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# **Interim Financial Report for the Period 1 January – 31 March 2023**

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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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The Board of Directors has approved the Group's interim financial report for the period 1 January – 31 March 2023.

### **Highlights for the first quarter of 2023**

- Consolidated revenue for the first quarter of 2023 was DKK 1,404.3 million against 1,251.3 million for the first quarter of 2022. The growth of 12.2% lived up to expectations. Growth was strongest at the beginning of the quarter, and first-quarter sales were also in line with previous expectations for 2023.
- Compared with the first quarter of 2022, the gross profit margin for the first quarter of 2023 increased by 0.2 percentage point.
- EBITDA for the first quarter of 2023 totalled DKK 121.9 million, corresponding to an EBITDA margin of 8.7%, against DKK 110.8 million and 8.9% for the first quarter of 2022.
- Profit before tax (EBT) for the first quarter of 2023 was DKK 83.3 million, which is DKK 2.6 million less than for the first quarter of last year. The increase in EBITDA is offset by higher depreciation and financing costs.
- As at 31 March 2023, the Group's total assets amounted to DKK 3,424.0 million, which is DKK 538.1 million more than at the same time in 2022. The increase is primarily attributable to investments in property, plant and equipment, increasing inventories and trade receivables.
- As at 31 March 2023, the Group's equity totalled DKK 1,329.1 million, which is DKK 144.4 million more than at the same time in 2022. The solvency ratio was 38.8% against 41.4% at 31 March 2022.
- Cash flow from operating activities for the first quarter of 2023 was DKK -154.0 million, which is DKK 43.8 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 maintain higher than normal safety stocks to ensure product availability in situations where there has been 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 2023 totalled DKK 31.2 million, compared with DKK 60.4 million for the first quarter of 2022. These investments are primarily related to store network development, including the introduction of EA ranges in relevant AO stores.
- As at 31 March 2023, net interest-bearing debt totalled DKK 853.5 million against DKK 488.7 million at the same time in 2022. Net interest-bearing debt was 1.7 times the Last Twelve Months EBITDA.

Other highlights for the first three months of 2023:

- During the quarter, B2B activities were high and showed a growth of 15.9%. As expected, a minor slowdown in activities occurred in March. Private consumers reacted fast to cost inflation, and the decrease in demand continued from the fourth quarter into the first quarter. The B2C sales index reached 87.9 in the first quarter.
- 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 5.25 per share of DKK 1. The new candidates, Ann Fogelgren and Peter Gath, were elected and the Board of Directors constituted itself with Henning Dyremose as Chairman and Erik Holm 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.

## **Expectations for the year**

The first quarter of 2023 confirmed expectations of a strong first quarter. Expectations for 2023 are unchanged and are as follows:

Revenue of DKK 5,250-5,450 million, EBITDA in the range of DKK 435-465 million and earnings before tax in the range of DKK 300-330 million.

These expectations are based on the assumption that demand will be negatively impacted by high cost inflation and increased interest rates; factors that are expected to dampen activities in the building and construction industry. Revenue growth is expected to be flat in the second quarter, and negative growth is expected in the second half of 2023. Revenue for the full year of 2023 is expected to be at the same level as in 2022.

Albertslund, 27 April 2023

Niels A. Johansen  
CEO

Per Toelstang  
CFO

# Financial and operating data for the AO Group

(DKKm)

<b>Key figures</b>	<b>Q1 2023</b>	<b>Q1 2022</b>	<b>Full Year 2022</b>
Consolidated revenue	1,404.3	1,251.3	5,375.0
Gross margin	333.9	295.0	1,310.3
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	121.9	110.8	491.6
Profit or loss before financial income and expenses (EBIT)	89.4	84.9	383.6
Financial income and expenses, net	(6.1)	1.0	(6.1)
Profit or loss before tax (EBT)	83.3	85.9	377.4
Tax on profit or loss for the period	(18.2)	(18.8)	(83.0)
Net profit or loss for the period	65.2	67.0	294.5
Non-current assets	1,731.9	1,527.9	1,727.3
Current assets	1,692.1	1,358.0	1,591.0
Total assets	3,424.0	2,885.9	3,318.3
Share capital	28.0	28.0	28.0
Equity	1,329.1	1,184.8	1,407.5
Non-current liabilities	534.6	297.8	539.5
Current liabilities	1,560.3	1,403.4	1,371.4
Cash flow from operating activities	(154.0)	(110.2)	215.8
Cash flow from investing activities	(31.2)	(60.4)	(333.3)
Of which investments in property, plant and equipment, net	(22.7)	(53.3)	(164.5)
Cash flow from financing activities	150.6	34.4	15.5
Cash flow for the period	(34.6)	(136.3)	(102.0)
<b>Financial ratios*</b>			
Gross profit margin	23.8%	23.6%	24.4%
EBITDA margin	8.7%	8.9%	9.1%
Profit margin	6.4%	6.8%	7.1%
Return on capital employed**	2.7%	3.0%	12.7%
Return on equity**	4.8%	5.5%	22.2%
Net gearing	1.7	1.2	1.1
Solvency ratio	38.8%	41.1%	42.4%
Book value	47.5	42.3	50.3
Share price at the end of the period	81.1	109.0	83.11
Earnings per share (EPS Basic), DKK***	2.4	2.5	10.8
Diluted earnings per share (EPS-D), DKK***	2.4	2.5	10.8
Average number of employees	847	737	822
Average number of employees, incl. external temporary workers	918	809	889

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

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

\*\*\* 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 2023 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 2023 totalled DKK 1,404.3 million, which is DKK 153.0 million, or 12.2%, more than for the same quarter in 2022. Growth within the B2B segment was up by 15.9% compared to last year, while the B2C segment was down by 12.1% compared to 2022. Organic growth in the B2B segment was 9.8%.

Gross margin for the first quarter of 2023 amounted to DKK 333.9 million, corresponding to a gross profit margin of 23.8%, compared with DKK 295.0 million and 23.6% for the same quarter last year. Distribution costs for the first quarter of 2023 constituted 3.8% of revenue, which is a decrease of 0.2 percentage point compared with the same period last year.

Total operating expenses for the first quarter of 2023, including depreciation and amortisation, amounted to DKK 244.5 million against DKK 210.0 million for the same quarter of 2022. The increase of DKK 34.5 million is primarily attributable to the increased cost base following the acquisition of EA Værktøj as well as increased depreciation after completed investments in warehouse automation.

In the first quarter of 2023, external expenses totalled DKK 74.7 million, which is DKK 10.9 million more than for the first quarter of last year. In addition to costs stemming from EA Værktøj there has been an increase in activity driven costs related to internal distribution.

In the first three months of 2023, staff costs of DKK 137.3 million increased by DKK 16.9 million compared with the same period last year. The average number of employees increased by 109 from 809 in the first quarter of last year to an average of 918 employees in the first quarter of 2023. Of the additional FTEs 94 are related to the acquisition of EA Værktøj.

Depreciation and amortisation for the first quarter of 2023 were DKK 32.5 million. The increase in the normal level of depreciation and amortisation is related to investment projects finalised in the fourth quarter of 2022.

EBITDA increased by DKK 11.1 million, with a margin of 8.7% compared to 8.9% in the first quarter of 2022.

Operating profit (EBIT) for the first quarter of 2023 was DKK 89.4 million, which is 6.4% of revenue against last year's rate of 6.8%. Compared with the same period last year, EBIT is DKK 4.5 million higher.

Financial income and expenses, net, for the first quarter of 2023 totalled DKK -6.1 million, which is DKK 7.1 million less than for the same quarter of 2022. The difference is attributable to exchange rate adjustments and higher interest payments.

For the first quarter of 2023, the Group recorded a pre-tax profit (EBT) of DKK 83.3 million against DKK 85.9 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 65.2 million was recorded for the first quarter of 2023 against DKK 67.0 million for the first quarter of 2022.

As at 31 March 2023 the Group's total assets amounted to DKK 3,424.0 million, which is DKK 538.1 million, or approximately 18.6%, more than at the same time last year.

Non-current assets of DKK 1,731.9 million are DKK 204.0 million, net, higher than at the same time last year. The increase is attributable to the acquisition of EA as well as investments in store network, the expansion of the central warehouse in Albertslund and the logistics centre in Horsens.

As at 31 March 2023, current assets amounted to DKK 1,692.1 million, which is DKK 334.1 million more than at the same time last year. Inventories increased by DKK 243.7 million to DKK 929.0 million. The increase is attributable to higher prices, and to the execution of a purchasing strategy to secure supplies for AO's customers. Trade receivables of DKK 714.7 million were DKK 76.2 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 10.8 million decreased by DKK 0.7 million compared to the same time last year.

At 31 March 2023, equity amounted to DKK 1,329.1 million, corresponding to a solvency ratio of 38.8%, and is DKK 144.4 million higher than at the same time last year driven by the period's earnings after tax minus dividend payments.

At 31 March 2023, the Group's payables to credit institutions amounted to DKK 768.8 million and are DKK 365.3 million more than at 31 March 2022. The development is driven by the acquisition of EA Værktøj, other investments and increased funds tied up in working capital. More than half of the debt owed to credit institutions is mortgage debt related to owned properties. Lease liabilities amounted to DKK 85.1 million against DKK 85.8 million as at March 31, 2022.

As at 31 March 2023, trade payables amounted to DKK 1,060.5 million and are DKK 10.7 million higher than at the same time last year due to increased activity as well as timing of supplier payments.

Other payables of DKK 107.0 million are DKK 16.1 million more 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 2023 was DKK 122.7 million, which is DKK 12.5 million more than for the same period last year. In the first quarter of 2023, working capital increased by DKK 262.1 million net, compared with an increase of DKK 213.6 million for the same quarter last year. In the first quarter of 2023, cash flow from operating activities was negative at DKK 154.0 million against a negative cash flow of DKK 110.2 million for the first quarter of last year.

Net investments for the first quarter of 2023 totalled DKK 31.2 million, of which DKK 22.7 million relates to property, plant and equipment. In addition, DKK 7.1 million relates to software related projects, 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 60.4 million.

In the first quarter of 2023, dividend payments of DKK 117.8 million, exclusive of dividend tax, were distributed. In the first quarter of 2023, the Group's total payables to credit institutions increased by DKK 277.1 million. Lease payments amounted to DKK 8.7 million for the first three months of 2023.

Total cash flow for the first three months of 2023 was negative at DKK 34.6 million. As at 31 March 2023, the Group's cash and short-term deposits are therefore DKK 0.4 million, which is at the same level as last year.

Financial gearing was 1.7 times the EBITDA of the last 12 months against 1.2 at the same time last year.

## **Significant risks**

As mentioned in the annual report for 2022, 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.

Uncertainty in the supply chain has been observed. AO has sought to counter this by making additional purchases of a number of products, where supplies were 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 in the second half of 2023.

## **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).

Two incentive programmes where participants are granted a combined total of 119,773 restricted stock options are currently running. The restricted stock options are expected to be settled through treasury shares already held.

On 31 March 2023, 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 5,250-5,450 million, EBITDA of DKK 435-465 million, and EBT of DKK 300-315 million are expected for 2023.

## **Events after the end of the interim period**

No significant events have occurred after the end of the reporting period.

## **Company announcements in 2023**

Announcement no. 1	Introduction of a share-based incentive program	19 January 2023
Announcement no. 2	Annual Report 2022	22 February 2023
Announcement no. 3	Notice of Annual General meeting 2023	22 February 2023
Announcement no. 4	Annual General Meeting 2023	16 March 2023

## Management's statement

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 2023.

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 2023 and of the results of the Group's operations and cash flows for the period 1 January – 31 March 2023.

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, 27 April 2023

### **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

Erik Holm  
Deputy Chairman

René Alberg

Ann Fogelgren

Peter Gath

Leif Hummel

Marlene L. Jakobsen

Niels A. Johansen

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## Income statement and statement of comprehensive income

<i>(All amounts are in DKK thousands)</i>	Note:	Q1 2023	Q1 2022	Full Year 2022
<b>Revenue</b>	<b>3</b>	<b>1,404,273</b>	<b>1,251,314</b>	<b>5,375,006</b>
Cost of sales		(1,018,284)	(905,959)	(3,855,184)
Distribution costs		(52,722)	(50,625)	(213,071)
Gross profit		333,267	294,730	1,306,751
Other operating income		674	241	3,573
<b>Gross margin</b>		<b>333,941</b>	<b>294,971</b>	<b>1,310,324</b>
External expenses		(74,734)	(63,815)	(318,517)
Staff costs		(137,258)	(120,314)	(500,240)
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>121,949</b>	<b>110,842</b>	<b>491,567</b>
Depreciation and amortisation		(32,524)	(25,915)	(108,014)
<b>Operating profit or loss (EBIT)</b>		<b>89,425</b>	<b>84,927</b>	<b>383,553</b>
Write-down of financial assets		-	-	-
Financial income		923	1,926	3,033
Financial expenses		(7,026)	(964)	(9,158)
<b>Profit or loss before tax (EBT)</b>		<b>83,322</b>	<b>85,889</b>	<b>377,428</b>
Tax on profit or loss for the period		(18,164)	(18,849)	(82,959)
<b>Net profit or loss for the period</b>		<b>65,158</b>	<b>67,040</b>	<b>294,469</b>
<b>Other comprehensive income</b>				
<b>Items reclassified to the income statement</b>				
Foreign currency translation adjustment relating to foreign entities		(1,621)	83	(6,156)
Tax on other comprehensive income		-	-	-
Other comprehensive income after tax		(1,621)	83	(6,156)
<b>Total comprehensive income</b>		<b>63,537</b>	<b>67,123</b>	<b>288,313</b>
<b>Earnings per share</b>				
Earnings per share (EPS)		2.4	2.5	10.8
Diluted earnings per share (EPS-D)		2.4	2.5	10.8

## Balance sheet

(All amounts are in DKK thousands)

<b>ASSETS</b>	Note:	2023.03.31	2022.03.31	2022.12.31
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Goodwill	4	499,685	412,030	499,685
Intellectual property rights		47,240	42,386	48,153
Software		65,080	46,130	64,188
		612,005	500,546	612,026
<b>Property, plant and equipment</b>				
Land and buildings		800,830	722,982	795,870
Leasehold improvements		17,203	12,261	13,609
Fixtures and operating equipment		221,113	206,106	224,782
Right-of-use assets		80,539	85,796	80,740
		1,119,685	1,027,145	1,115,001
<b>Other non-current assets</b>				
Other Investments		247	247	284
		247	247	284
<b>Total non-current assets</b>		<b>1,731,937</b>	<b>1,527,983</b>	<b>1,727,311</b>
<b>Current assets</b>				
Inventories	5	929,035	685,322	865,953
Trade receivables	6	714,695	638,512	636,439
Joint taxation contribution		5,158	-	15,931
Other receivables		10,742	11,460	16,199
Prepayments and accrued income		32,098	22,041	21,514
Cash and short-term deposits		382	639	34,973
<b>Total current assets</b>		<b>1,692,110</b>	<b>1,357,974</b>	<b>1,591,009</b>
<b>Total assets</b>		<b>3,424,047</b>	<b>2,885,912</b>	<b>3,318,320</b>

## Balance sheet

(All amounts are in DKK thousands)

### EQUITY AND LIABILITIES

Note:	2023.03.31	2022.03.31	2022.12.31
<b>Equity</b>			
Share capital	28,000	28,000	28,000
Reserve for foreign currency translation adjustments	(10,265)	(2,405)	(8,644)
Retained earnings	1,311,382	1,159,170	1,241,142
Proposed dividend for the financial year	-	-	147,000
<b>Total equity</b>	<b>1,329,117</b>	<b>1,184,765</b>	<b>1,407,498</b>
<b>Non-current liabilities</b>			
Deferred tax	64,518	52,239	64,612
Credit institutions	413,051	185,993	418,011
Lease liabilities	57,026	58,043	56,836
Other non-current liabilities	-	1,500	-
<b>Total non-current liabilities</b>	<b>534,595</b>	<b>297,775</b>	<b>539,459</b>
<b>Current liabilities</b>			
Credit institutions	355,792	217,538	73,689
Lease liabilities	28,032	27,753	28,973
Trade payables	1,060,471	1,049,724	1,181,319
Corporation tax	2,306	2,045	-
Joint taxation contribution payable	-	12,650	-
Other payables	106,994	90,912	77,141
Provisions for liabilities	6,740	2,750	6,740
<b>Total current liabilities</b>	<b>1,560,335</b>	<b>1,403,372</b>	<b>1,371,363</b>
<b>Total liabilities</b>	<b>2,094,930</b>	<b>1,701,147</b>	<b>1,910,822</b>
<b>Total equity and liabilities</b>	<b>3,424,047</b>	<b>2,885,912</b>	<b>3,318,320</b>

## Cash flow statement

(All amounts are in DKK thousands)

	Q1 2023	Q1 2022	Full year 2022
Operating profit or loss	89,425	84,927	383,553
Depreciation and amortisation	32,524	25,915	108,014
Other non-cash operating items, net	757	(635)	1,543
Cash flow from operations before change in working capital	122,705	110,207	493,110
Change in inventories	(63,082)	(104,845)	(219,340)
Change in receivables	(83,383)	(153,586)	(107,160)
Change in trade and other payables	(115,595)	44,794	145,278
Total change in working capital	(262,060)	(213,637)	(181,222)
Cash flow from operations	(139,355)	(103,430)	311,888
Net financials paid	(6,103)	962	(6,125)
Corporation tax paid	(8,546)	(7,769)	(89,970)
<b>Cash flow from operating activities</b>	<b>(154,004)</b>	<b>(110,237)</b>	<b>215,793</b>
Purchase of intangible assets	(7,089)	(5,638)	(41,010)
Purchase of property, plant and equipment, net	(22,672)	(53,293)	(164,530)
Purchase of financial assets	37	-	-)
Acquisition/divestment of enterprise	(1,500)	(1,500)	(127,763)
<b>Cash flow from investing activities</b>	<b>(31,224)</b>	<b>(60,431)</b>	<b>(333,303)</b>
Change in amounts owed to credit institutions	277,143	141,912	(85,975)
Raising of loans from credit institutions	-	-	247,973
Repayment of lease liabilities	(8,731)	(6,525)	(24,169)
Dividends paid	(117,775)	(101,026)	(122,292)
<b>Cash flow from financing activities</b>	<b>150,637</b>	<b>34,361</b>	<b>15,537</b>
<b>Cash flow for the period</b>	<b>(34,591)</b>	<b>(136,307)</b>	<b>(101,973)</b>
Cash and short-term deposits at beginning of period	34,973	136,946	136,946
<b>Cash and short-terms deposits at end of period</b>	<b>382</b>	<b>639</b>	<b>34,973</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 2023</b>	<b>28,000</b>	<b>(8,644)</b>	<b>147,000</b>	<b>1,241,142</b>	<b>1,407,498</b>
Net profit or loss for the period	-	-	-	65,158	65,158
Foreign currency translation adjustment relating to foreign entities	-	(1,621)	-	-	(1,621)
<b>Total comprehensive income</b>	<b>-</b>	<b>(1,621)</b>	<b>-</b>	<b>65,158</b>	<b>63,537</b>
Dividend distribution	-	-	(142,675)	-	(142,675)
Dividend, own shares	-	-	(4,325)	4,325	-
Share-based remuneration	-	-	-	757	757
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(147,000)</b>	<b>5,082</b>	<b>(141,918)</b>
<b>Equity at 31 March 2023</b>	<b>28,000</b>	<b>(10,265)</b>	<b>-</b>	<b>1,311,382</b>	<b>1,329,117</b>
<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 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 year	-	-	147,000	147,469	294,469
Foreign currency translation adjustment relating to foreign entities	-	(6,156)	-	-	(6,156)
<b>Total comprehensive income</b>	<b>-</b>	<b>(6,156)</b>	<b>147,000</b>	<b>147,469</b>	<b>288,313</b>
Dividend distribution	-	-	(122,292)	-	(122,292)
Dividend, own shares	-	-	(3,708)	3,708	-
Share-based remuneration	-	-	-	1,543	1,543
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(126,000)</b>	<b>3,251</b>	<b>(120,749)</b>
<b>Equity at 31 December 2022</b>	<b>28,000</b>	<b>(8,644)</b>	<b>147,000</b>	<b>1,241,142</b>	<b>1,407,498</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 2022, to which reference is made. The consolidated and parent company financial statements for 2022 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 2022. For a more detailed description of the estimation uncertainty, reference is made to the consolidated and parent company financial statements for 2022.

## 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 2022.

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 2022.

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 2023				SEGMENT INFORMATION Q1 2022			
	B2B	B2C	Total		B2B	B2C	Total
Revenue	1,258.9	145.4	1,404.3	Revenue	1,085.8	165.5	1,251.3
Cost of goods sold	- 924.5	- 93.2	- 1,017.7	Cost of goods sold	- 800.1	- 105.6	- 905.7
<b>Product margin</b>	<b>334.4</b>	<b>52.2</b>	<b>386.6</b>	<b>Product margin</b>	<b>285.7</b>	<b>59.9</b>	<b>345.6</b>
Distribution	- 41.8	- 10.9	- 52.7	Distribution	- 37.3	- 13.3	- 50.6
<b>Gross margin</b>	<b>292.6</b>	<b>41.3</b>	<b>333.9</b>	<b>Gross margin</b>	<b>248.4</b>	<b>46.6</b>	<b>295.0</b>
Direct expenses	- 124.8	- 32.4	- 157.2	Direct expenses	- 103.5	- 32.1	- 135.6
<b>EBITDA before indirect expenses</b>	<b>167.8</b>	<b>8.9</b>	<b>176.7</b>	<b>EBITDA before indirect expenses</b>	<b>144.9</b>	<b>14.5</b>	<b>159.4</b>
Indirect expenses			- 54.8	Indirect expenses			- 48.6
<b>EBITDA</b>			<b>121.9</b>	<b>EBITDA</b>			<b>110.8</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 %	23.2%	28.4%	23.8%	Gross margin %	22.9%	28.2%	23.6%
EBITDA (before indirect expenses) %	13.3%	6.1%	12.6%	EBITDA (before indirect expenses) %	13.3%	8.8%	12.7%
EBITDA %			8.7%	EBITDA %			8.9%

## 4 Goodwill and intangible assets

The annual impairment test of intangible assets, including goodwill and intellectual property rights, is performed at 31 December 2023, after the completion of budgets and strategy plans for the coming period.

At 31 March 2023, 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 2023. For a more detailed description of impairment tests, reference is made to the consolidated and parent company financial statements for 2022.

## 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 2022.