Lagkagehuset A/S

Dortheavej 10, 2400 Copenhagen NV

CVR no. 20 21 30 94

Annual report 2021

Approved at the Company's annual general meeting on 20 June 2022

Chair of the meeting:

....

Carl Moltke

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Lagkagehuset A/S for the financial year 1 January - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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

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

Copenhagen, 20 June 2022
Executive Board:

DocuSigned by:
Lisa rossen
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Lisa Rossen Borch

Board of Directors:

DocuSigned by: Jason Cotta 8F25CE6E4D374D1...	DocuSigned by: 37930F65E87C443...	DocuSigned by: 611141EAF096417...
Jason Anthony Cotta Chair	Mikael Koch Jensen	Jesper Mark Dixen

DocuSigned by:
Lisa rossen
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Lisa Rossen Borch

Independent auditor's report

To the shareholder of Lagkagehuset A/S

Opinion

We have audited the financial statements of Lagkagehuset A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- 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.

Independent auditor's report

- 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 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 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 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.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 20 June 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Thomas Bruun Kofoed State Authorised Public Accountant mne28677	Peter Andersen State Authorised Public Accountant mne34313

Management's review

Company details

Name	Lagkagehuset A/S
Address, Postal code, City	Dortheavej 10, 2400 Copenhagen NV
CVR no.	20 21 30 94
Established	27 June 1997
Registered office	Copenhagen
Financial year	1 January - 31 December
Website	www.lagkagehuset.dk
E-mail	info@lagkagehuset.dk
Board of Directors	Jason Anthony Cotta, Chair Mikael Koch Jensen Jesper Mark Dixen Lisa Rossen Borch
Executive Board	Lisa Rossen Borch
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Nordea SEB

Management's review

Financial highlights

DKK'000	2021	2020	2019	2018	2017
Key figures					
Revenue	905,220	830,222	962,136	880,677	781,384
Gross profit	409,471	378,250	485,798	451,623	408,291
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	70	-87,924	-16,089	15,594	64,335
Profit/loss before net financials	-72,588	-170,800	-113,246	-41,728	17,761
Net financials	-11,677	-3,301	-17,230	-10,574	-4,750
Profit/loss before tax	-84,265	-174,101	-130,476	-52,302	13,011
Profit/loss for the year	-82,365	-171,301	-118,749	-41,886	9,940
Fixed assets	371,818	398,280	427,993	411,498	293,536
Non-fixed assets	174,562	238,640	71,840	83,991	85,314
Total assets	546,380	636,920	499,833	495,489	378,850
Investments in property, plant and equipment	34,324	41,479	105,876	106,747	73,055
Equity	236,400	318,765	22,954	141,703	183,588
Provisions	24,374	25,365	21,440	8,428	20,786
Non-current liabilities other than provisions	67,459	46,570	23,189	7,990	3,205
Current liabilities other than provisions	218,147	246,220	432,250	337,368	171,271
Financial ratios					
Operating margin	-8.0%	-20.6%	-11.8%	-4.7 %	2.3 %
Return on assets	-7.9%	-18.2%	-7.9%	0.0%	5.2%
Current ratio	80.0%	96.9%	16.6%	24.9%	49.8%
Equity ratio	43.3%	50.0%	4.6%	28.6%	48.5%
Return on equity	-29.7%	-100.3%	-144.2%	-25.8%	5.6%
Average number of full-time employees	892	948	1,053	958	810

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations. For terms and definitions, please see the accounting policies.

Management's review

Business review

Our story dates to 1991 as two Danish bakers, Ole and Steen set out on similar journeys: revolutionising the bread experience in Denmark. Ole Kristoffersen opened his bakery in Christianshavn, a community in Copenhagen, in a building that since its origin in 1931 been named Lagkagehuset or The Layer-cake-house in English. In fact, the simplicity and functionalist style of Lagkagehuset building made the architect Edvard Thomsen world renowned.

In the Southern part of Jutland, Steen Skallebæk also opened his first bakery in Haderslev, creating an experience that quickly became popular. It is a region known for exceptional quality and recipes within traditional baking. In 2008, the two bakers joined forces, creating a family of bakeries across Denmark that became well-known as the home of exceptional baking - with a joint purpose of creating a better bakery for all.

As we continue to grow around Denmark, it is crucial to us that we uphold of these values: Revolutionising the bread experience by going above and beyond at every opportunity, making even the little moments count – from the passion that goes into developing every recipe to the care that goes into choosing sustainable materials. Looking for the extraordinary in the ordinary with a mission to put a spark in everyday life. To us, a bakery is a place where simple magic happens. It is where our passion is displayed.

The Company is 100% owned by Danish Bake A/S and is a part of the consolidated financial statements of Danish Bake Holding ApS for the year ended 31 December 2021.

Financial review

The summary of 2021 is that it has been another year impacted by the COVID-19 pandemic, the year started and ended in lockdowns and very high COVID-19 incidence rates, we saw some trading respite through the summer and into early autumn. Despite this incredibly challenging back drop to trading we have delivered for our customers, our team and our investors, a bakery business that is materially and measurably better at the end of the year than the start.

We took the opportunity presented by the unprecedented pandemic situation to drive a level of change, that would have been near impossible under normal circumstances and one that has touched every area of our business. This transformation plan entitled SCALE has enabled us to achieve a superior performance to our 2019 pre-pandemic business.

Our commitment to our purpose to create "a better bakery for all" has driven all thinking, planning and results this year. All our stakeholders have seen the improvements delivered over the year, for our teams we have continued to invest in communication and engagement tools ensuring that all the more than 2600 people that work in the Danish business have real time feedback and communication tools to stay informed about the business and to feedback what is working and not working for them in being part of the Lagkagehuset team.

For our customers, as well as our regular activity in new product development (more than 60 new products this year), new bakeries and investment in continually refurbishing our estate. We continue to enhance and add functionality to our App with more than half a million people regularly engaging with us on news and offers plus we have launched net promoter score measurement functionality enabling 1000s of customers a month to tell us all about their last visit to us. Our focus on operational disciplines throughout our fully vertically integrated business, which has included investment in automation and attention to process optimisation has resulted in best-in-class operating margins throughout the business.

We begin 2022 with a business that is in great health and well placed to capitalise on the growth opportunities presented in Denmark.

In 2021, Lagkagehuset opened 4 new stores in Denmark. The number of new establishments is slightly lower than planned, as management decided to slow down expansion until COVID-19 market conditions stabilized. Furthermore, the Amerikavej lease agreement was contractually exited in 2021. Back in 2019, it was decided close the bakery at Amerikavej in Copenhagen and move to Priorparken, at our new state of the art bakery in order to secure quality, service level improvements and scale efficiencies.

Management's review

We have continued the digital development across the business to secure efficiencies across the business. Continued efforts to better serve our most loyal customers digitally, via App being it relevance in customer journey, personal offers, convenience Click & Collect or pay in APP we were successful and resulted in more than half a million members now in our loyalty customer program end 2021.

Results for the year are considered unsatisfactory in a general sense however acceptable in the market conditions as they were handed out in the Pandemic. The strategy Plan revisited in 2020 for 2021 and beyond have been pursued and executed to the letter and already transforming in our Danish market, starting with the store operating model, improving the customer experience whilst freeing up time for the teams to spend more time with our customers. Centralizing our ordering systems has enabled us transparency and controls for product availability and minimum waste from our completely vertically integrated business.

Building upon our artisanal skill and heritage in baking and confectionary will continue bringing truly excellent products to our customers, and finally expanding our digital footprint and loyalty customer program has brought even more value and better services to our customers.

The Company revenue for the period 1 January – 31 December 2021 amounted to DKK 905 million (2020: DKK 830 million), while loss for the period amounted to DKK -82 million (2020: loss of DKK 171 million). The balance sheet showed an equity of DKK 236 million at 31 December 2021 (2020: DKK 319 million). Gross profit for the period amounted to DKK 409 million (2020: DKK 378 million), and EBITDA for the period amounted to DKK 0 million (2020: loss of DKK 88 million). Profit for the period is impacted negatively with DKK 21 million (2020: DKK 70 million) due to internationalization.

It is expected that all the danish market will start normalizing during 2022 and end year being close to pre COVID except for specific locations like heavy tourist and traffic areas which we expect to take longer to normalize.

Management evaluates the capital structure of Lagkagehuset A/S on an ongoing basis and if a need for further capital exists such will be provided for by the parent Company Danish Bake Holding A/S.

There is an overall credit facility of DKK 550 million at 31 December 2021. Covenant requirements for the credit facility have been reported on an ongoing basis, and all conditions have been met.

Non-financial matters

In Denmark, the bakery segment in 2021 was still characterized by a consumer trend moving towards more freshly and premium baked products rather than packaged products, which leads to higher growth rates within premium baked products and in particular cake. Café sales and coffee still in 2021 being affected negatively by lockdowns temporarily though. Therefore, a continuing increased share of retailers is offering non packaged bakery products in supermarkets and convenience sector in general. This development combined with niche bakeries with products of very high quality and the consumers having continued focus on quality in general entails increased requirements for bakers in terms of product quality and service.

Both in Denmark and internationally, there are consumer trends within food moving towards on-the-go solutions, which creates growth opportunities within food and coffee offerings. With the loyalty program and our App solution supporting easy use, in store, click and collect, or take away is a growth driver looking forward.

Knowledge resources

For the continued growth of the Company, it is important to attract and retain highly skilled employees, including bakers, pastry chefs and store managers. To meet customers' needs and to ensure the best possible customer experience, focus is on high product quality and a high level of service, which requires strong competencies of our employees, which are built up by ongoing training and education.

Financial risks and use of financial instruments

Due to its operations, investments and financing, the Company is exposed to changes in interest rates. The parent Company manages the Company’s financial risks and liquidity, including capital sourcing and investment of surplus liquidity, centrally. Under the Company’s financial policy, the risk profile is kept low to ensure that interest rate and credit risks arise only because of commercial circumstances.

Management's review

Impact on the external environment

The Company's activities is not considered to have significant effect on the external environment and climate, and therefore, no separate policy has been prepared in this respect. For further description, see below under 'Statutory CSR report'.

Statutory CSR report

Lagkagehuset A/S was founded for the purpose to run a premium concept within the bakery and café segment in Denmark. The Company strives to act socially responsible in a market that changes every day and has defined several focus areas that are directly linked to operations.

Environment

As part of being socially responsible, the Group strives to limit the environmental impact of the operations.

An inherent part of operating a fresh food business is the risk of food waste. Reducing food waste is thus a continuous effort without also reducing customer experience. A part of the work is carried out in stores and productions where charity organisations supporting social responsibility can pick up excess products. Moreover, certain excess products are reused in production, e.g., for rye granola, rye bread chips or semi-finished products. Finally, some excess end of day products is reused for producing bioethanol and thus supporting both green energy as well as reusing product waste.

Continued efforts to optimize waste via digitalization and centralised order planning were initiated, still balancing the customer experience and product availability, aiming to reduce overall waste in 2021 and end 2021 by 3%p. Continued COVID-19 market changes through the year, impacting market conditions and customer behaviour, left sales planning difficult. Despite these challenges new centralised tools and processes showed improvements in waste reduction in 2021, though not to the full extend targeted in 2020. Target for 2022 is a reduction of 2%p.

To further reduce food waste the cooperation with Too Good To Go was initiated in 2021. Offering expected end of day products at very low price. Target was to save 1 million of products in 2021 and further reduce overall food waste. Total saved products amounted to 0.9 million and thus reduced unnecessary waste significantly via this cooperation. Target for 2022 is still to exceed minimum 1 million saved products.

Social and employee conditions

The Company employs both skilled and unskilled employees with more than 2.600 employees in total. Many apprentices are trained and educated each year, and focus is on having a great base of skilled bakers and pastry chefs in our bakeries to uphold the craftsmanship and product quality of the trade.

Our employees are our greatest assets; therefore, we work to create a safe and healthy working environment with a high level of employee satisfaction. To ensure a sound and safe working environment, the Group conducts workplace assessments for all employees in accordance with legislation, at least every third year. The outcome of the workplace assessments results in specific action plans to solve issues, if any.

An ongoing e-NPS was implemented across the group in 2020 and reported since and through 2021.The measurement is to continuously have employees report on whether they would recommend working with us to friends and families. This is a clear message to whether we succeed in making our company the best place to work and track and report the development over time. The reporting and feedback are conducted first monthly and then minimum at a quarterly basis for the leaders to act and interact based on the numerical development and the comments attached.

Whistle-blower (WB) policy and system supported by our Code of Conduct was implemented in early 2021, using an external WB platform supporting anonymous access, reporting to executive management, the Board and access to an external female representative. This is to secure that any critical matter is not restricted and reported in the best and most secure way for the employee or business partner.

The Company has assessed that there is a risk of occupational injuries and stress in both stores and bakeries. During 2021, there has been increased sickness absence of store staff, bakers and pastry staff, which has been approached via workplace assessment and local initiatives are set in to improve areas identified. COVID pandemic had a significant impact to this development also in 2021.

Management's review

Our focus on improving the working environment has entailed that employee job satisfaction increased during 2021. The efforts will continue now also using ENPS scoring in 2022.

Anticorruption

The most material risk was found to be employees within procurement and conclusion of contracts. As the Company has a zero-tolerance policy for corruption and bribery, and to minimize the risk thereof, the central management of procurement and conclusion of contracts has been a continued focus area and no violation of the Code of Conduct were detected in 2021.

The Company have asked all contracted suppliers to sign and commit to an updated Vendor Code of Conduct (the “VCOC”) which sets out the overall principles which Lagkagehuset requires Lagkagehusets employees, suppliers, and vendors (“business partners”) to operate, behave and live by. The Company will continue to ask current and new contracted suppliers to sign updated VCOC’s in 2022.

The Company has after a materiality assessment not prepared a separate human rights policy or direct climate policy, as it is assessed that Company does not have a significant effect.

Corporate governance

The Board of Directors and the Executive Board of Lagkagehuset A/S continuously work to ensure that the Company's management structure and control systems are appropriate and work satisfactorily. Management regularly evaluates whether this is the case.

The framework for planning Management's duties is the Danish Companies Act, the Danish Financial Statements Act, the Company’s articles of association and ethical guidelines as well as good practice for entities within the same industry. Being ultimately owned by private equity funds, the Company complies with the Danish Venture and Private Equity Association’s (DVCA) guidelines on responsible ownership and corporate governance. Internal procedures have been drawn up to ensure active, effective and profitable management of the Company.

Shareholders

On an ongoing basis, the Board of Directors reviews whether the Company's capital structure serves the best interests of both the Company and its stakeholders. The overriding goal is to ensure a capital structure that supports long- term profitable growth.

The Board of Directors' duties

The Board of Directors of Lagkagehuset A/S oversees that the Executive Board pursues the objectives, strategies and business procedures adopted by the Board of Directors. The Board of Directors receives systematic updates from the Executive Board at meetings and through written and oral reports provided on a regular basis.

Remuneration for Management

In order to attract and retain managerial skills, the Executive Board and other executive officers are paid according to duties, value creation and terms in comparable entities. Their remuneration includes incentives to ensure consistency between the interests of Management and the owners, and the incentive schemes reflect both short-term and long-term goals.

Management and some of the members of the Board of Directors of Lagkagehuset A/S and few key employees participate in the parent company’s investment incentive program. Treasury shares are sold and acquired as part of the incentive program.

In addition to the incentive program, certain key employees are offered performance-based bonus. Remuneration of the Executive Board and the Board of Directors is disclosed in a note to the financial statements.

Dividend policy

Dividend is distributed with due regard to the consolidation of equity required to ensure the Company’s continued expansion and existing agreements with sources of financing.

The Board of Directors proposes that no dividend is paid for the financial year 2021.

Management's review

The Danish Venture and Private Equity Association (DVCA) has issued guidelines on responsible ownership and corporate governance for private equity funds and entities controlled by private equity funds.

The Danish Venture and Private Equity Association (DVCA) has issued guidelines on responsible ownership and corporate governance for private equity funds and entities controlled by private equity funds.

These recommendations comprise guidelines on disclosures in the Management's review, including corporate governance, financial risks, employees, strategies, etc.

The guidelines have adopted a ""comply or explain"" approach to corporate governance that companies can follow by either complying with the recommendations or explaining why they have not complied. The Management of Lagkagehuset A/S, as described above, generally complies with the DVCA's recommendations with the one exception that the description of projected developments in revenue and earnings is limited due to the general uncertainty relating to market developments in 2020 and for competitive reasons.

Account of the gender composition of Management, cf. §99b

The Company’s policy is to always recruit the best qualified person for a given job, and diversity is considered a strength. The Company is continuously working on harmonizing the gender composition including the gender composition of senior managers.

Currently, one out of four board members is female. There were no changes in the board of directors in 2021. The target is to increase the number of female board members so that half are female at the end of 2025.

At other management levels, the Company has more female than male managers and thus not an equal gender composition. In connection with recruitment for senior positions, we are focused on seeing candidates of both genders, but qualifications will always be the decisive factor.

By the end of 2021 female managers comprised of 68%.

Data ethics

In the Danish business model, we use analytics and digital solutions where large amounts of data are processed. Our Data Ethics Policy confirms our commitment towards the respect of our customers and employees as a main pillar in our core values. The company wants to maintain high ethical standards for the protection of our data, especially our customers, why security measures include a variety of guidelines and processes as well as targeted training of our employees to prevent any unintended disclosure. The data which the company collects, and stores is mainly commercial data, beneficial and value-adding to our customers and stakeholders, and such commercial data includes trading patterns across our market.

Events after the balance sheet date

As we saw Omicron and COVID-19 restriction being lifted, it is expected that the markets will be normalizing during first half 2022 and end year being close to pre COVID levels except for specific locations like airports and heavy business/tourist traffic areas which we expect to take longer to normalize.

The war started in Ukraine late February and the effect on an already inflationary European economy, is a risk factor we see in to for 2022. Energy prices and raw materials and general inflation is increasing to unprecedented levels and will challenge both direct and indirect ability to reach expected profits levels short term. Initiatives are set in place to support still the original expansion plans for 2022 including reaching the budgeted profit levels.The Company feels confident though that current cash holdings and profit controls are adequate, and the forecast is secured for inflation effects and an in-year normalisation across the markets.

No other events have occurred after the balance sheet date that may materially affect the assessment of the Company's financial position.

Management's review

Outlook

As it is currently uncertain how both normalisation post COVID-19 will take place and the uncertainties related to inflation and the war in Ukraine, it is difficult to qualify expectations and assumptions for 2022 outlook. It is though Management's expectation that 2022 will improve to 2021, even if still effected by these shorter-term market challenges. Expectations to sales and profits, despite market uncertainties, are an increase in sales of 5% to 10% and further reduce the loss.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2021	2020
3	Revenue	905,220	830,222
	Cost of sales	-230,582	-212,107
	Other operating income	479	5,932
	Other external expenses	-265,646	-245,797
	Gross profit	409,471	378,250
4	Staff costs	-382,891	-393,095
5	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-72,658	-82,876
6	Other operating expenses	-26,510	-73,079
	Profit/loss before net financials	-72,588	-170,800
7	Financial income	12	11,667
8	Financial expenses	-11,689	-14,968
	Profit/loss before tax	-84,265	-174,101
9	Tax for the year	1,900	2,800
	Profit/loss for the year	-82,365	-171,301

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Fixed assets		
10	Intangible assets		
	Completed development projects	28,342	19,307
	Acquired intangible assets	591	733
	Goodwill	36,061	43,037
		64,994	63,077
11	Property, plant and equipment		
	Plant and machinery	108,420	112,197
	Other fixtures and fittings, tools and equipment	29,029	34,253
	Leasehold improvements	161,726	180,305
	Property, plant and equipment in progress	528	223
		299,703	326,978
12	Investments		
	Other receivables	7,121	8,225
		7,121	8,225
	Total fixed assets	371,818	398,280
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	14,690	14,850
	Finished goods and goods for resale	305	669
		14,995	15,519
	Receivables		
	Trade receivables	5,090	3,884
	Income taxes receivable	1,900	2,800
	Other receivables	10,608	8,584
13	Prepayments	7,482	6,547
		25,080	21,815
	Cash	134,487	201,306
	Total non-fixed assets	174,562	238,640
	TOTAL ASSETS	546,380	636,920

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
14	Share capital	1,041	1,041
	Reserve for development costs	22,106	15,059
	Retained earnings	213,253	302,665
	Total equity	236,400	318,765
	Provisions		
	Other provisions	24,374	25,365
17	Total provisions	24,374	25,365
	Liabilities other than provisions		
16	Non-current liabilities other than provisions		
	Other payables	67,459	46,570
		67,459	46,570
	Current liabilities other than provisions		
16	Current portion of long-term liabilities	2,615	5,961
	Trade payables	119,104	106,622
	Payables to group entities	27,028	69,398
	Other payables	59,036	56,893
18	Deferred income	10,364	7,346
		218,147	246,220
	Total liabilities other than provisions	285,606	292,790
	TOTAL EQUITY AND LIABILITIES	546,380	636,920

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Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Reserve for development costs	Retained earnings	Total
	Equity at 1 January 2021	1,041	15,059	302,665	318,765
24	Transfer, see "Appropriation of profit/loss"	0	7,047	-89,412	-82,365
	Equity at 31 December 2021	1,041	22,106	213,253	236,400

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

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

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

In the financial statements reclassifications have been made in the balance sheet. The reclassifications has no effect on profit, total assets or equity. Comparative figures have been adjusted.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Danish Bake Holding ApS.

Reporting currency

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

External business combinations

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

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

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

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

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

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

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

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

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

Income statement

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when a store sells the goods to the customer. Payment is usually due when the customer picks up the goods in the store.

For the customer loyalty program, a performance obligation is recognised at the date of recognition of the sale triggering the allocation of bonus points. The performance obligation is measured at the estimated fair value of the bonus points allocated. Revenue is recognised when the customer uses the bonus points.

Income from the rendering of services is recognised as revenue as the services are rendered.

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

Other operating income and operating expenses

Other operating income and expenses comprise items of a secondary nature relative to the Company's core activities, including governmental furlough schemes, group contribution and losses on the sale of non-current assets.

Cost of sales

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

Other external expenses

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

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

Amortisation/depreciation and impairment

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

The cost net of the expected residual value for completed development projects and other acquired intangible assets is amortised over the expected useful life.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business, profitability, market position, business segment and dependency on key employees.

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

Completed development projects	7 years
Acquired intangible assets	5-10 years
Goodwill	10 years

The expected useful life of the Company's investments in software and completed development projects is 5 years, which is considered to be the expected use of the asset.

The Company's investments in other acquired intangible assets are considered to be of strategic importance to future operations. Taking into consideration the Company's plans to increase activities, the economic life has been assessed to be 10 years.

The residual value of all intangible assets is assessed to be DKK 0.

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Plant and machinery	5-15 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-10 years

The residual value of all items of property, plant and equipment is assessed to be 0 DKK.

The basis of depreciation is calculated taking into account the residual value of the asset and is reduced by any impairment.

The residual value is determined at the time of acquisition and is reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, dividends declared from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

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

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

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

Property, plant and equipment

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

The cost of a total asset is divided into separate components, which are depreciated separately if the useful life of the individual components is different.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

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

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

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

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

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

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

Inventories

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

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IFRS 9 as interpretation for impairment of financial receivables.

Write-downs on trade receivables are based on the simplified expected credit loss model. Credit loss allowances on individual receivables are provided for when objective indications of credit losses occur such as customer bankruptcy and uncertainty about the customers' ability and/or willingness to pay, etc. In addition to this, allowances for expected credit losses are made on the remaining trade receivables based on a simplified approach.

Prepayments

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

Cash

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

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

Provisions

Provisions relate to refurbishment obligations relating to the Group's leased premises. The refurbishment obligation is calculated as the present value of the estimated net costs of refurbishment when leased premises are vacated. This will occur no earlier than at the end of the expected useful life.

Income taxes

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

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

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

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

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

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

2 Events after the balance sheet date

As we saw Omicron and COVID-19 restriction being lifted, it is expected that the markets will be normalizing during first half 2022 and end year being close to pre COVID levels except for specific locations like airports and heavy business/tourist traffic areas which we expect to take longer to normalize

The war started in Ukraine late February and the effect on an already inflationary European economy, is a risk factor we see in to for 2022. Energy prices and raw materials and general inflation is increasing to unprecedented levels and will challenge both direct and indirect ability to reach expected profits levels short term. Initiatives are set in place to support still the original expansion plans for 2022 including reaching the budgeted profit levels.The Company feels confident though that current cash holdings and profit controls are adequate, and the forecast is secured for inflation effects and an in-year normalisation across the markets.

No other events have occurred after the balance sheet date that may materially affect the assessment of the Company's financial position.

Financial statements 1 January - 31 December

Notes to the financial statements

3 Segment information

The Company only operates within one business segment, operation of bakeries, only in Denmark. Therefore, no separate segment information has been provided.

	DKK'000	2021	2020
4	Staff costs		
	Wages/salaries	341,848	353,691
	Pensions	22,261	23,894
	Other social security costs	6,259	5,446
	Other staff costs	13,980	11,751
	Staff costs transferred to non-current assets	-1,457	-1,687
		382,891	393,095
	Average number of full-time employees	892	948

For 2021, remuneration to the Executive Board amounted to DKK 2.490 thousand. For 2020, remuneration to the Executive Board is not disclosed by reference to section 98b(3), (ii), of the Danish Financial Statements Act.

		2021	2020
5	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment		
	Amortisation of intangible assets	13,115	16,881
	Depreciation of property, plant and equipment	57,543	60,495
	Impairment of property, plant and equipment	2,000	5,500
		72,658	82,876

6 Other operating expenses

Other operating expenses include group contribution, totalling DKK 21,471 thousand (2020: DKK 69,832 thousand), and losses on rental contract when vacating and on the sale of property, plant and equipment, including other operating equipment, totalling DKK 5,039 thousand (2020: DKK 3,247 thousand).

		2021	2020
7	Financial income		
	Interest receivable, group entities	0	22
	Other financial income	12	11,645
		12	11,667
8	Financial expenses		
	Interest expenses, group entities	2,185	8,991
	Other financial expenses	9,504	5,977
		11,689	14,968
9	Tax for the year		
	Estimated tax charge for the year	-1,900	-2,800
		-1,900	-2,800

Financial statements 1 January - 31 December

Notes to the financial statements

10 Intangible assets

DKK'000	Completed development projects	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2021	50,047	7,221	75,222	132,490
Additions in the year	15,032	0	0	15,032
Cost at 31 December 2021	65,079	7,221	75,222	147,522
Impairment losses and amortisation at 1 January 2021	30,740	6,488	32,185	69,413
Amortisation/depreciation in the year	5,997	142	6,976	13,115
Impairment losses and amortisation at 31 December 2021	36,737	6,630	39,161	82,528
Carrying amount at 31 December 2021	28,342	591	36,061	64,994
Amortised over	5 years	5-10 years	10 years	

Completed development projects include the Company's developed IT infrastructure including ERP-system and related applications and costumer related app with a total carrying amount of DKK 28,342 thousand. Management has not identified any evidence of impairment relative to the carrying amount of completed development projects.

11 Property, plant and equipment

DKK'000	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
Cost at 1 January 2021	205,715	129,942	361,290	223	697,170
Additions in the year	10,641	8,212	15,748	305	34,906
Disposals in the year	-1,992	-212	-3,926	0	-6,130
Cost at 31 December 2021	214,364	137,942	373,112	528	725,946
Impairment losses and depreciation at 1 January 2021	93,518	95,689	180,985	0	370,192
Impairment losses in the year	0	0	2,000	0	2,000
Amortisation/depreciation in the year	13,406	13,374	30,763	0	57,543
Reversal of amortisation/depreciation and impairment of disposals	-980	-150	-2,362	0	-3,492
Impairment losses and depreciation at 31 December 2021	105,944	108,913	211,386	0	426,243
Carrying amount at 31 December 2021	108,420	29,029	161,726	528	299,703
Property, plant and equipment include finance leases with a carrying amount totalling	1,881	0	0	0	1,881
Depreciated over	5-15 years	3-5 years	10 years		

Financial statements 1 January - 31 December

Notes to the financial statements

12 Investments

DKK'000	Other receivables
Cost at 1 January 2021	8,225
Additions in the year	108
Disposals in the year	-1,212
Cost at 31 December 2021	7,121
Carrying amount at 31 December 2021	7,121

Other receivables mainly consist of leasehold deposits.

13 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, DKK 7,482 thousand (2020: DKK 6,547 thousand).

DKK'000	2021	2020
14 Share capital		
Analysis of the share capital:		
1,040,577 shares of DKK 1.00 nominal value each	1,041	1,041
	1,041	1,041

Analysis of changes in the share capital over the past 5 years:

DKK'000	2021	2020	2019	2018	2017
Opening balance	1,041	1,000	1,000	1,000	1,000
Capital increase	0	41	0	0	0
	1,041	1,041	1,000	1,000	1,000

DKK'000	2021	2020
15 Deferred tax		
Deferred tax at 1 January	0	0
Deferred tax adjustment in the year	16,461	35,337
Adjustment for not recognised deferred tax assets	-16,461	-35,337
Deferred tax at 31 December	0	0

The total net unrecognised deferred tax asset amounts to DKK 69,534 thousand at 31 December 2021 (2020: DKK 53,073 thousand).

Financial statements 1 January - 31 December

Notes to the financial statements

16 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2021	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other payables	70,074	2,615	67,459	42,340
	70,074	2,615	67,459	42,340

Together with the group entities, Danish Bake A/S and Danish Bake Group ApS, the Company had credit facilities of DKK 550 million as of 31 December 2021. Only Danish Bake A/S has debt to credit institutions in relation to this credit facility. The debt to the credit institutions totalled DKK 355 million, including bank guarantees at 31 December 2021. The agreement expires in December 2023. The agreement includes covenants.

17 Provisions

Other provisions comprise provisions for refurbishment obligations, totalling DKK 21,025 thousand, and provisions for losses on rental contract when vacating, totalling DKK 3,349 thousand.

In total DKK 24,374 thousand, whereof DKK 11,849 thousand is expected to fall due within one year.

Provision covering refurbishment obligations is viewed per individual lease contracts. Any estimates are based on quotes for the different types of leases or previous terminations, where applicable.

18 Deferred income

Deferred income, DKK 10,364 thousand (2020: DKK 7,346 thousand), consists of payments received from customers in giftgards and loyalty programs that may not be recognised until the subsequent financial year.

19 Contractual obligations and contingencies, etc.

Other contingent liabilities

DKK'000	2021	2020
Other contingent liabilities	15,490	15,442
	15,490	15,442

Other contingent liabilities include bank guarantees in relation to leaseholds.

The Company has provided a guarantee of DKK 275 million to the credit institutions for the parent company Danish Bake A/S.

The Company is jointly taxed with its parent, Danish Bake Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2021	2020
Rent and lease liabilities	251,721	209,188

Rental and lease commitments are in all material respects rent commitments and reflect the rent during the non-cancellable period. DKK 65,797 thousand (2020: DKK 62,675 thousand) falls due within one year.

Financial statements 1 January - 31 December

Notes to the financial statements

20 Contingent assets

The Company has deferred tax assests, which mainly consist of tax loss carry-forwards. The nominal value thereof totals DKK 69,534 thousand. DKK 0 thousand of the amount has been recognised in the balance sheet due to the uncertainty as to the utilisation of the tax losses.

21 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2021.

22 Related parties

Lagkagehuset A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Direct parent company Danish Bake A/S	Copenhagen, Denmark	Participating interest
Ultimate parent company Cidron Garonne Limited	Heller Jersey, Jersey	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Danish Bake Holding ApS	Copenhagen, Denmark	Requisitioning at the company's address

Related party transactions

Lagkagehuset A/S was engaged in the below related party transactions:

DKK'000	2021	2020
Financial income	0	22
Financial expenses	-2,185	-8,991
Management fee	-9,574	-9,111
Group contribution	-21,471	-69,832
Capital increase	0	200,003
Capital contribution	0	267,109

Information on receivables from group entities and payables to group entities is disclosed in the balance sheet of the annual report.

Information on the remuneration to management

Information on the remuneration to Management appears from note 4, "Staff costs".

23 Fee to the auditors appointed by the Company in general meeting

With reference to section 96(3) of the Danish Financial Statements Act, audit fees are not disclosed. The fee is specified in the consolidated financial statements of Danish Bake Holding ApS.

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	2021	2020
24	Appropriation of profit/loss		
	Recommended appropriation of profit/loss		
	Other statutory reserves	7,047	2,749
	Retained earnings/accumulated loss	-89,412	-174,050
		-82,365	-171,301