MAZARS

JUVEL A/S

Københavnsvej 222

4600 Køge

Annual report for 2019

Adopted at the annual general meeting on 05/06/2020

chairman

STEFAN WOETZEL

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MAZARS
STATSAUTORISERET REVISIONSPARTNERSELSKAB

CVR-nr. 11 56 07 76

TABLE OF CONTENTS

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory and executive boards have today discussed and approved the annual report of Juvel A/S for the financial year 1 January - 31 December 2019.

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 company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Koge, 4 May 2020

Executive board

Jan Bertelsen
Director

Supervisory board

Stefan Wolfgang Hölzl chairman	Pablo Vilaseca Muñoz	Jan Bertelsen

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Juvel A/S

Opinion

We have audited the financial statements of Juvel A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 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 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 requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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 about 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 these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 management's review
Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

INDEPENDENT AUDITOR'S REPORT

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

Copenhagen, 4 May 2020

MAZARS
Statsautoriseret Revisionspartnerselskab
CVR no. 31 06 17 41

Kurt Christensen
Statsautoriseret Revisor
MNE no. mne26824

COMPANY DETAILS

The company	Juvel A/S Kobenhavnsvej 222 4600 Køge	
	Telephone: Fax:	36340288 36340289
	CVR no.:	11 56 07 76
	Reporting period:	1 January - 31 December 2019
	Domicile:	Køge
Supervisory board	Stefan Wolfgang Hötzl, chairman Pablo Vilaseca Muñoz Jan Bertelsen	
Executive board	Jan Bertelsen	
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Midtermolen 1, 2.tv. 2100 København Ø	

MANAGEMENT'S REVIEW

Business review

The main activity from the sales and logistics centre in Koge is sale and destribution of stainless steel kitchen and bathroom sinks, sale of stainless steel sanitary products, mini kitches and other kitchen and bathroom sinks. Here, the products are completed and distributed to Denmark, Europe, and North America, primarily.

Financial review

The company's income statement for the year ended 31 December 2019 shows a profit of DKK 2.290.699, and the balance sheet at 31 December 2019 shows equity of DKK 28.062.907.

Significant events occurring after the end of the financial year

Beginning of March 2020 the Covid-19 virus affected many European countries. This has led to a full lockdown of several european countries, which will have an impact on the export sales of Juvel. Currently the business is moving forward and we still do not see a downtrend in order intake. We are taken all measures to secure the health of our employees, which is our main priority. Our second priority is to protect our business, this we do by having close contact with all our employees, customers and suppliers. We follow the business activity day-by-day and will take measures when needed.

No other significant events have occured after the balance sheet date which could significantly affect the company's financial position.

ACCOUNTING POLICIES

The annual report of Juvel A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in DKK

Liabilities related to prepayments received from customers have been reclassified from non-current liabilities to current liabilities. The reclassification is a clarification with no change in accounting policies.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

ACCOUNTING POLICIES

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Software

Software is measured at cost less accumulated amortisation and impairment losses. Software is amortised on a straight-line depreciation that is provided on the basis of the following estimated useful lives of the intagible assets.

ACCOUNTING POLICIES

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life		Residual value
Plant and machinery	5-10	years	0 %
Other fixtures and fittings, tools and equipment	3-6	years	0 %
Leasehold improvements	5-10	years	0 %

Other investments

Other Financial Fixed Asset including deposits are measured at cost and is regulated annually.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and cash pool scheme with other nordic companies. Consequently, a considerable portion of the company's bank deposits and debt is included in receivables from and payables to group enterprises, respectively.

ACCOUNTING POLICIES

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

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

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2019 DKK	2018 TDKK
Gross profit		**12.431.877**	**12.675**
Staff costs	1	-9.061.636	-8.694
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-80.491	-78
Profit/loss before net financials		**3.289.750**	**3.903**
Financial costs		-346.758	-320
Profit/loss before tax		**2.942.992**	**3.583**
Tax on profit/loss for the year	3	-652.293	-800
Profit/loss for the year		**2.290.699**	**2.783**
Retained earnings		2.290.699	2.783
		2.290.699	**2.783**

BALANCE SHEET 31 DECEMBER

	Note	2019 DKK	2018 TDKK
ASSETS			
Software		63.320	127
Intangible assets	4	**63.320**	**127**
Plant and machinery		28.645	0
Other fixtures and fittings, tools and equipment		20.262	14
Leasehold improvements		9.272	14
Tangible assets	5	**58.179**	**28**
Deposits		1.692.688	1.675
Fixed asset investments		**1.692.688**	**1.675**
Total non-current assets		**1.814.187**	**1.830**
Raw materials and consumables		2.171.961	2.009
Finished goods and goods for resale		7.965.206	9.235
Stocks		**10.137.167**	**11.244**
Trade receivables		19.314.348	17.991
Receivables from group enterprises		30.626.735	17.650
Other receivables		1.522	0
Deferred tax asset		475.469	632
Prepayments		892.574	825
Receivables		**51.310.648**	**37.098**
Cash at bank and in hand		**2.854**	**4**
Total current assets		**61.450.669**	**48.346**
Total assets		**63.264.856**	**50.176**

BALANCE SHEET 31 DECEMBER

	Note	2019 DKK	2018 TDKK
EQUITY AND LIABILITIES			
Share capital		6.000.000	6.000
Retained earnings		22.062.907	19.772
Equity	6	**28.062.907**	**25.772**
Other provisions		1.191.590	1.926
Total provisions		**1.191.590**	**1.926**
Other payables		294.840	0
Total non-current liabilities		**294.840**	**0**
Prepayments received from customers		16.548.794	10.158
Trade payables		4.404.137	6.012
Payables to group enterprises		10.140.586	2.989
Corporation tax		139.896	776
Other payables		2.482.106	2.543
Total current liabilities		**33.715.519**	**22.478**
Total liabilities		**34.010.359**	**22.478**
Total equity and liabilities		**63.264.856**	**50.176**
Rent and lease liabilities	7		
Contingent liabilities	8		

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2019	6.000.000	19.772.208	25.772.208
Net profit/loss for the year	0	2.290.699	2.290.699
Equity at 31 December 2019	6.000.000	22.062.907	28.062.907

NOTES

		2019	2018
		DKK	TDKK
1	**STAFF COSTS**		
	Wages and salaries	8.413.847	8.098
	Pensions	404.297	370
	Other social security costs	205.528	185
	Other staff costs	37.964	41
		9.061.636	8.694
	Average number of employees	15	14
2	**DEPRECIATION, AMORTISATION AND IMPAIRMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT**		
	Depreciation intangible assets	63.320	63
	Depreciation tangible assets	17.171	15
		80.491	78
3	**TAX ON PROFIT/LOSS FOR THE YEAR**		
	Current tax for the year	495.616	1.096
	Deferred tax for the year	156.677	-299
	Adjustment of tax concerning previous years	0	3
		652.293	800

NOTES

4 INTANGIBLE ASSETS

	Software
Cost at 1 January 2019	1.687.740
Cost at 31 December 2019	1.687.740
Impairment losses and amortisation at 1 January 2019	1.561.100
Amortisation for the year	63.320
Impairment losses and amortisation at 31 December 2019	1.624.420
Carrying amount at 31 December 2019	63.320

5 TANGIBLE ASSETS

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2019	2.118.570	1.836.383	1.653.223
Additions for the year	29.890	17.445	0
Cost at 31 December 2019	2.148.460	1.853.828	1.653.223
Impairment losses and depreciation at 1 January 2019	2.118.570	1.822.485	1.639.106
Depreciation for the year	1.245	11.081	4.845
Impairment losses and depreciation at 31 December 2019	2.119.815	1.833.566	1.643.951
Carrying amount at 31 December 2019	28.645	20.262	9.272

6 EQUITY

There have been no changes in the share capital during the last 5 years.

NOTES

	2019	2018
	DKK	TDKK
7 RENT AND LEASE LIABILITIES		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	470.934	0
Between 1 and 5 years	215.068	158.178
	686.002	158.178

8 CONTINGENT LIABILITIES

Other contingent liabilities not recognised in balance sheet
Juvel A/S has entered into a lease of the Company's premises which is interminable and which runs until 1. October 2020. The obligations amounts to TDKK 1.528.

The company is liable for a bankguarantee of TDKK 771.

The company is jointly and severally liable along with the other Group companies for unauthorised exceeding of the Groups total credit maximum with regards to the Group's cash-pool agreement. The Group's total drawing right has not been fully utilised at 31. December 2019.

Juvel A/S has entered into a non-recourse factoring agreement in which part of the company's receivables can only be paid with release effect to the factoring company. The company has agreed to establish a guarantee fund of TDKK 1000 to partially cover the factoring company's contractual obligations towards the debtors.