

Monacor Danmark A/S

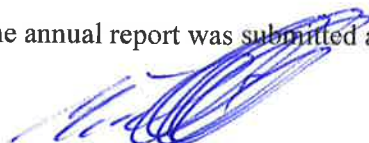
Farum Gydevej 65, 3520 Farum

Company reg. no. 12 18 85 44

Annual report

1 June 2019 - 31 May 2020

The annual report was submitted and approved by the general meeting on the 12 October 2020.



Marco Willroth
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Monacor Danmark A/S for the financial year 1 June 2019 to 31 May 2020.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 May 2020 and of the company's results of its activities in the financial year 1 June 2019 to 31 May 2020.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

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

Farum, 12 October 2020

Managing Director

Svend Erik Lund

Board of directors

Marco Willroth

Hendrik Werner Iffländer

Svend Erik Lund

Independent auditor's report

To the shareholder of Monacor Danmark A/S

Opinion

We have audited the annual accounts of Monacor Danmark A/S for the financial year 1 June 2019 to 31 May 2020, which comprise accounting policies, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 May 2020 and of the results of the company's operations for the financial year 1 June 2019 to 31 May 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 12 October 2020

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36



Kim Kjelberg
State Authorised Public Accountant
mne29452

Company information

The company

Monacor Danmark A/S
Farum Gydevej 65
3520 Farum

Web site www.monacor.dk
E mail mail@monacor.dk

Company reg. no. 12 18 85 44
Established: 13 June 1988
Domicile: Farum
Financial year: 1 June - 31 May
 32nd financial year

Board of directors

Marco Willroth
Hendrik Werner Iffländer
Svend Erik Lund

Managing Director

Svend Erik Lund

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

Monacor International GmbH & Co KG

Management commentary

The principal activities of the company

Like previous years, the principal activities is wholesale of security, audio and lightning equipment.

Events subsequent to the financial year

After the end of the financial year, there has been an outbreak of the disease COVID-19, and it is estimated that all the company's markets have been affected by the outbreak. Although it is at an early stage and therefore difficult to predict the effect of this, management's assessment is that the outbreak could result in significant financial consequences for the coming financial year, however, without being a direct threat to the company's existence.

Accounting policies

The annual report for Monacor Danmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Change in financial estimates

The amortization period for land and property has been changed from a maximum of 30 years to 40 years.

It is the Management's assessment that the change in estimate improves the annual report in terms of providing a true and fair view of the company's assets, liabilities, equity and financial position at the balance sheet date.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

Accounting policies

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Costs of sales includes costs for the purchase of consumables less discounts and changes in inventories.

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of tangible fixed assets.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

Accounting policies

The balance sheet

Tangible fixed assets

The basis of depreciation is cost with the addition of revaluations at fair value and with the deduction of expected residual value after the end of the useful life of the asset. The depreciation period is fixed at the acquisition date and re-evaluated annually. If the residual value exceeds the book value of the asset, the depreciation expires.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

| | Useful life | Residual value |
|--|-------------|----------------|
| Land and property | 40 years | 20 % |
| Other plants, operating assets, fixtures and furniture | 3-5 years | 0-20 % |

Leases

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

Accounting policies

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 June - 31 May

All amounts in DKK.

| <u>Note</u> | <u>2019/20</u> | <u>2018/19</u> |
|--|------------------|------------------|
| Gross profit | 5.766.925 | 6.230.148 |
| 1 Staff costs | -4.278.238 | -5.000.919 |
| Depreciation and writedown relating to tangible fixed assets | -246.874 | -550.105 |
| Operating profit | 1.241.813 | 679.124 |
| Other financial income | 2.740 | 2.585 |
| Other financial costs | -88.691 | -34 |
| Pre-tax net profit or loss | 1.155.862 | 681.675 |
| 2 Tax on ordinary results | -254.514 | -150.486 |
| Profit or loss from ordinary activities after tax | 901.348 | 531.189 |
| Net profit or loss for the year | 901.348 | 531.189 |
| Proposed appropriation of net profit: | | |
| Dividend for the financial year | 1.200.000 | 1.800.000 |
| Allocated from retained earnings | -298.652 | -1.268.811 |
| Total allocations and transfers | 901.348 | 531.189 |

Statement of financial position at 31 May

All amounts in DKK.

| Assets | | |
|--|--------------------------|--------------------------|
| <u>Note</u> | <u>2020</u> | <u>2019</u> |
| Non-current assets | | |
| 3 Land and property | 10.432.315 | 10.551.853 |
| 4 Other plants, operating assets, and fixtures and furniture | 132.822 | 329.627 |
| Total property, plant, and equipment | <u>10.565.137</u> | <u>10.881.480</u> |
| Total non-current assets | <u>10.565.137</u> | <u>10.881.480</u> |
| Current assets | | |
| Manufactured goods and trade goods | 2.286.090 | 2.603.552 |
| Total inventories | <u>2.286.090</u> | <u>2.603.552</u> |
| Trade debtors | 1.270.433 | 2.404.441 |
| Amounts owed by group enterprises | 348.554 | 218.572 |
| Other debtors | 11.285 | 0 |
| Accrued income and deferred expenses | 83.426 | 89.848 |
| Total receivables | <u>1.713.698</u> | <u>2.712.861</u> |
| Available funds | <u>2.273.164</u> | <u>2.010.396</u> |
| Total current assets | <u>6.272.952</u> | <u>7.326.809</u> |
| Total assets | <u>16.838.089</u> | <u>18.208.289</u> |

Statement of financial position at 31 May

All amounts in DKK.

| Equity and liabilities | | |
|--|--------------------------|--------------------------|
| <u>Note</u> | <u>2020</u> | <u>2019</u> |
| Equity | | |
| Contributed capital | 600.000 | 600.000 |
| Results brought forward | 11.866.185 | 12.164.837 |
| Proposed dividend for the financial year | 1.200.000 | 1.800.000 |
| Total equity | <u>13.666.185</u> | <u>14.564.837</u> |
| Provisions | | |
| Provisions for deferred tax | 440.226 | 369.654 |
| Total provisions | <u>440.226</u> | <u>369.654</u> |
| Liabilities other than provisions | | |
| Trade creditors | 219.086 | 172.747 |
| Debt to group enterprises | 173.646 | 1.063.152 |
| Corporate tax | 48.495 | 44.624 |
| Other debts | 2.290.451 | 1.993.275 |
| Total short term liabilities other than provisions | <u>2.731.678</u> | <u>3.273.798</u> |
| Total liabilities other than provisions | <u>2.731.678</u> | <u>3.273.798</u> |
| Total equity and liabilities | <u>16.838.089</u> | <u>18.208.289</u> |

5 Contingencies**6 Related parties**

Statement of changes in equity

All amounts in DKK.

| | <u>Contributed capital</u> | <u>Retained earnings</u> | <u>Proposed dividend for the financial year</u> | <u>Total</u> |
|---|----------------------------|--------------------------|---|-------------------|
| Equity 1 June 2019 | 600.000 | 12.164.837 | 1.800.000 | 14.564.837 |
| Distributed dividend | 0 | 0 | -1.800.000 | -1.800.000 |
| Profit or loss for the year brought forward | 0 | -298.652 | 1.200.000 | 901.348 |
| | 600.000 | 11.866.185 | 1.200.000 | 13.666.185 |

Notes

All amounts in DKK.

| | <u>2019/20</u> | <u>2018/19</u> |
|---|--------------------------|--------------------------|
| 1. Staff costs | | |
| Salaries and wages | 3.912.300 | 4.614.361 |
| Pension costs | 292.007 | 319.884 |
| Other costs for social security | 73.931 | 66.674 |
| | <u>4.278.238</u> | <u>5.000.919</u> |
| | | |
| Average number of employees | <u>10</u> | <u>11</u> |
| | | |
| 2. Tax on ordinary results | | |
| Tax of the results for the year | 183.942 | 136.554 |
| Adjustment for the year of deferred tax | 70.572 | 13.932 |
| | <u>254.514</u> | <u>150.486</u> |
| | | |
| 3. Land and property | | |
| Cost 1 June 2019 | 14.845.429 | 14.845.429 |
| Additions during the year | 15.530 | 0 |
| Cost 31 May 2020 | <u>14.860.959</u> | <u>14.845.429</u> |
| | | |
| Depreciation and writedown 1 June 2019 | -4.293.576 | -3.956.471 |
| Depreciation for the year | -135.068 | -337.105 |
| Depreciation and writedown 31 May 2020 | <u>-4.428.644</u> | <u>-4.293.576</u> |
| | | |
| Book value 31 May 2020 | <u>10.432.315</u> | <u>10.551.853</u> |

Notes

All amounts in DKK.

| | <u>31/5 2020</u> | <u>31/5 2019</u> |
|--|--------------------------|--------------------------|
| 4. Other plants, operating assets, and fixtures and furniture | | |
| Cost 1 June 2019 | 2.813.346 | 2.912.483 |
| Additions during the year | 73.001 | 30.161 |
| Disposals during the year | <u>-321.250</u> | <u>-129.298</u> |
| Cost 31 May 2020 | <u>2.565.097</u> | <u>2.813.346</u> |
| Amortisation and writedown 1 June 2019 | -2.483.719 | -2.400.017 |
| Depreciation for the year | -111.806 | -213.000 |
| Reversal of depreciation, amortisation and writedown, assets disposed of | <u>163.250</u> | <u>129.298</u> |
| Amortisation and writedown 31 May 2020 | <u>-2.432.275</u> | <u>-2.483.719</u> |
| Book value 31 May 2020 | <u>132.822</u> | <u>329.627</u> |

Notes

All amounts in DKK.

5. Contingencies

Contingent liabilities

Leasing liabilities

Leasing liabilities comprises of lease agreements until maturity in total of DKK 72.844.

6. Related parties

Consolidated financial statements

The company is included in the consolidated financial statements of Monacor International GmbH & Co KG, Zum Falsch 36, D-28307 Bremen.