastic, paper, and residual (these are donated and handled by 'Pant for Pant', an organisation enabling homeless to start a job). Waste stations were introduced at the offices in 2021, whereas all waste is now sorted. We have not purchased any single use-tableware since December 2020 and all consumed food and drinks are fair trade or organic products by more than 80 %. All office supplies have been reviewed and top products are either Nordic Eco label, Green Tree or FSC. We have changed several suppliers to partner and now hold catering and cleaning partners with a documented green profile. Furthermore, both Aarhus and Stockholm office now run on green electricity with new agreements with Vattenfall (Stockholm) and NRGi (Aarhus).

At WhiteAway Group we want to contribute to the well-being of our employees, including old-age pension as well as insurances related to the inability to work due to critical illness. We comply with local laws and engage in partnerships with companies specialising in pension and health. Our employees invest their pension funds in as suits them best, based on independent advice from pension advisors. In Demark WhiteAway Group has a partnership with Velliv. As part of our corporate agreement, the default placement of pension investment is VækstPension Aftryk to make a more positive impact on the environment and society in line with the UN's Sustainable Development Goals. VækstPension Aftryk, selects investments in ESG best-in-class funds (ethical funds, sustainability funds, green bonds and impact funds). This agreement was entered into in September 2020, where we choose to be front-runners on ethical investment. Our employees are however free to change their own investment profile, should they want to.

2. Human rights

The following two subjects are relevant for both our own organization and partners like the franchisees or suppliers. The material issues we have identified within the area of human rights are related to risks of subpar working conditions and infringements of employees' rights in our supply and value chain. We also outline the risks of discrimination.

Child labour: We do not tolerate the use of child labour and do not accept employment of anyone who is under the age of 15 (or 14 where the law of the country permits).

Forced labour and human trafficking: We will not accept any form of forced labour or any form of human trafficking. We will not permit withholding of identification papers, labour or work linked to any form of duress or threat of punishment.

WhiteAway Group do not employ or use child labour or forced labour. 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 labour. Current Code of Conduct was implemented in 2014 and by July 31 2021 all suppliers were reviewed. All suppliers have been categorized in four segments according to country risk and volume of purchase. Country safety is based on AMFORIs Countries' Risk Classification from 2020, which rates the countries' level of risks related to governance by measuring the six dimensions of governance identified by the World Bank: Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. Country Safety is calculated for each vendor as the weighted average Countries' Risk Classification based on the country of origin for the SKU. Purchase quantity is assumed to be the best proxy for the use of man hours in production and other pre-sale activities and is thus deemed the most relevant measure of WhiteAway Group's exposure towards the vendor. Relevance of Purchase quantity is calculated as the vendor's share of WhiteAway Group's total purchase quantity in the calendar year of 2021. All vendors have either signed our standards or official standards and three vendors adherent to their own are: BSH, Miele, and Whirlpool. These Code of Conduct have been read through and are in alignment with that of WhiteAway Group.

GDPR

We respect the right to privacy when gathering and keeping personal information or if monitoring employees, customers etc. An annual internal audit was conducted in 2020 to ensure that WhiteAway Group at all times is compliant in accordance with GDPR regulations. To document GDPR compliance, we (as a data controller) performed inspections to verify that the data processor lives up to the requirements in the data processing agreement and the GDPR. Therefore, we conducted an annual audit of the data processor in 2020. 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. In 2021 we have reviewed and updated legal areas based on the 2020 audit.

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.

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, colour, gender, disabilities, age, sexual orientation, political orientation, or any other kind of harassment as stated in our employee handbook. We ensure non-discrimination with addressing the subject at both recruitment workshops for leaders and value introduction for employees building open and honest relationships. Furthermore, in June 2021 we defined We are down-to-earth and make room for you to be you as one of our leadership principles, in which all leaders will be trained during August-December of 2021. The training program addresses inclusion and non-discrimination in two modules of 'leading others.

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 WhiteAway Group has decided that both genders must be represented. 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 2020/21, no changes were made to the Board of Directors, which is why the target has not been achieved of an equal gender distribution. 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. We do not expect any openings in 2022.

The structure of our policy and culture widely appeals to male as well as female employees, with a safe and inclusive environment and focus on work-life balance including flexible working hours. By end of the financial year, July 31 2021, 45 % of WhiteAway Group employees are female. 25 % in the senior management team is female (1 out of 4). In 2021 WhiteAway Group committed to a review of hiring and promotion policies and practices to foster a diverse leadership pipeline. Initial findings revealed that diversity in senior roles, including leadership roles, is largely dependent on the candidates being reviewed at final stages. In effect a focus area in 2022 will be a commitment to diversity in the pool of candidates being considered for these roles. This will be engrained in our internal practice (promotion) as well as direct hiring (focus on a broadly appealing employer brand and job ads) and hiring through external recruitment partners (who must present a diverse slate of candidates).

The above-mentioned leadership development program addresses inclusion and non-discrimination, gender as one parameter. Going forward all leaders will be trained on how to follow through on this promise as well as understanding and avoiding biases in promotion and recruitment.

3. Labour

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

- We act as a 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 applies not only for our own employees. We engage with our suppliers to ensure that they as a minimum live up to the above-mentioned standards via the Code of Conduct. The identified risks of not upholding these labour policies are our ability to attract and retain relevant employees – and the risks of work-related accidents. Our franchisees are self-employed legally required. In 2021 we held our first session for large group of Danish franchisees focusing on leadership, communication, and relations. Further sessions are planned in the Fall of 2021.

Employee satisfaction and development

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

We perform employee satisfaction surveys twice a year to track our performance and to ensure we maintain a high employee satisfaction. This is done through GAIS with an 83 % response rate latest (April 2021). We ask everyone, no matter if you are an intern, in our C-suite or just had your first day. In April 2021 the overall score was 79 (over 77 in October 2020) out of 100 points. In comparison the level is 74 in Denmark, the Job Satisfaction Index (1). Our high score is Leadership (86 over 85 in October 2020) and Colleagues (81 over 80 in October 2020) and Influence (81 over 78 in October 2020), while Mastery is our key focus for 2021 (76 over 74 in October 2020). After the survey, the People & Performance team facilitate Team Talks to identify concrete actions that are put in place to work on as improvement areas. We believe these actions have had a positive impact on our employee satisfaction and especially during 2021, when employees still worked from home in larger periods. Due to covid-19 increased focus has been on work satisfaction when employees have worked increasingly from home and was managed by distance. Furthermore, we revamped 2020 tips to structure an office day at home, access to hardware set-up at home and attractive prices on home office furniture.

In 2021 we have focused on the Mastery factor by adding focus questions to the bi-yearly deep dive between leader and employee, focusing on career plan and concrete development initiatives. Two internal development programs have been conducted: Project Management course for 11 key employees across the organization to educate in project initiation, planning, tracking, and reporting. The later, a leadership development program for all 36 leaders for full time employees started in June with sessions covering leading self, leading others and leading the business complemented by coaching sessions, this runs till December 2021.

Another indicator is our ability to retain employees. The average seniority across the organization was lifted in 2021 to 3 years in average, up from 2 years and 9 months in 2020. Meanwhile we welcomed 69 new colleagues, hereof 46 monthly paid (3 leaders included), 17 hourly paid (mainly student positions) and one apprentice. We conduct exit surveys and interviews with the employees leaving for another job. Our exit surveys show a 7,5 score out of 10 in recommending WhiteAway Group as a place to work. Further high scores in the exit survey are the relationship with colleagues and the opportunity to influence own work.

As a part of our social responsibility, we educate and develop apprentices, interns and students. In this financial year we employ four apprentices in Supply Chain and Tech, one apprentice more than in 2020. We have formed a formal apprentice and intern program with onboarding sessions, teambuilding, buddy matching and feedback sessions to ensure a valuable learnings culture and environment. Every August we welcome a group of interns to support the local education institutions and mutually gain the newest knowledge, a growing part of our own talent pipeline. By November 1 2020 we had eight interns across business unit, and more than half started in either student positions or full time employment afterwards. Our People & Performance team facilitate a Student Network with monthly meetings, sparring and pitching school assignments done in cooperation with WhiteAway Group. This onboarding program and our student environment is expected to grow in 2022, developing the onboarding and ongoing satisfaction scores as a steppingstone for a future graduate program.

For our employees we provide a safe and healthy working environment 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 do not employee any under the age of 15 and our employees in the Service & Facilities team with the age of 15-18 years are educated in lifting techniques as part of their onboarding program. Furthermore, there are always other colleagues at the office for supervision. 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. They are given individual guidance by our People & Performance team to ensure a safe work environment in accordance with 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, latest July 7 2021 as published in our intranet. 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.

(1) https://krifa.dk/godarbejdslyst/viden-og-udgivelser/arbejdslyst-giver-bonus-paa-bundlinjen

4. Anti-corruption

We work against corruption in all its forms, including bribery and facilitation payments. Operating internationally, we are exposed to risks associated with corruption and bribery.

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 informed and guided. Towards our partners and suppliers, we incorporate this into our contracts with all our main suppliers and our Code of Conduct. We value this to be important in ensuring we live up to our ambitions, and our constant focus on this area has not

Subsequent events:

No subsequent events have occurred that affect the annual report 2020/21

Financial highlights for the Group
DKK thousands

	2020/21 (9 mth)	2019/20	2018/19	2017/18*	2016/17*
Total revenue	1.985.644	2.427.213	2.118.294	2.120.249	2.186.454
Operating profit (EBIT)	104.695	83.199	27.440	-39.775	13.124
Net financial items	1.212	-5.245	-13.614	-4.767	-3.737
Total profit for the year	82.410	61.199	11.008	-42.061	3.053
Total assets	899.126	828.819	796.172	607.065	627.518
Total equity	267.034	182.782	96.071	51.668	95.756
Investment in Property, Plant & Equipment	97	797	98	1.752	663
Profit margin	5,3%	3,4%	1,3%	-1,9%	0,6%
Return on equity	36,6%	43,9%	14,9%	-57,1%	3,0%
Equity ratio	29,7%	22,1%	12,1%	8,5%	15,3%

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 2016/17 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.

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 2020 - 31 July 2021.

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 July 2021 and of the results of their operations and cash flows for the financial year 1 November 2020 – 31 July 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, 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 16 November 2021

Executive Board:

Esben Morre Aabenhus
CEO

Board of Directors:

Johannes Emil Kjærsgaard Gadsbøll Chairman	Lise Kaae vice chairmann	Ib Dyhr Nørholm
Lars Fløe Nielsen	Jon Tophøj Kristensen	

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 2020 – 31 July 2021, 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 July 2021 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 November 2020 – 31 July 2021 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.

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.

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, 16 November 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

Consolidated income statement

for the year ended 31 July / 31 October

	Notes	(9 months) 2020/21	(12 months) 2019/20
		DKK thousands	*DKK thousands*
Revenue		1.899.147	2.324.976
Other revenue		86.497	102.238
Total revenue	4	**1.985.644**	**2.427.213**
Cost of sales		-1.600.080	-2.038.542
Gross profit		**385.564**	**388.672**
Staff costs	5	-105.908	-122.586
Other external costs	6	-169.764	-172.437
Depreciation, amortisation and impairment losses	10,11	-5.197	-10.450
Operating profit/loss		**104.695**	**83.199**
Other financial income	7	18.888	15.046
Other financial costs	8	-17.676	-20.291
Profit/loss before tax		**105.907**	**77.955**
Income tax	9	-23.497	-16.756
Profit/loss for the year		**82.410**	**61.199**
Attributable to:			
Equity holders of the parent		82.353	61.150
Non-controlling interest		57	-49
		82.410	**61.199**

Consolidated statement of other comprehensive income

for the year ended 31 July / 31 October

	Notes	(9 months) 2020/21 DKK thousands	(12 months) 2019/20 DKK thousands
Profit for the year		**82.410**	**61.199**
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		2.375	-3.496
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):		**2.375**	**-3.496**
Total comprehensive income for the year, net of tax		**84.785**	**57.703**
Attributable to:			
Equity holders of the parent		84.685	57.760
Non-controlling interest		100	-57
		84.785	57.703

Consolidated statement of financial position

as at 31 July / 31 October

	Notes	(9 months) 2020/21 DKK thousands	(12 months) 2019/20 DKK thousands
Assets			
Non-current assets			
Intangible assets	10		
Goodwill		142.600	142.600
Software		3.562	3.858
Brands		13.125	15.000
Other intangible assets		5.356	6.390
Total intangible assets		**164.643**	**167.848**
Tangible assets	11		
Lease assets		4.297	5.358
Fixtures and fittings, tools and equipment		585	904
Total Tangible assets		**4.882**	**6.262**
Financial assets	12		
Lease receivables		130.381	125.606
Non-current financial assets		15.021	16.695
Total Financial assets		**145.402**	**142.301**
Deferred tax assets	13	**11.793**	**13.779**
Total non-current assets		**326.720**	**330.190**
Current assets			
Inventories	14	**189.594**	**162.420**
Receivables	12		
Trade receivables		71.006	86.591
Other receivables		61.423	51.584
Prepayments		7.649	6.147
Lease receivables		37.531	32.787
Total receivables		**177.609**	**177.109**
Cash and short-term deposits	12	**205.203**	**159.100**
Total current assets		**572.406**	**498.629**
Total assets		**899.126**	**828.819**

Consolidated statement of financial position

as at 31 July / 31 October

	Notes	(9 months) 2020/21 DKK thousands	(12 months) 2019/20 DKK thousands
Equity and liabilities			
Equity			
Issued capital		588	588
Retained earnings		264.208	181.441
Foreign currency translation reserve		1.039	-1.293
Equity attributable to equity holder of the parent		**265.835**	**180.736**
Non-controlling interests		1.199	2.046
Total equity		**267.034**	**182.782**
Non-current liabilities	12		
Subordinate loan		371	371
Lease liabilities		134.003	129.553
Deferred tax liabilities	13	2.888	3.300
Total non-current liabilities		**137.262**	**133.224**
Current liabilities	12		
Trade payables		317.551	333.604
Lease liabilities		38.535	34.317
Income tax payable	9	30.937	8.898
Deferred income		15.621	12.960
Other payables		92.186	123.033
Total current liabilities		**494.830**	**512.813**
Liabilities directly associated with the assets held for sale			
Total liabilities		**632.092**	**646.037**
Total equity and liabilities		**899.126**	**828.819**

Consolidated cash flow statement

for the year ended 31 July / 31 October

	Notes	(9 months) 2020/21 DKK thousands	(12 months) 2019/20 DKK thousands
Profit before tax from continuing operations		105.907	77.955
Amortisation, depreciation and impairment losses		5.197	10.450
Change in working capital	15	-66.817	14.036
Income tax paid		-1.874	-2.834
Net cash flows from operating activities		**42.413**	**99.607**
Purchase of intangible assets		-699	-3.169
Purchase of property, plant and equipment		-97	-797
Proceeds from sale of property, plant and equipment		0	0
Sale of subsidiaries, net of cash sold		0	0
Repayment, receivables		1.674	5.485
Dividends received		0	0
Net cash flows form investment activities		**878**	**1.519**
Incurrence of subordinate loan capital		-371	-53.585
Payment of lease liabilities		-8.668	-23.368
Received lease payments		9.518	21.278
Capital increase		0	28.069
Dividends paid to equity holders of the parent		0	0
Net cash flows from financing activities		**479**	**-27.606**
Net change in cash and cash equivalents		43.770	73.519
Cash and cash equivalents at 1 November		159.100	88.342
Net foreign exchange difference		2.332	-2.761
Cash and cash equivalents 31 July		**205.203**	**159.100**

Consolidated statement of financial position

for the year ended 31 July / 31 October

DKK thousands	Attributable to the equity holders of the parent					
	Issued capital	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
As at 1 November 2019	**565**	**2.195**	**92.147**	**94.907**	**1.164**	**96.071**
Profit for the period	0	0	61.248	**61.248**	-49	**61.199**
Other comprehensive income:	0	0	0	**0**	0	**0**
Exchange difference on translation of foreign operations	0	-3.488	0	**-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	0	28.046	**28.069**	0	**28.069**
controlling interests	0	0	0	**0**	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**

DKK thousands	Attributable to the equity holders of the parent					
	Issued capital	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
As at 1 November 2020	**588**	**-1.293**	**181.441**	**180.736**	**2.046**	**182.782**
Profit for the period	0	0	82.353	**82.353**	57	**82.410**
Other comprehensive income:	0	0	0	**0**	0	**0**
Exchange differences on translation of foreign operations	0	2.332	0	**2.332**	43	**2.375**
Total comprehensive income	0	2.332	82.353	**84.685**	100	84.785
Transactions with shareholders						
Issue of share capital	0	0	0	**0**	0	**0**
Issue of capital from non-controlling interests	0	0	0	**0**	0	**0**
Dividends					-533	**-533**
Acquisition of minority interests			414	**414**	-414	**0**
Transactions with shareholders	**0**	**0**	**414**	**414**	-947	**-533**
As at 31 July 2021	**588**	**1.039**	**264.208**	**265.835**	**1.199**	**267.034**

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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 2020 – 31 July 2021 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

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.

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	100%	Umeå, Sweden
Aktieselskabet af 25.2.2021	100%	Aarhus, Denmark

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

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.

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.

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.

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.

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.

Notes to the consolidated financial statements

DKK thousands

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.

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.

Notes to the consolidated financial statements

DKK thousands

		(9 months) 2020/21	(12 months) 2019/20
4	**Total revenue**		
	Revenue	1.899.147	2.324.976
	Other Services	86.497	102.238
	Total Revenue	**1.985.644**	**2.427.213**
	Geographical split		
	Denmark	1.284.933	1.519.856
	Sweden	440.159	571.298
	Norway	260.552	336.059
	Total revenue	**1.985.644**	**2.427.213**
	Channel split		
	B2C	1.117.579	1.364.543
	B2B	868.065	1.062.670
	Total revenue	**1.985.644**	**2.427.213**

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 invoicing 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.

Notes to the consolidated financial statements

DKK thousands

5		(9 months) 2020/21	(12 months) 2019/20
	Staff costs		
	Wages and salaries	91.214	98.251
	Pension costs	8.898	8.776
	Other social security costs	3.165	706
	Other staff costs	2.631	14.853
	Total staff costs	**105.908**	**122.586**
	Average number of employees	**231**	**237**
	Remuneration of management		
	Executive Board	4.098	3.894
	Board of Directors	385	510
	Total	**4.483**	**4.404**
	Wages and salaries	4.249	4.074
	Pension cost	234	330
	Other	-	-
	Total staff cost	**4.483**	**4.404**

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		(9 months) 2020/21	(12 months) 2019/20
	Other external cost		
	Fees paid to the auditors appointed at the Annual General Meeting:		
	Fee regarding the statutory audit	743	341
	Tax assistance	36	50
	Assurance engagements	-	15
	Other services	477	260
	Total	**1.256**	**666**
	Fees paid to other auditors		
	Fee regarding the statutory audit	509	945
	Tax assistance	-	225
	Assurance engagements	57	-
	Other services	105	484
	Total	**671**	**1.654**

Notes to the consolidated financial statements
DKK thousands

7	Other financial income	(9 months) 2020/21	(12 months) 2019/20
	Intrest income from banks	2.978	92
	Other financial income	245	694
	Income from lease receivables	5.906	8.193
	Foreign exchange gain	9.759	6.067
	Total Other financial income	**18.888**	**15.046**

8	Other financial costs	2020/21	2019/20
	Interest expense to banks	1.250	3.254
	Interest expense on loans from entities with significant influence	-	3.903
	Interest expenses on lease liabilities	6.074	8.513
	Other financial expenses	402	62
	Foreign exchange loss	9.950	4.559
	Total Other financial costs	**17.676**	**20.291**

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

Notes to the consolidated financial statements

DKK thousands

	(9 months) 2020/21	(12 months) 2018/19
9 Income tax		
Current income tax	21.922	8.898
Adjustment regarding prior years, current income tax	-	-
Change in deferred tax	1.574	7.858
Adjustment regarding prior years, deferred tax		-
Total Income tax	**23.497**	**16.756**
Income tax recognised in the income statements	23.497	16.756
Income tax recognised in other comprehensive income	-	-
Total Income tax	**23.497**	**16.756**

Reconciliation of income tax recognised in the income statement

	2020/21		2019/20	
	DKK	%	*DKK*	%
Tax on result for the year at the Danish income tax rate	23.300	22,0%	17.150	22,0%
Non-deductible costs	56	0,1%	612	0,8%
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	141	0,1%	-1.006	-1,3%
Other	-	0,0%	-	0,0%
Income tax recognised in the income statement	**23.497**	**22,2%**	**16.756**	**21,5%**

Notes to the consolidated financial statements

DKK thousands

10 Intangible assets

2019/20:

	Goodwill	Software	Brands	Other in-tangible 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

2020/21:

	Goodwill	Software	Brands	Other in-tangible assets	Total
Cost					
Balance at 1 November 2020	146.450	11.654	25.000	13.503	196.607
Additions	-	568	-	131	699
Reclassifications	-	-	-	-	-
Balance at 31 July 2021	146.450	12.222	25.000	13.634	197.306
Accumulated amortisation and impairment losses	-	-	-	-	-
Balance at 1 November 2020	-3.850	-7.796	-10.000	-7.113	-28.759
Amortisation	-	-864	-1.875	-1.165	-3.904
Impairment	-	-	-	-	-
Balance at 31 July 2021	-3.850	-8.660	-11.875	-8.278	-32.663
					-
Carrying amount at 31 July 2021	142.600	3.562	13.125	5.356	164.643

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	
	2020/21	2019/20
Goodwill Whiteaway A/S	100.000	100.000
Goodwil Tretti AB	42.600	42.600

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.

Goodwill in Tretti AB is tested based on the e-commerce activities in Sweden 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 8,5 % and a perpetual growth assumption of 0,5 % have been applied.

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.

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	-	162	162
Balance at 31 October 2020	-3.362	-18.516	-21.878
Carrying amount at 31 October 2020	5.358	904	6.262

Notes to the consolidated financial statements

DKK thousands

11 Tangible assets

2020/21:

	Lease assets	Fixtures and fittings, tools and equipment	Total
Cost:			
Balance at 1 November 2020	8.720	19.420	28.140
Foreign currency translation	-	-	-
Additions	-	97	97
Reclassifications	-	-	-
Disposals	-137	-47	-184
Balance at 31 October 2021	8.583	19.470	28.053
Accumulated amortisation and impairment losses			
Balance at 1 November 2020	-3.362	-18.516	-21.878
Foreign currency translation	-	-	-
Depreciation	-924	-369	-1.293
Impairment losses recognised in the income statement	-	-	-
Disposals	-	-	-
Disposals, sale of subsidiaries	-	-	-
Balance at 31 July 2021	-4.286	-18.885	-23.171
Carrying amount at 31 July 2021	4.297	585	4.882

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

	2020/21	2019/20
Cost related to short term and low value leases	121	238

Notes to the consolidated financial statements
DKK thousands

12 Financial assets and Financial liabilities

Financial assets comprise the following:	Carrying amount		Fair value	
	2020/21	2019/20	2020/21	2019/20
Financial assets:				
Trade receivables	71.006	86.591	71.006	86.591
Other receivables	61.423	51.584	61.423	51.584
Prepayments	7.649	6.147	7.649	6.147
Lease receivables	167.912	158.394	167.912	158.393
Cash and short-term deposits	205.203	159.100	205.203	159.100

Trade receivables:	2020/21	2019/20
Trade receivables	96.398	102.001
Expected loss on receivables	-25.392	-15.410
Trade receivables, net	**71.006**	**86.591**

Trade Receivables		
Not due	34.118	66.308
<30 days past due	11.737	12.079
31 to 90 days past due	25.150	8.204
Total	**71.006**	**86.591**

Trade Receivables 2020/21	Trade receivables	Reserve for exp. Loss	Exp. Loss %	Trade Rec. Net
DK	44.625	-6.546	14,7%	38.079
NO	49.548	-18.695	37,7%	30.853
SE	2.222	-148	6,7%	2.074
Total	**96.395**	**-25.389**	26,3%	**71.006**

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**

Lease receivables	2020/21	2019/20
Lease receivables	170.261	162.382
expected loss on Lease receivables	-2.349	-3.988
Lease receivabels net	**167.912**	**158.394**

Lease receivables -Denmark	122.271	112.770
Lease receivables - Norway	45.641	45.624
Lease receivables total	**167.912**	**158.394**

Lease receivables - short term	37.531	32.787
Lease receivables - long term	130.381	125.606
Lease receivables total	**167.912**	**158.394**

Financial liabilities comprise the following:	Carrying amount		Fair value	
	2020/21	2019/20	2020/21	2019/20
Financial liabilities:				
Subordinate loan - non current	371	371	371	371
Interest-bearing loans and borrowings	0	0	0	0
Trade payables	317.551	333.604	317.551	333.604
Lease liabilities	172.538	163.870	172.538	163.870
Other payables	92.186	123.033	92.186	123.033

Liabilities 2020/21	Carrying amount	Contractual cash flow	Within 1 year	Within 1-5 years	After 5 years
Subordinate loan - non current	371	371	0	371	0
Interest-bearing loans and borrowings	0	0	0	0	0
Trade payables	317.551	317.551	317.551	0	0
Lease liabilities	172.538	199.346	38.535	146.549	14.262

Liabilities 2019/20	Carrying amount	Contractual cash flow	Within 1 year	Within 1-5 years	After 5 years
Subordinate loan - non current	371	371	0	371	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

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 2019/20.

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.

Notes to the consolidated financial statements
DKK thousands

13 Deferred tax

Specification of deferred tax

	Consolidated income statement		Consolidated statement of financial position	
	2020/21	2019/20	2020/21	2019/20
Intangible assets	412	550	-2.888	-3.300
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	0	-13.063	7.172	7.172
Leases	0	0	0	0
Other	-1.986	6.607	4.621	6.607
Deferred tax expense / Net deferred tax	-1.574	-5.906	8.905	10.479

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

	2020/21	2019/20
Deferred tax assets	11.793	13.779
Deferred tax liabilities	-2.888	-3.300
Net deferred tax	8.905	10.479

Reconciliation of deferred tax

Opening balance at 1 November	10.479	16.385
Adjustment to prior year	0	0
Adjustment of deferred tax recognised in the income statement	-1.574	-5.906
Closing balance at 31 July / 31 October	8.905	10.479

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

Notes to the consolidated financial statements

14 Inventories

	2020/21	2019/20
Goods held for resale	**189.594**	**162.420**
Goods held for resale at cost	196.354	168.618
Writedown	-6.760	-6.198
Inventory Net	**189.594**	**162.420**

15 Change in working capital

Change in inventories	-27.174	14.529
Change in receivables	10.641	-9.338
Change in trade payables and others	-50.284	8.845
Total change in working capital	**-66.817**	**14.036**

16 Related party disclosures

Paid for consulting and services to Heartland A/S	951	948
Paid for legal servies to Bestseller A/S	400	641
Paid for car lease to Bestseller A/S	126	171
Paid for transportation services to United Broker A/S	58	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. July 2021 which are expected to have a material effect on the Group's financial position or outlook.

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 2020/21. 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

Parent company income statement

for the year ended 31 July / 31 October

	Notes	(9 months) 2020/21 DKK million	(12 months) 2019/20 DKK million
Other revenue		28.192	34.725
Total Revenue	4	**28.192**	**34.725**
Cost of sales		0	0
Gross profit		**28.192**	**34.725**
Staff costs		0	0
Other external costs	5	-6.099	-8.186
Depreciation, amortisation and impairment losses		0	0
Operating profit/loss		**22.093**	**26.539**
Other financial income	6	837	1.211
Other financial costs	7	-2.379	-8.817
Profit/loss before tax		**20.551**	**18.933**
Income tax	8	-4.114	-4.068
Profit/loss for the year		**16.437**	**14.865**
Proposal for distribution of profit for the year:			
Proposed dividend		0	0
Equity reserve		16.437	14.865
		16.437	**14.865**

Parent company statement of other comprehensive income

for the year ended 31 July / 31 October

	Notes	(9 Months) 2020/21	(12 Months) 2019/20
		DKK million	*DKK million*
Profit for the year		**16.437**	**14.865**
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		**16.437**	**14.865**
Attributable to:			
Equity holders of the parent		16.437	14.865
Non-controlling interest			
		16.437	**14.865**

Parent company statement of financial position

as at 31 July / 31 October	Notes	(9 Months) 2020/21 DKK thousands	(12 Months) 2019/20 DKK thousands
Assets			
Financial assets			
Investment in subsidiaries	9	275.172	274.172
Total financial assets		275.172	274.172
Deferred tax assets			
Total non-current assets		**275.172**	**274.172**
Current assets			
Receivables	10		
Receivables from group enterprises		115.735	32.077
Other receivables		10.104	6.372
Total receivables		125.839	38.449
Cash and short-term deposits		**191.770**	**-**
Total current assets		**317.609**	**38.449**
Total assets		**592.781**	**312.621**

Parent company statement of financial position

as at 31 July / 31 October	Notes	(9 Months) 2020/21 DKK thousands	(12 Months) 2019/20 DKK thousands
Equity and liabilities			
Equity			
Issued capital		588	588
Retained earnings		112.789	96.352
Equity attributable to equity holder of the parent		**113.377**	**96.940**
Non-current liabilities			
Subordinate loan capital	10	371	371
Total non-current liabilities		**371**	**371**
Current liabilities	10		
Bank loans		-	347
Trade payables		1.145	675
Payables to group enterprises		459.390	205.700
Income tax payable		8.182	4.068
Other payables		10.316	4.520
Total current liabilities		**479.033**	**215.310**
Total liabilities		**479.404**	**215.681**
Total equity and liabilities		**592.781**	**312.621**

Parent company cash flow statement

for the year ended 31 July / 31 October

	Notes	(9 Months) 2020/21 DKK thousands	(12 Months) 2019/20 DKK thousands
Profit before tax from continuing operations		20.551	18.933
Amortisation, depreciation and impairment losses		0	0
Change in working capital	11	172.440	-74.716
Income tax paid		-1.874	-4.064
Net cash flows from operating activities		191.117	-59.847
Investment in subsidiaries		1.000	2.462
Net cash flows form investment activities		1.000	2.462
Incurrence of subordinate loan capital		0	-53.956
Capital increase		0	28.069
Dividends paid to equity holders of the parent		0	0
Net cash flows from financing activities		0	-25.887
Net change in cash and cash equivalents		192.117	-83.272
Cash and cash equivalents at 1 November		-347	82.925
Cash and cash equivalents 31 July / 31 October		191.770	-347

Parent company statement of changes in equity

for the year ended 31 July / 31 October

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**

DKK thousands	Attributable to the equity holders		
	Issued capital	Retained earnings	Total equity
As at 1 November 2020	**588**	**96.352**	**96.940**
Profit for the period		16.437	**20.551**
Total comprehensive income	-	16.437	**20.551**
Transactions with shareholders			
Issue of share capital	-	-	-
Transactions with shareholders	-	-	-
At 31 July 2021	**588**	**112.789**	**117.491**

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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

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.

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:

	(9 Months) 2020/21	(12 Months) 2019/20
Fee regarding the statutory audit	100	139
Tax assistance	0	0
Assurance engagements	0	0
Other services	328	0
Total	428	139

6 **Other financial income**

Foreign exchange gain	837	1.211
Total Other financial income	**837**	**1.211**

7 **Other financial cost**

Interest expenses to group entities	1.099	1.473
Interest expenses bank	1.280	1.213
Interest expenses from assocates	-	3.903
Other financial expenses	-	176
Foreign exchange loss		2.053
Total Other financial costs	**2.379**	**8.817**

DKK thousands

		(9 Months) 2020/21	(12 Months) 2019/20
8	**Income tax**		
	Current income tax	4.512	4.068
	Adjustment regarding prior years, current income tax	-398	-
	Total Income tax	**4.114**	**4.068**
	Income tax recognised in the income statements	4.114	4.068
	Income tax recognised in other comprehensive income	-	-
	Total Income tax	**4.114**	**4.068**

Reconciliation of income tax recognised in the income statement

	2020/21		2019/20	
	DKK	%	*DKK*	%
Tax on result for the year at the Danish income tax rate	4.521	22,0%	3.270	22,0%
Non-deductible costs	-	0,0%	798	5,4%
Non-taxable income	-	0,0%	-	0,0%
Deviating tax rates in foreign operations	-	0,0%	-	0,0%
Adjustment to prior periods	-407	-2,0%	-	0,0%
Not capitalised tax loss carry forwards	-	0,0%	-	0,0%
Other	-	0,0%	-	0,0%
Income tax recognised in the income statement	**4.114**	**20,0%**	**4.068**	**27,4%**

		2020/21	2019/20
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
	Panorama Retail AB	1.532	1.532
	Aktieselskabet af 25.2.2021	1.000	-
	Total investment in subsidiaries	275.172	274.172

Notes to the consolidated financial statements

DKK thousands

10 Financial assets and Financial liabilities

Financial assets comprise the following:	Carrying amount		Fair value	
	2020/21	2019/20	2020/21	2019/20
Financial assets:				
Receivables from group enterprises	115.735	32.077	115.735	32.077
Income tax receivables	0	0	0	0
Other receivables	10.104	6.372	10.104	6.372
Cash and short-term deposits	191.770	0	191.770	0

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	
	2020/21	2019/20	2020/21	2019/20
Financial liabilities:				
Subordinate loan - non current	371	371	371	371
Interest-bearing loans and borrowings	0	347	0	347
Trade payables	1.145	675	1.145	675
Payables to group enterprises	459.390	205.700	459.390	205.700
Income tax payable	8.182	4.068	8.182	4.068
Other payables	10.316	4.520	10.316	4.520

Liabilities 2020/21	Carrying amount	Contractual cash flow	Within 1 year	Within 1-5 years	After 5 years
Subordinate loan - non current	371	371	0	371	0
Interest-bearing loans and borrowings	0	0	0	0	0
Trade payables	1.145	1.145	1.145	0	0
Payables to group enterprises	459.390	459.390	459.390	0	0
Income tax payable	8.182	8.182	8.182	0	0
Other payables	10.316	10.316	10.316	0	0

Liabilities 2019/20	Carrying amount	Contractual cash flow	Within 1 year	Within 1-5 years	After 5 years
Subordinate loan - non current	371	371	0	371	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

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 2019/20.
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**	(9 Months) **2020/21**	(12 Months) **2019/20**
	Receivables	-87.390	5.246
	Trade payables and other	259.830	-79.962
	Total change in working capital	**172.440**	**-74.716**

12	**Related party disclosures**		
	Royalty income Group entities	28.192	34.725
	Consultancy services Heartland A/S	951	948
	Legal services Bestseller A/S	400	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. July 2021 which are expected to have a material effect on the Group's financial position or outlook.

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 Company participates in a joint Danish taxation arrangement with HEARTLAND A/S serving as the administraion company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore secondarily liable for income taxes ect for the jointly taxed entities as well as the withholding of tax on interest, royalties and dicidends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

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2021-11-18 08:14:42 UTC
NEM ID

Esben Morre Aabenhus
Dirigent
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Serienummer: PID:9208-2002-2-567271818692
IP: 62.107.xxx.xxx
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NEM ID

Jon Tophøj Kristensen
Bestyrelse
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Serienummer: PID:9208-2002-2-608312232402
IP: 185.81.xxx.xxx
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Johannes Emil Kjærsgaard Gadsbøll
Bestyrelse
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IP: 80.62.xxx.xxx
2021-11-20 12:00:44 UTC
NEM ID

Lars Fløe Nielsen
Bestyrelse
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Serienummer: PID:9208-2002-2-296008627491
IP: 217.74.xxx.xxx
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NEM ID

Ib Dyhr Nørholm
Bestyrelse
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Jonas Busk
Statsautoriseret revisor
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