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# **Interim Financial Report for the Period 1 January – 31 March 2022**

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## **Brødrene A & O Johansen A/S**

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CVR (Central Business Register) No.: 58 21 06 17

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Today the Board of Directors has approved the Group's interim financial report for the period 1 January – 31 March 2022.

## **Highlights for the first quarter of 2022**

- Consolidated revenue for the first quarter of 2022 was DKK 1,251.3 million, which is DKK 20.8 million, or 1.7%, more than for the first quarter of 2021. Compared to last year a growth of 10.3% was realised within the B2B segment, while the B2C segment decreased by 32.8% compared to 2021. Online trading was exceptionally high in the first quarter of 2021 as it was driven by the COVID-19 pandemic and the subsequent temporary closures of DIY stores. Revenue from the B2C segment was 26.0% higher than in the first quarter of 2020.
- Compared with the first quarter of 2021, the gross profit margin for the first quarter of 2022 increased by 0.2 percentage point. The gross margin was negatively affected by the lower share of B2C revenue compared with the same period last year, while reduced distribution costs and price increases resulted in the overall development being positive.
- EBITDA for the first quarter of 2022 totalled DKK 110.8 million, corresponding to an EBITDA margin of 8.9%, against DKK 107.9 million and 8.8% for the first quarter of 2021.
- Profit before tax (EBT) for the first quarter of 2022 was DKK 85.9 million, which is DKK 4.3 million more than for the first quarter of last year due to revenue growth.
- As at 31 March 2022, the Group's total assets amounted to DKK 2,885.9 million, which is DKK 296.2 million more than at the same time in 2021. The increase is primarily attributable to investments in property, plant and equipment, increasing inventories and trade receivables.
- As at 31 March 2022, the Group's equity totalled DKK 1,184.8 million, which is DKK 132.8 million more than at the same time in 2021. The solvency ratio was 41.4% against 40.6% at 31 March 2021.
- Cash flow from operating activities for the first quarter of 2022 was DKK -110.2 million, which is DKK 216.1 million less than for the same period last year. The decrease is primarily attributable to increased working capital, which is affected by the decision to temporarily build up stocks to ensure product availability in situations where there is shortage of supply. In addition, the increase is driven by the fact that a higher proportion of revenue relates to B2B customers with credit facilities. Investments for the first quarter of 2022 totalled DKK 60.4 million, compared with DKK 37.9 million for the first quarter of 2021. These investments relate primarily to the expansion of the automated central warehouse in Albertslund and the expansion of the logistics centre in Horsens. Moreover, AO has acquired the previously rented store in Ringsted.
- As at 31 March 2022, the net interest-bearing debt totalled DKK 488.7 million against DKK 235.2 million at the same time in 2021. The net interest-bearing debt was 1.2 compared with the Last Twelve Months EBITDA.

Other highlights for the first three months of 2022:

- COVID-19 had a negative impact on the activities of the first quarter of 2022. February, in particular, was affected by high levels of infection, which meant that a significant proportion of the customers' employees could not complete planned work in full.
- There is increasing supply uncertainty in relation to a number of products. To ensure the supply of goods, AO has made additional purchases of a number of products, where supplies are considered to be uncertain.
- The Danish competition authorities approved AO's acquisition of EA Værktøj Engros A/S. The acquisition was completed on 1 April 2022, and as of this date EA Værktøj Engros A/S is part of the AO Group.
- The Annual General Meeting approved the recommended consolidated and parent company financial statements as well as the allocation of profits, including a dividend payment of DKK 45 per share of DKK 10. All shareholder-elected Board members were re-elected. Afterwards the Board of Directors constituted itself with Henning Dyremose as Chairman and Michael Kjær as Deputy Chairman. The Board of Directors was authorised to acquire own B shares equivalent to a total of 10% of the Company's share capital.

- Following a resolution at the Annual General Meeting, the name of the preference shares was changed into B shares, without changing benefits and rights. At the same time, a share split at a ratio of 1:10 was carried out.

## Expectations for the year

The first quarter of 2022 showed higher-than-expected growth in the B2B activities. As expected, the quarter showed negative B2C growth, albeit with a slightly higher decrease than expected.

Based on the activity level and earnings in the first quarter of 2022, expectations for 2022 need to be adjusted. Without including EA Værktøj, expectations for 2022 are now at the upper end of the previously announced revenue of DKK 4,900-5,100 million, EBITDA of DKK 435-465 million and earnings before tax are in the range of DKK 330-360 million.

For the period 1 April to 31 December 2022 EA Værktøj is expected to contribute with revenue in the range of DKK 200-250 million, an EBITDA of approximately DKK 20 million and earnings before tax (EBT) of approximately DKK 15 million.

### *Revenue*

Revenue for 2022 is expected to be in the region of DKK 5,200-5,300 million, corresponding to a growth of 8-10%. As stated in the annual report, revenue was expected to be in the range of DKK 4,900-5,100 million, not including EA Værktøj. Revenue for 2021 was DKK 4,800.5 million.

### *EBITDA*

EBITDA for 2022 is expected to be in the range of DKK 455-485 million, corresponding to an EBITDA margin of 8.6%-9.3%. As stated in the annual report, EBITDA in the range of DKK 435-465 million, not including EA Værktøj, was expected. EBITDA for 2021 was DKK 417.2 million.

### *EBT*

Profit before tax (EBT) of DKK 345-375 million is expected, which corresponds to a profit margin of 6.5%-7.2%. As stated in the annual report, EBT in the range of DKK 330-360 million, not including EA Værktøj, was expected. Profit before tax for 2021 was DKK 326.1 million.

These expectations are based on the assumption that the high level of activity in the building and construction sector will continue, and that there will be a reasonable security of supply. The increase in inflation is expected to have a negative spillover effect on demand. The extent and timing of the impact is difficult to predict, and it is therefore estimated that there will be a larger degree of uncertainty than usual in the second half of 2022.

No significant impact is expected as a result of the war in Ukraine.

The activity at the beginning of 2022 was characterised by many COVID-19 cases of infection in society, which led to higher than usual absenteeism among AO's customers. The growth expectation for 2022 is based on an assumption of normalised conditions in relation to COVID-19 for the rest of the year.

Albertslund, 28 April 2022

Niels A. Johansen  
CEO

Per Toelstang  
CFO

## Financial and operating data for the AO Group

(DKKm)

<b>Key figures</b>	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>Full Year 2021</b>
Consolidated revenue	1,251.3	1,230.5	4,800.5
Gross margin	295.0	288.0	1,119.3
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	110.8	107.9	417.2
Profit or loss before financial income and expenses (EBIT)	84.9	82.1	316.7
Financial income and expenses, net	1.0	(0.6)	9.4
Profit or loss before tax (EBT)	85.9	81.6	326.1
Tax on profit or loss for the period	(18.8)	(17.0)	(72.3)
Net profit or loss for the period	67.0	64.6	253.8
Non-current assets	1,527.9	1,352.4	1,472.7
Current assets	1,358.0	1,237.3	1,235.9
Total assets	2,885.9	2,589.7	2,708.5
Share capital	28.0	28.0	28.0
Equity	1,184.8	1,051.9	1,239.9
Non-current liabilities	297.8	337.6	295.9
Current liabilities	1,403.4	1,200.2	1,172.7
Cash flow from operating activities	(110.2)	105.9	308.1
Cash flow from investing activities	(60.4)	(37.9)	(212.7)
Of which investments in property, plant and equipment, net	(53.3)	(31.9)	(170.5)
Cash flow from financing activities	34.4	(38.0)	(91.6)
Cash flow for the period	(136.3)	30.0	3.7
<b>Financial ratios*</b>			
Gross profit margin	23.6%	23.4%	23.3%
EBITDA margin	8.9%	8.8%	8.7%
Profit margin	6.8%	6.7%	6.6%
Return on capital employed**	3.0%	3.3%	12.4%
Return on equity**	5.5%	6.2%	22.4%
Net gearing	1.2	0.7	0.5
Solvency ratio	41.1%	40.6%	45.8%
Book value	42.3	37.6	44.3
Share price at the end of the period***	109.0	74.4	136.0
Earnings per share (EPS Basic), DKK****	2.5	2.4	9.3
Diluted earnings per share (EPS-D), DKK****	2.5	2.4	9.3
Average number of employees	737	695	705
Average number of employees, incl. external temporary workers	809	773	784

\* Other financial ratios have been calculated in accordance with CFA Society Denmark's 'Recommendations and Financial Ratios'.

\*\* Not translated into full-year figures.

\*\*\* Comparative figures related to shares are adjusted to reflect share split in 2022.

\*\*\*\* Basic EPS and diluted EPS have been calculated in accordance with IAS 33.

## Management's review

The interim financial report for the first quarter of 2022 includes the financial statements of Brødrene A & O Johansen A/S and the wholly owned subsidiaries AO Invest A/S, Billig VVS AS (Norway), Lampeguru AS (Norway), VVSochBad Sverige AB and AO Sverige AB.

### The Group's financial development

Consolidated revenue for the first quarter of 2022 totalled DKK 1,251.3 million, which is DKK 20.8 million, or 1.7%, more than for the same quarter in 2021. Growth within the B2B segment was up by 10.3% compared to last year, while the B2C segment was down by 32.6% compared to 2021. In 2021, revenue from the B2B segment was exceptionally high driven by temporary closures of DIY stores. Revenue from the B2C segment was 26.0% higher than in the first quarter of 2020.

	2020		2021		2022	Growth vs 2021	Growth vs 2020*
<b>B2B</b>	<b>838.8</b>	145.5	<b>984.3</b>	101.5	<b>1,085.8</b>	<b>10.3%</b>	<b>13.8%</b>
<b>B2C</b>	<b>131.5</b>	114.7	<b>246.2</b>	- 80.7	<b>165.5</b>	<b>-32.8%</b>	<b>12.2%</b>
<b>Total</b>	<b>970.3</b>	260.2	<b>1,230.5</b>	20.8	<b>1,251.3</b>	<b>1.7%</b>	<b>13.6%</b>

\*CAGR

Gross margin for the first quarter of 2022 amounted to DKK 295.0 million, corresponding to a gross profit margin of 23.6%, compared with DKK 288.0 million and 23.4% for the same quarter last year. Distribution costs for the first quarter of 2022 constituted 4.0% of revenue, which is a decrease of 0.3 percentage point compared with the same period last year. The decrease is primarily attributable to the larger share of B2B revenue in 2022 compared with the year before.

Total operating expenses for the first quarter of 2022, including depreciation and amortisation, amounted to DKK 210.0 million against DKK 205.9 million for the same quarter of 2021. The increase of DKK 4.1 million is primarily attributable to staff costs.

In the first quarter of 2022, external expenses totalled DKK 63.8 million, which is DKK 0.8 million more than for the first quarter of last year. The improvement is driven by lower marketing costs due to the lower level of activity in the B2C segment, partially offset by higher property costs and costs for inventory maintenance.

In the first three months of 2022, staff costs of DKK 120.3 million increased by DKK 4.8 million compared with the same period last year. The average number of employees increased by 36 from 773 in the first quarter of last year to an average of 809 employees in the first quarter of 2022. The increase in the number of employees comes primarily from the support functions, where continued investment in IT and digital sales is driving an increase. The increasing activity over the last few years has also led to an increasing number of employees in the stores.

Depreciation and amortisation for the first quarter of 2022 were DKK 25.9 million and are at the same level as in the first quarter of 2021.

Operating profit (EBIT) for the first quarter of 2022 was DKK 84.9 million, which is 6.8% of revenue against last year's rate of 6.7%. Compared with the same period last year, EBIT is DKK 2.8 million higher. The increase in EBIT is mainly attributable to the effect of revenue growth.

Financial income and expenses, net, for the first quarter of 2021 totalled DKK 1.0 million, which is DKK 1.6 million more than for the same quarter of 2021. The difference is mainly attributable to exchange rate adjustments and continued low interest payments.

For the first quarter of 2022, the Group recorded a pre-tax profit (EBT) of DKK 85.9 million against DKK 81.6 million reported for the same quarter last year.

Tax on profit for the period is in accordance with applicable tax rates in the areas where the Group is operating, equalling an average tax rate of approximately 22%.

A post-tax profit of DKK 67.0 million was recorded for the first quarter of 2022 against DKK 64.6 million for the first quarter of 2021.

As at 31 March 2022 the Group's total assets amounted to DKK 2,885.9 million, which is DKK 296.2 million, or approximately 11.4%, more than at the same time last year.

Non-current assets of DKK 1,527.9 million are DKK 175.6 million, net, higher than at the same time last year. The increase is attributable to Investments in store network, the expansion of the central warehouse in Albertslund and the logistics centre in Horsens as well as the acquisition of Complet VVS in 2021.

As at 31 March 2022, current assets amounted to DKK 1,358.0 million, which is DKK 120.6 million more than at the same time last year. Inventories increased by DKK 182.3 million to DKK 685.3 million. The increase is partly attributable to higher prices, partly to the execution of a purchasing strategy to secure supplies for AO's customers. Trade receivables of DKK 638.5 million were DKK 98.1 million higher than at the same time last year. The increase in receivables relates to the increased revenue from the B2B business, where customers have credit facilities. Other receivables of DKK 11.5 million decreased by DKK 0.3 million compared to the same time last year.

At 31 March 2022, cash and short-term deposits totalled DKK 0.6 million, which is DKK 162.6 million less than at 31 March 2021.

At 31 March 2022, equity amounted to DKK 1,184.8 million, corresponding to a solvency ratio of 41.1%, and is DKK 132.8 million higher than at the same time last year driven by the period's earnings after tax minus dividend payments.

At 31 March 2022, the Group's payables to credit institutions amounted to DKK 403.5 million and are DKK 113.8 million more than at 31 March 2021. The development is driven by investments and increased funds tied up in working capital. Lease liabilities amounted to DKK 85.8 million against DKK 76.8 million as at March 31, 2021. The purchase price for EA Værktøj will be paid at the beginning of April 2022.

As at 31 March 2022, trade payables amounted to DKK 1,049.7 million and are DKK 83.3 million higher than at the same time last year due to increased activity and a timing difference in payments to suppliers.

Other payables of DKK 90.9 million are DKK 6.9 million less than at the same time last year. Other payables are affected by the dividend tax to be paid in connection with the dividend distribution to AO's shareholders.

Cash flow from operating activities before working capital changes for the first quarter of 2022 was DKK 110.2 million, which is DKK 2.0 million more than for the same period last year. In the first quarter of 2022, working capital increased by DKK 213.6 million net, compared with a decrease of DKK 2.6 million for the same quarter last year. In the first quarter of 2022, cash flow from operating activities was negative at DKK 110.2 million against a positive cash flow of DKK 105.9 million for the first quarter of last year.

Net investments for the first quarter of 2022 totalled DKK 60.4 million, of which DKK 53.3 million relates to property, plant and equipment, primarily investments in the central warehouse in Albertslund, investments in the expansion of the logistics centre in Horsens, and the acquisition of the previously rented store in Ringsted. In addition, DKK 5.6 million relates to acquired software, whereas DKK 1.5 million relates to payments of remaining purchase price and earn-outs of previously acquired entities. Net investments for the first quarter of last year totalled DKK 37.9 million.

In the first quarter of 2022, dividend payments of DKK 101.0 million, exclusive of dividend tax, were distributed. In the first quarter of 2022, the Group's total payables to credit institutions increased by DKK 141.9 million. Lease payments amounted to DKK 6.5 million for the first three months of 2022 and are on par with the same period in 2021.

Total cash flow for the first three months of 2022 was negative at DKK 136.3 million. As at 31 March 2022, the Group's cash and short-term deposits are therefore DKK 0.6 million, which is a decrease of DKK 162.7 million compared with the same period last year.

Financial gearing was 1.2 times the EBITDA of the last 12 months against 0.7 at the same time last year.

## Significant risks

As mentioned in the annual report for 2021, under the paragraph 'Internal controls and risk management', the Company assesses on an ongoing basis the most significant risks in connection with the Company's activities. In addition to the risks mentioned in the annual report, the Group is sensitive to the overall development in Danish and Swedish economy as well as business trends in the building industries of these countries.

Increased uncertainty in the supply chain is observed. AO seeks to counter this by making additional purchases of a number of products, where supplies are considered to be uncertain.

The increase in inflation is expected to have a negative spillover effect on demand. The extent and timing of the impact is difficult to predict, and it is therefore estimated that there will be a larger degree of uncertainty than usual is in the second half of 2022.

The war in Ukraine is not expected to have any significant direct impact on business results, but it is very likely that the increased uncertainty in the world will bring about an economic slowdown and a low propensity to invest.

The activity at the beginning of 2022 was characterised by many COVID-19 cases of infection in society, which led to higher than usual absenteeism among AO's customers and consumers. Based on previous experience, this impact is expected to be reduced during the summer half-year.

## Incentive programme and treasury shares

An incentive programme may be prepared in accordance with the remuneration policy approved by the Annual General Meeting on 18 March 2022. The remuneration policy is available in full on the Company's website [www.ao.dk](http://www.ao.dk).

On 24 March 2022, the Board of Directors introduced a share-based incentive programme for certain members of the Executive Board and executive officers. The incentive programme runs over three years and relates to the granting of a total of 62,847 free restricted shares.

On 31 March 2022, the Company held a total of 823,900 treasury shares.

## Outlook

As mentioned under 'Expectation for the year' consolidated revenue in the range of DKK 5,200-5,300 million, EBITDA of DKK 455-485 million, and EBT of DKK 345-375 million are expected for 2022.

## Events after the end of the interim period

On 1 April 2022, AO acquired all shares in EA Værktøj Engros A/S and EA Ejendomme A/S.

## Additional information

This interim financial report is available in Danish and English. In case of doubt, the Danish version shall apply.



## Company announcements in 2022

Announcement no. 1	Annual report 2021	22 February 2022
Announcement no. 2	Notice convening the Annual General Meeting	22 February 2022
Announcement no. 3	Election of employee representatives to the Board of Directors of Brødrene A & O Johansen A/S	14 March 2022
Announcement no. 4	The Danish competition authorities have approved AO's acquisition of EA Værktøj Engros A/S	15 March 2022
Announcement no. 5	Result of the Annual General Meeting of Brødrene A & O Johansen A/S	18 March 2022
Announcement no. 6	Decision to carry out share split in Brødrene A & O Johansen A/S at a ratio of 1:10	21 March 2022
Announcement no. 7	Introduction of a share-based incentive programme	24 March 2022
Announcement no. 8	Total number of voting rights and total share capital in Brødrene A & O Johansen A/S	30 March 2022

## **Management's statement**

Today the Board of Directors and the Executive Board have discussed and approved the interim financial report of Brødrene A & O Johansen A/S for the period 1 January - 31 March 2022.

The interim financial report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

In our opinion the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at 31 March 2022 and of the results of the Group's operations and cash flows for the period 1 January – 31 March 2022.

Further, in our opinion the Management's review includes a fair review of the development in the Group's operations and financial matters, the net profit or loss for the period and of the Group's financial position as a whole as well as a description of the most significant risks and elements of uncertainty facing the Group.

Albertslund, 28 April 2022

### ***Executive Board***

Niels A. Johansen  
CEO

Per Toelstang  
CFO

Stefan Funch Jensen  
CDO

Lili Johansen  
CHRO

Gitte Lindeskov  
CIO

### ***Board of Directors***

Henning Dyremose  
Chairman of the Board

Michael Kjær  
Deputy Chairman

René Alberg

Erik Holm

Leif Hummel

Marlene L. Jakobsen

Niels A. Johansen

Preben Damgaard Nielsen

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## Income statement and statement of comprehensive income

(All amounts are in DKK thousands)	Note:	Q1 2022	Q1 2021	Full Year 2021
<b>Revenue</b>	<b>3</b>	<b>1,251,314</b>	<b>1,230,539</b>	<b>4,800,520</b>
Cost of sales		(905,959)	(889,809)	(3,474,217)
Distribution costs		(50,625)	(53,411)	(209,637)
Gross profit		294,730	287,319	1,116,666
Other operating income		241	702	2,681
<b>Gross margin</b>		<b>294,971</b>	<b>288,021</b>	<b>1,119,347</b>
External expenses		(63,815)	(64,623)	(272,256)
Staff costs		(120,314)	(115,494)	(429,845)
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>110,842</b>	<b>107,904</b>	<b>417,246</b>
Depreciation and amortisation		(25,915)	(25,767)	(100,501)
<b>Operating profit or loss (EBIT)</b>		<b>84,927</b>	<b>82,137</b>	<b>316,745</b>
Write-down of financial assets		-	-	-
Financial income		1,926	806	13,720
Financial expenses		(964)	(1,391)	(4,326)
<b>Profit or loss before tax (EBT)</b>		<b>85,889</b>	<b>81,552</b>	<b>326,139</b>
Tax on profit or loss for the period		(18,849)	(16,957)	(72,321)
<b>Net profit or loss for the period</b>		<b>67,040</b>	<b>64,595</b>	<b>253,818</b>
<b>Other comprehensive income</b>				
<b>Items reclassified to the income statement</b>				
Foreign currency translation adjustment relating to foreign entities		83	(2,156)	(3,367)
Tax on other comprehensive income		-	-	-
Other comprehensive income after tax		83	(2,156)	(3,367)
<b>Total comprehensive income</b>		<b>67,123</b>	<b>62,439</b>	<b>250,451</b>
<b>Earnings per share</b>				
Earnings per share (EPS)		2.5	2.4	9.3
Diluted earnings per share (EPS-D)		2.5	2.4	9.3

## Balance sheet

(All amounts are in DKK thousands)

<b>ASSETS</b>	Note:	2022.03.31	2021.03.31	2021.12.31
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Goodwill	4	412,030	384,932	412,030
Intellectual property rights		42,386	50,605	43,163
Software		46,130	30,687	46,123
		500,546	466,224	501,316
<b>Property, plant and equipment</b>				
Land and buildings		722,982	660,894	691,312
Leasehold improvements		12,261	1,307	10,348
Fixtures and operating equipment		206,106	147,059	199,378
Right-of-use assets		85,796	76,879	70,091
		1,027,145	886,139	971,129
<b>Other non-current assets</b>				
Other Investments		247	0	247
		247	0	247
<b>Total non-current assets</b>		<b>1,527,938</b>	<b>1,352,363</b>	<b>1,472,692</b>
<b>Current assets</b>				
Inventories	5	685,322	502,976	580,478
Trade receivables	6	838,512	540,454	491,687
Other receivables		11,460	11,773	9,701
Prepayments and accrued income		22,041	18,862	17,040
Cash and short-term deposits		639	163,268	136,946
<b>Total current assets</b>		<b>1,357,974</b>	<b>1,237,333</b>	<b>1,235,852</b>
<b>Total assets</b>		<b>2,885,912</b>	<b>2,589,696</b>	<b>2,708,544</b>

## Balance sheet

(All amounts are in DKK thousands)

### EQUITY AND LIABILITIES

Note:	2022.03.31	2021.03.31	2021.12.31
<b>Equity</b>			
Share capital	28,000	28,000	28,000
Reserve for foreign currency translation adjustments	(2,405)	(1,277)	(2,488)
Retained earnings	1,159,170	1,025,200	1,088,422
Proposed dividend for the financial year	-	-	126,000
<b>Total equity</b>	<b>1,184,765</b>	<b>1,051,923</b>	<b>1,239,934</b>
<b>Non-current liabilities</b>			
Deferred tax	52,239	52,228	52,192
Credit institutions	185,993	199,031	188,757
Lease liabilities	58,043	51,443	53,465
Frozen holiday pay	-	31,856	-
Other non-current liabilities	1,500	3,000	1,500
<b>Total non-current liabilities</b>	<b>297,775</b>	<b>337,558</b>	<b>295,914</b>
<b>Current liabilities</b>			
Credit institutions	217,538	90,681	72,862
Lease liabilities	27,753	25,436	16,627
Trade payables	1,049,724	966,407	1,012,663
Corporation tax	2,045	3,274	3,181
Joint taxation contribution payable	12,650	15,384	2,297
Other payables	90,912	97,817	62,316
Provisions for liabilities	2,750	1,216	2,750
Accruals and deferred income	-	-	-
<b>Total current liabilities</b>	<b>1,403,372</b>	<b>1,200,215</b>	<b>1,172,696</b>
<b>Total liabilities</b>	<b>1,701,147</b>	<b>1,537,773</b>	<b>1,468,610</b>
<b>Total equity and liabilities</b>	<b>2,885,912</b>	<b>2,589,696</b>	<b>2,708,544</b>

## Cash flow statement

(All amounts are in DKK thousands)

	Q1 2022	Q1 2021	Full year 2021
Operating profit or loss	84,927	82,137	316,745
Depreciation and amortisation	25,915	25,767	100,501
Other non-cash operating items, net	(635)	299	6,866
Cash flow from operations before change in working capital	110,207	108,203	424,112
Change in inventories	(104,845)	(24,974)	(103,852)
Change in receivables	(153,586)	(119,337)	(71,058)
Change in trade and other payables	44,794	146,872	132,126
Total change in working capital	(213,637)	2,561	(42,784)
Cash flow from operations	(103,430)	110,764	381,328
Net financials paid	962	(585)	(2,200)
Corporation tax paid	(7,769)	(4,293)	(71,064)
<b>Cash flow from operating activities</b>	<b>(110,237)</b>	<b>105,886</b>	<b>308,064</b>
Purchase of intangible assets	(5,638)	(4,457)	(32,404)
Purchase of property, plant and equipment, net	(53,293)	(31,904)	(170,481)
Purchase of financial assets	-	-	(247)
Acquisition/divestment of enterprise	(1,500)	(1,500)	(9,609)
<b>Cash flow from investing activities</b>	<b>(60,431)</b>	<b>(37,861)</b>	<b>(212,741)</b>
Change in amounts owed to credit institutions	141,912	(22,205)	(50,299)
Raising of loans from credit institutions	-	25,000	25,000
Repayment of lease liabilities	(6,525)	(6,359)	(25,537)
Dividends paid	(101,026)	(34,416)	(40,764)
<b>Cash flow from financing activities</b>	<b>34,361</b>	<b>(37,980)</b>	<b>(91,600)</b>
<b>Cash flow for the period</b>	<b>(136,307)</b>	<b>30,045</b>	<b>3,723</b>
Cash and short-term deposits at beginning of period	136,946	133,223	133,223
<b>Cash and short-terms deposits at end of period</b>	<b>639</b>	<b>163,268</b>	<b>136,946</b>

## Statement of changes in equity

(All amounts are in DKK thousands)

	Share Capital	Foreign currency translation adjustment	Proposed dividend for the financial year	Retained earnings	Total equity
<b>Equity at 1 January 2022</b>	<b>28,000</b>	<b>(2,488)</b>	<b>126,000</b>	<b>1,088,422</b>	<b>1,239,934</b>
Net profit or loss for the period	-	-	-	67,040	67,040
Foreign currency translation adjustment relating to foreign entities	-	83	-	-	83
<b>Total comprehensive income</b>	<b>-</b>	<b>83</b>	<b>-</b>	<b>67,040</b>	<b>67,123</b>
Dividend distribution	-	-	(122,292)	-	(122,292)
Dividend, own shares	-	-	(3,708)	3,708	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(126,000)</b>	<b>3,708</b>	<b>(122,292)</b>
<b>Equity at 31 March 2022</b>	<b>28,000</b>	<b>(2,405)</b>	<b>-</b>	<b>1,159,170</b>	<b>1,184,765</b>
<b>Equity at 1 January 2021</b>	<b>28,000</b>	<b>879</b>	<b>42,000</b>	<b>959,368</b>	<b>1,030,247</b>
Net profit or loss for the period	-	-	-	64,595	64,595
Foreign currency translation adjustment relating to foreign entities	-	(2,156)	-	-	(2,156)
<b>Total comprehensive income</b>	<b>-</b>	<b>(2,156)</b>	<b>-</b>	<b>64,595</b>	<b>62,440</b>
Dividend distribution	-	-	(40,764)	-	(40,764)
Dividend, own shares	-	-	(1,236)	1,236	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(42,000)</b>	<b>1,236</b>	<b>(40,764)</b>
<b>Equity at 31 March 2021</b>	<b>28,000</b>	<b>(1,277)</b>	<b>-</b>	<b>1,025,200</b>	<b>1,051,923</b>
<b>Equity at 1 January 2021</b>	<b>28,000</b>	<b>879</b>	<b>42,000</b>	<b>959,368</b>	<b>1,030,247</b>
Net profit or loss for the year	-	-	126,000	127,818	253,818
Foreign currency translation adjustment relating to foreign entities	-	(3,367)	-	-	(3,367)
<b>Total comprehensive income</b>	<b>-</b>	<b>(3,367)</b>	<b>126,000</b>	<b>127,818</b>	<b>250,451</b>
Dividend distribution	-	-	(40,764)	-	(40,764)
Dividend, own shares	-	-	(1,236)	1,236	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(42,000)</b>	<b>1,236</b>	<b>(40,764)</b>
<b>Equity at 31 December 2021</b>	<b>28,000</b>	<b>(2,488)</b>	<b>126,000</b>	<b>1,088,422</b>	<b>1,239,934</b>

## Notes

### 1 Accounting policies

The interim financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

The accounting policies are unchanged from the accounting policies applied in the consolidated and parent company financial statements for 2021, to which reference is made. The consolidated and parent company financial statements for 2021 contain a full description of the accounting policies.

### 2 Accounting estimates and judgements

#### Estimation uncertainty

In preparing these interim financial statements, management has made accounting estimates and assumptions which affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from these estimates.

The most significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements and parent company financial statements for 2021. For a more detailed description of the estimation uncertainty, reference is made to the consolidated and parent company financial statements for 2021.

### 3 Segment information

The Group operates primarily in Denmark, and less than 10% of its revenue relates to foreign countries. This was also the case in the first quarter of 2021.

The Group has not traded with any individual customer representing more than 10% of the Group's total revenue. This was also the case in the first quarter of 2021.

The Group has activities within the B2B segment and the B2C segment. The two segments share the same chief operating decision maker but are identified as separate operating segments in the internal management reporting.

SEGMENT INFORMATION Q1 2022				SEGMENT INFORMATION Q1 2021			
	B2B	B2C	Total		B2B	B2C	Total
Revenue	1,085.8	165.5	1,251.3	Revenue	984.3	246.2	1,230.5
Cost of goods sold	- 800.1	- 105.6	- 905.7	Cost of goods sold	- 728.5	- 160.6	- 889.1
<b>Product margin</b>	<b>285.7</b>	<b>59.9</b>	<b>345.6</b>	<b>Product margin</b>	<b>255.8</b>	<b>85.6</b>	<b>341.4</b>
Distribution	- 37.3	- 13.3	- 50.6	Distribution	- 33.8	- 19.6	- 53.4
<b>Gross margin</b>	<b>248.4</b>	<b>46.6</b>	<b>295.0</b>	<b>Gross margin</b>	<b>222.0</b>	<b>66.0</b>	<b>288.0</b>
Direct expenses	- 103.5	- 32.1	- 135.6	Direct expenses	- 96.2	- 41.3	- 137.5
<b>EBITDA before indirect expenses</b>	<b>144.9</b>	<b>14.5</b>	<b>159.4</b>	<b>EBITDA before indirect expenses</b>	<b>125.8</b>	<b>24.7</b>	<b>150.5</b>
Indirect expenses			- 48.6	Indirect expenses			- 42.6
<b>EBITDA</b>			<b>110.8</b>	<b>EBITDA</b>			<b>107.9</b>
<b>Key figures</b>	<b>B2B</b>	<b>B2C</b>	<b>Total</b>	<b>Key figures</b>	<b>B2B</b>	<b>B2C</b>	<b>Total</b>
Gross margin %	22.9%	28.2%	23.6%	Gross margin %	22.6%	26.8%	23.4%
EBITDA (before indirect expenses) %	13.3%	8.8%	12.7%	EBITDA (before indirect expenses) %	12.8%	10.0%	12.2%
EBITDA %			8.9%	EBITDA %			8.8%

### 4 Goodwill and intangible assets

The annual impairment test of intangible assets, including goodwill and intellectual property rights, is performed at 31 December 2022, after the completion of budgets and strategy plans for the coming period.

At 31 March 2022, management is of the opinion that there has been no indication of impairment of the carrying amount of goodwill and intellectual property rights, and therefore no impairment test of goodwill and intellectual property rights has been performed at 31 March 2022. For a more detailed description of impairment tests, reference is made to the consolidated and parent company financial statements for 2021.

### 5 Inventories

No unusual inventory write-downs or reversals of inventory write-downs have been recorded in the period.



## **6 Trade receivables**

An estimate is used to assess the recoverability of receivables according to the same principles as applied in the financial statements for 2021. The balance sheet includes write-downs of DKK 8.0 million to counter the increase in bad debts, which is likely to arise in connection with the phasing out of COVID-19 compensation packages.