PIERRE.DK AUTOLAKERING A/S

Trianglen 12
6000 Kolding

CVR no. 15 00 02 95

ANNUAL REPORT FOR 2020

Adopted at the annual general meeting on
4. maj 2021

Bo Jacobsen
chairman

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory and executive boards have today discussed and approved the annual report of pierre.dk Autolakering A/S for the financial year 1 January - 31 December 2020.

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

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 December 2020 and of the results of the group and the company operations and consolidated cash flows for the financial year 1 January - 31 December 2020.

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.

Kolding, 4 May 2021

Executive board

Bo Boelck Jacobsen
CEO

Supervisory board

Pierre Legarth Chairman	Christian Moritz Kukwa	Dirk Wischnewski

INDEPENDENT AUDITOR'S REPORT

To the shareholder of pierre.dk Autolakering A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of pierre.dk Autolakering A/S for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes, for both the group and the parent company . The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group and the parent company's financial position at 31 December 2020 and of the results of the group and the parent company's operations and cash flows for the financial year 1 January - 31 December 2020 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 consolidated financial statements and parent company ” section of our report. We are independent of the group 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 consolidated financial statements and the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and the parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent 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 consolidated financial statements and parent company financial statements unless management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 group's and the parent 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 consolidated financial statements and parent company 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 group's and the parent 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 consolidated financial statements and parent company 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 group and the company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information for the group's entities or business activities to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and conducting the audit of the group. We alone are responsible for our audit opinion.

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 consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements and parent company 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.

Based on the work we have performed, we conclude that management's review is in accordance with the consolidated financial statements and parent company 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.

INDEPENDENT AUDITOR'S REPORT

Skanderborg, 4 May 2021

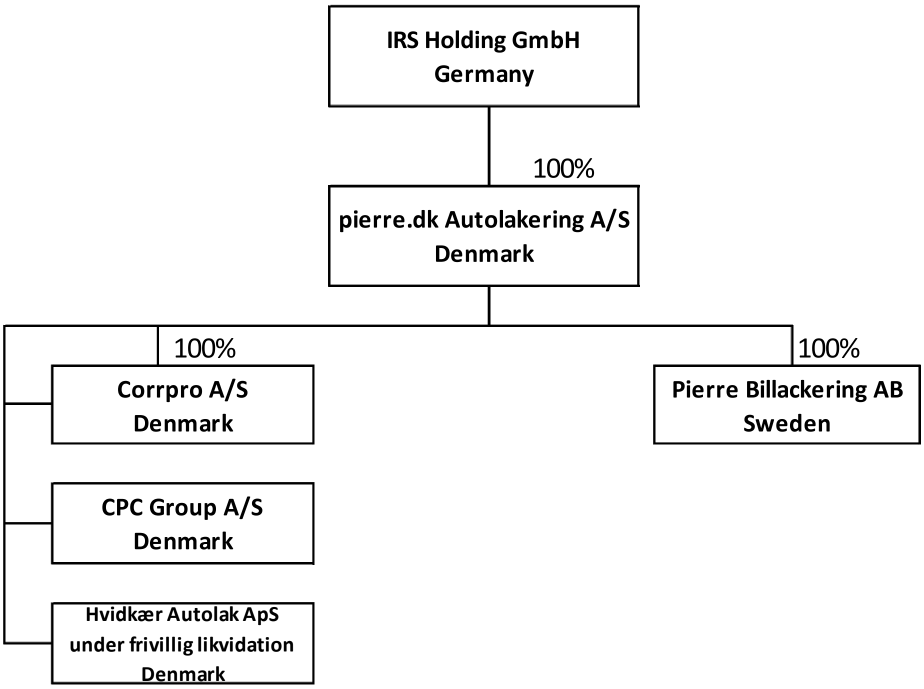
ADVOSION
Statsautoriseret revisionspartnerselskab
CVR no. 37 55 70 64

Henrik Hansen
statsautoriseret revisor
MNE no. mne21336

COMPANY DETAILS

The company	pierre.dk Autolakering A/S Trianglen 12 6000 Kolding	
	Telephone:	70 108 108
	Website:	www.pierre.dk
	CVR no.:	15 00 02 95
	Reporting period: Incorporated:	1 January - 31 December 2020 1 January 1991
	Domicile:	Kolding
Supervisory board	Pierre Legarth, chairman Christian Moritz Kukwa Dirk Wischnewski	
Executive board	Bo Boelck Jacobsen, CEO	
Auditors	ADVOSION Statsautoriseret revisionspartnerselskab Krøyer Kielbergs Vej 3, 5 th. 8660 Skanderborg	
Consolidated financial statements	The company is reflected in the group report as the parent company IRS Holding GmbH The group report of can be obtained at the following address: Halstenbeker Weg 96B 25462 Rellingen Tyskland	

GROUP CHART


IRS Holding GmbH
Germany
100%
pierre.dk Autolakering A/S
Denmark
100%
Corrpro A/S
Denmark
CPC Group A/S
Denmark
Hvidkær Autolak ApS
under frivillig likvidation
Denmark
100%
Pierre Billackering AB
Sweden

FINANCIAL HIGHLIGHTS

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	Group				
	2020	2019	2018	2017	2016 (16 mdr.)
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss before net financials	24.437	31.567	25.280	23.786	25.473
Net financials	-11.511	-17.025	-9.447	-8.172	-5.746
Profit/loss for the year	9.250	10.780	12.408	12.067	15.913
Balance sheet					
Balance sheet total	484.228	477.588	435.040	406.730	328.962
Investment in property, plant and equipment	31.947	28.119	32.690	45.701	94.978
Equity	94.101	84.613	74.426	65.351	55.316
Financial ratios					
Solvency ratio	19,4%	17,7%	17,1%	16,1%	16,8%
Return on equity	10,4%	13,6%	17,8%	20,0%	21,9%
Current ratio	126,0%	125,8%	141,0%	191,6%	185,5%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies..

MANAGEMENT'S REVIEW

Principal activities

The pierre.dk Group's activities consist of car paint repairs, undercoating and rim repairs as sub-suppliers for car dealerships in Denmark and Sweden

Financial review

The group's income statement for the year ended 31 December 2020 shows a profit of TDKK 9.250, and the balance sheet at 31 December 2020 shows equity of TDKK 94.101.

In the current financial year, the pierre.dk Group has continued the expansion of the company's position as Europe's leading and largest car paint business, and is this still the market leader in Denmark and Sweden.

With this market position, pierre.dk has developed a car paint chain that is the car industry's preferred cooperation partner regarding paint jobs related to car damage and can be flexible and match the customers' needs, both now and in future.

pierre.dk's divisions, which are all KS2000, ISO 9001:2008 and DS/OHSAS 18001:2008 certified, are managed according to the same high standards as regards quality, reliability of delivery and service, guaranteeing the customers an efficient and professional strategic cooperation partner.

pierre.dk is part of the Intelligent Repair Solution Holding GmbH group.

<u>Denmark</u>

The activity level in Denmark has been challenged by the current COVID-19 pandemic, which has had a negative influence on the activity level. The level of competition in our business areas is at the same high level as in 2019.

It is pierre.dk's opinion that the current consolidation of the paint and car industry will continue. We already see the first effects of recent years' decrease in the amount of active car painters, and if the industry does not succeed in increasing the flow to the car paint profession, this development will continue. Hence, pierre.dk will continue to increase our apprentice activities.

In 2020, pierre.dk has continued the damage calculation dialogue with our customers, insurance companies and trade organisations, in order to jointly increase the confidence and minimise the waste of resources on non-value generating activities.

In 2020, pierre.dk took over a painting centre and a Dinitrol centre, as well as we have starting setting up a Dinotrol Center. During 2020, all of these centres have been integrated into pierre.dk's production and administrative set-up.

MANAGEMENT'S REVIEW

In 2020, we have furthermore commenced a transformation of our organisation and market approach in order to bring pierre.dk even closer to our cooperation partner in order for us to support our customers' needs even faster and better.

pierre.dk's concept and strategy as regards delivery of the market's highest quality in time and at competitive prices is continued, but our quality will also focus even more on service and closeness.

Sweden

The general demand for car paint in Sweden in 2020 was also affected by the COVID-19 pandemic. However, Sweden's approach to COVID-19 has meant that the impact has not been as significant in Sweden as in Denmark.

In 2020, we have set up three ultra-modern painting centres in Sweden, two of which are in-house facilities. Our positive experience from this means that the continued development of our network will consist in a combination of acquisitions and set-ups.

In the financial year, significant resources have been invested in streamlining the Swedish divisions to pierre.dk's concept, including alignment of IT systems and a joint call center.

Financial development

The pierre.dk group realised profit from operations of DKK 9,2 million, which is DKK 1,5 million less than last year. As at 31 December 2020, equity amounts to DKK 94,1 million, and the solcency ratio amounts to 19,4 %.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the the group's financial position.

MANAGEMENT'S REVIEW

Expected development

We expect that the positive development of the pierre.dk Group's market position in the area of car paint, undercoating and rim repairs in Denmark and Sweden will continue in 2021.

It is intended to set up a nationwide sister chain in Sweden, like the one in Denmark, under the name of "pierre Billackering AB", and the company expects to set up/acquire several car paint centres in 2021 and in the coming years.

More than 160,000 paint jobs related to car damages is expected for 2020. It is expected to realise the increased activity levels by organic growth and by the acquiring paint centres.

COVID-19 is also expected to have an impact on the pierre.dk Group activities in 2021.

pierre.dk expects a satisfactory result for the year 2021.

pierre.dk will continue its strong focus on improving central processes within sales, production, purchase and administration. This, compared with continued reliability of delivery, the highest quality and service in the market and competitive prices, will ensure that pierre.dk also in future may keep the "yellow jersey".

Environment

pierre.dk is certified according to the ISO 9001:2008 and OHSAS 18001:2008 standards by the accredited company, Bureau Veritas Danmark, which means that pierre.dk is continuously working on reducing the impact from the outside world and improving the internal working environment and securing a high quality of the work carried out in pierre.dk's workshops – in cooperation with suppliers and external specialists.

Currency and interest risk

The company has taken out loans in euros and Swedish Kroner and is thus affected by foreign exchange rates.

The company's financing mainly consists of variable interest loans and is consequently affected by interest level fluctuations.

Corporate social responsibility

pierre.dk has not made any corporate social responsibility policies.

MANAGEMENT'S REVIEW

Target figures and policies for the underrepresented gender

pierre.dk's policy regarding gender distribution in the management is: pierre.dk's management andemployees are generally appointed on the basis of qualifications and without having regard to gender,ethnic origin etc., and consequently pierre.dk does not have as a target that the management shall consistof a certain number of men or women, but only that the management shall consists of the most suitablepersons to ensure that the company's strategy etc. is realised in the best possible way.

ACCOUNTING POLICIES

The annual report of pierre.dk Autolakering A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

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

The annual report for 2020 is presented in TDKK

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 group's and the parent company's 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 group's and the parent company's 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.

Consolidated financial statements

The consolidated financial statements comprise the parent company pierredk Autolakering AS and subsidiaries in which the parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, cf. the group chart.

The consolidated financial statements are prepared as a consolidation of the parent company's and subsidiaries' financial statements by aggregating uniform accounting items. On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

ACCOUNTING POLICIES

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date at which control is obtained. Entities sold during the year are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Income statement

Revenue

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

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Cost of productions

Cost of productions comprises the cost of acquiring or manufacturing the products sold by the company to generate the year’s revenue. Manufacturing companies recognise direct and indirect costs of production, including costs of raw materials and consumables, wages and salaries, energy consumption, maintenance, leasing and depreciation of production plant, adjustments being made for changes in inventories of finished goods and work in progress. Manufacturing companies recognise cost of sales and inventory write-downs for wastage, obsolete inventories and impairment losses.

Distribution costs

Distribution costs comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

Administrative costs

Administrative costs comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

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.

ACCOUNTING POLICIES

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 and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Profit/loss from investments in subsidiaries

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the parent company's income statement after full elimination of intra-group profits/losses.

The proportionate share of the profit/loss for the year of associates is recognised in both the consolidated and the parent company's income statement after elimination of the proportionate share of intra-group profits/gains.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

The parent company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

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

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.

Where individual components of an item of property, plant and equipment have different useful lives, and the individual component is a significant part of the total cost, the cost is divided into separate components, which are depreciated separately.

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

ACCOUNTING POLICIES

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-25 years	0-20 %
Leasehold improvements	5-10 years	0 %

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Leases

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, 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 depreciated as the company's other non-current assets.

The capitalised residual lease commitment 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.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

Investments in subsidiaries

Investments in subsidiaries and associates are measured in the parent company financial statements using the equity method.

Investments in subsidiaries, associates and participating interests are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

ACCOUNTING POLICIES

Goodwill on consolidation is amortised over the expected useful economic life based on management's experience from each individual business segment. Goodwill on consolidation is amortised on a straight-line basis over the amortisation period, which is 5-20 years. The amortisation period is fixed based on the assessment that the strategically acquired entities have a strong market position and a long-term earnings profile.

Investments in subsidiaries, associates and participating interests with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries, associates and participating interests are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of pierre.dk Autolakering A/S is adopted are not taken to the net revaluation reserve.

Acquirees are accounted for using the purchase method, see the above description of consolidated financial statements and calculation of goodwill.

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

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.

ACCOUNTING POLICIES

The net realisable value of stocks is calculated as the expected selling price less direct 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, which normally corresponds to nominel value.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

Prepayments

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

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method in the company's financial statements comprises net revaluation of investments in subsidiaries and associates relative to the cost.

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.

Income tax and deferred tax

As management company, pierre.dk Autolakering A/S is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

ACCOUNTING POLICIES

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.

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.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual finance lease commitment.

Other 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. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries, associates and participating interests are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of such entities opening equity at closing rate and on translation of the income statements from the exchange rates at the transaction date to closing rate are taken directly to the fair value reserve under 'Equity' in the consolidated financial statements.

ACCOUNTING POLICIES

Foreign exchange adjustments of balances with separate entities which are considered part of the investment in the subsidiary are taken directly to the fair value reserve under 'Equity'. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments entered into to hedge net investments in such entities are taken directly to equity.

Cash flow statement

The cash flow statement shows the group's and the parent company's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the group's and the parent company's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are stated as the group's and the parent company's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes. Dividend income from investments is recognised under ‘Interest income and dividend received’.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the group's and the parent company's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial highlights

Definitions of financial ratios.

ACCOUNTING POLICIES

Solvency ratio	$\frac{\text{Equity at year-end x 100}}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$
Current ratio	$\frac{\text{Total current assets x 100}}{\text{Short-term liabilities}}$

INCOME STATEMENT 1 JANUARY 2020 - 31 DECEMBER 2020

	Note	Group 2020 TDKK	Group 2019 TDKK	Parent company 2020 TDKK	Parent company 2019 TDKK
Revenue	1	**395.126**	**377.967**	**233.132**	**239.689**
Cost of productions	2	-316.488	-302.594	-195.645	-193.063
Gross profit		**78.638**	**75.373**	**37.487**	**46.626**
Distribution costs	2	-20.252	-12.569	-6.657	-6.104
Administrative costs	2-3	-38.210	-30.979	-25.132	-21.747
Operating profit/loss		**20.176**	**31.825**	**5.698**	**18.775**
Other operating income	4	6.105	-258	5.129	-65
Other operating costs		-1.844	0	-1.832	0
Profit/loss before financial income and expenses		**24.437**	**31.567**	**8.995**	**18.710**
Income from investments in subsidiares		0	0	8.308	6.516
Financial income	5	8.254	728	11.641	4.452
Financial costs	6	-19.765	-17.753	-19.445	-17.259
Profit/loss before tax		**12.926**	**14.542**	**9.499**	**12.419**
Tax on profit/loss for the year	7	-3.676	-3.762	-249	-1.639
Net profit/loss for the year		**9.250**	**10.780**	**9.250**	**10.780**

Proposed distribution of profit

Reserve for net revaluation under the equity method				2.308	6.516
Retained earnings				6.942	4.264
				9.250	**10.780**

BALANCE SHEET AT 31 DECEMBER 2020

		Group		Parent company	
	Note	2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
Assets					
Goodwill		137.314	143.919	71.436	72.064
Intangible assets	8	**137.314**	**143.919**	**71.436**	**72.064**
Other fixtures and fittings, tools and equipment	9	236.836	230.231	159.061	165.902
Leasehold improvements	9	2.808	43	0	0
Tangible assets		**239.644**	**230.274**	**159.061**	**165.902**
Investments in subsidiaries	10	0	0	80.127	71.319
Other receivables		6.234	4.871	0	0
Deposits		6.498	8.495	6.328	6.245
Fixed asset investments		**12.732**	**13.366**	**86.455**	**77.564**
Total non-current assets		**389.690**	**387.559**	**316.952**	**315.530**
Raw materials and consumables		15.856	15.185	7.912	7.600
Work in progress		319	201	319	201
Stocks		**16.175**	**15.386**	**8.231**	**7.801**
Trade receivables		44.369	36.966	30.254	19.084
Receivables from subsidiaries		0	15	84.162	68.137
Other receivables		5.130	5.699	4.205	5.157
Prepayments	11	4.101	4.213	1.986	2.199
Receivables		**53.600**	**46.893**	**120.607**	**94.577**
Cash at bank and in hand		**24.763**	**27.750**	**9.262**	**17.380**
Total current assets		**94.538**	**90.029**	**138.100**	**119.758**
Total assets		**484.228**	**477.588**	**455.052**	**435.288**

BALANCE SHEET AT 31 DECEMBER 2020

	Note	Group 2020	Group 2019	Parent company 2020	Parent company 2019
		TDKK	TDKK	TDKK	TDKK
Equity and liabilities					
Share capital		500	500	500	500
Reserve for net revaluation under the equity method		0	0	31.956	29.649
Retained earnings		93.601	84.113	61.645	54.464
Equity	12	**94.101**	**84.613**	**94.101**	**84.613**
Provision for deferred tax	13	31.478	31.005	22.349	23.339
Total provisions		**31.478**	**31.005**	**22.349**	**23.339**
Lease obligations		4.974	4.703	4.586	4.462
Payables to group enterprises		269.520	263.638	269.520	263.638
Other payables		9.100	22.060	9.099	13.852
Total non-current liabilities	14	**283.594**	**290.401**	**283.205**	**281.952**
Short-term part of lon-term debt	14	9.886	6.345	7.188	5.931
Trade payables		10.958	17.725	5.532	8.625
Payables to group enterprises		0	2.820	5.142	2.265
Corporation tax		1.540	940	74	0
Other payables		52.671	43.739	37.461	28.563
Total current liabilities		**75.055**	**71.569**	**55.397**	**45.384**
Total liabilities		**358.649**	**361.970**	**338.602**	**327.336**
Total equity and liabilities		**484.228**	**477.588**	**455.052**	**435.288**

Staff	2
Contingent liabilities	15
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Related parties and ownership structure	17
Fee to auditors appointed at the general meeting	3

STATEMENT OF CHANGES IN EQUITY

Group

	Share capital	Retained earnings	Total
Equity at 1 January 2020	500	84.112	84.612
Other equity movements	0	239	239
Net profit/loss for the year	0	9.250	9.250
Equity at 31 December 2020	**500**	**93.601**	**94.101**

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2020	500	29.648	54.464	84.612
Other equity movements	0	0	239	239
Net profit/loss for the year	0	2.308	6.942	9.250
Equity at 31 December 2020	**500**	**31.956**	**61.645**	**94.101**

CASH FLOW STATEMENT 1 JANUARY 2020 - 31 DECEMBER 2020

		Group		Parent company	
	Note	2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
Net profit/loss for the year		9.250	10.780	9.250	10.780
Adjustments	18	48.174	49.696	22.247	29.991
Change in working capital	19	-5.466	-341	-4.630	-2.211
Cash flows from operating activities before financial income and expenses		**51.958**	**60.135**	**26.867**	**38.560**
Financial income		8.254	728	11.641	4.452
Financial costs		-19.765	-16.977	-19.444	-17.259
Cash flows from ordinary activities		**40.447**	**43.886**	**19.064**	**25.753**
Corporation tax paid		-2.064	-181	-1.166	0
Other adjustments		0	68	0	0
Cash flows from operating activities		**38.383**	**43.773**	**17.898**	**25.753**
Purchase of intangible assets		-6.878	-17.924	-6.040	-6.676
Purchase of property, plant and equipment		-31.947	-28.119	-8.865	-14.754
Fixed asset investments made etc		0	-41.252	-500	-41.252
Small acquisitions		-2.033	-1.603	-1.659	-1.240
Sale of property, plant and equipment		4.567	1.352	1.530	1.075
Change in deposits		987	-1.726	-83	48
Cash flows from investing activities		**-35.304**	**-89.272**	**-15.617**	**-62.799**

CASH FLOW STATEMENT 1 JANUARY 2020 - 31 DECEMBER 2020 (CONTINUED)

		Group		Parent company	
	Note	2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
Reduction of lease obligations		0	0	0	2.103
Repayment of payables to group enterprises		0	0	-7.266	0
Repayment of other long-term debt		-9.534	6.532	-3.573	8.457
Lease liabilities assumed		387	1.719	201	0
Raising of loans from group subsidiaries		2.842	45.808	0	34.391
Other adjustments		239	-322	239	-322
Cash flows from financing activities		**-6.066**	**53.737**	**-10.399**	**44.629**
Change in cash and cash equivalents		**-2.987**	**8.238**	**-8.118**	**7.583**
Cash at bank and in hand		27.750	15.645	17.380	9.797
Addition from acquisitions		0	3.867	0	0
Cash and cash equivalents		27.750	19.512	17.380	9.797
Cash and cash equivalents		**24.763**	**27.750**	**9.262**	**17.380**
Analysis of cash and cash equivalents:					
Cash at bank and in hand		24.763	27.750	9.262	17.380
Cash and cash equivalents		**24.763**	**27.750**	**9.262**	**17.380**

NOTES

1 Information on segments

Activities - primary segment

t.kr.	Paint	Underco-at	Other	Group
2020				
Revenue	362.268	32.858	0	395.126
2019				
Revenue	363.709	14.257	0	377.966

Parent Company

	Paint	Underco-at	Other	Parent
2020				
Revenue	233.132	0	0	233.132
2019				
Revenue	239.688	0	0	239.688

Geographical - secondary segment

	Denmark	Sweden	Other	Group
2020				
Revenue	265.991	129.135	0	395.126
2019				
Revenue	253.895	124.071	0	377.966

Parent Company

	Denmark	Sweden	Other	Parent
2020				
Revenue	233.132	0	0	233.132
2019				
Revenue	239.688	0	0	239.688

NOTES

	Group		Parent company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
2 Staff				
Wages and Salaries	171.885	162.897	119.788	117.957
Pensions	10.430	9.913	8.831	8.647
Other social security expenses	20.032	17.921	2.486	2.337
Other staff expenses	2.199	1.633	1.719	800
	204.546	**192.364**	**132.824**	**129.741**
Wages and Salaries, pensions, other social security expenses and other staff expenses are recognised in the following items:				
Cost of sales	180.673	174.588	119.192	117.493
Distribution expenses	9.704	5.930	4.053	3.801
Administrative expenses	14.169	11.846	9.579	8.447
	204.546	**192.364**	**132.824**	**129.741**
Including remuneration to the executive board:				
Executive and Supervisory Board	2.976	3.167	2.976	3.167
	2.976	**3.167**	**2.976**	**3.167**
Average number of employees	465	451	294	282

NOTES

		Group		Parent company	
		2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
3	**Fee to auditors appointed at the general meeting**				
	Audit fee	203	195	132	143
	Non-audit services	59	105	48	105
	ADVOSION	262	300	180	248
	Statsautoriseret revisionspartner-selskab:				
	Audit fee	146	160	0	0
	Tax advisory services	22	21	0	0
	Others	168	181	0	0
	Total	**430**	**481**	**180**	**248**

4 Special items

Special items include significant income and expenses of a special nature in proportion to the enterprise'sordinary operating activities. Special items also include significant amounts of non-recurring nature.

Special items for the year are specified below, showing where these are recognised in the income profit and loss account.

	Group 2020	Group 2019	Parent 2020	Parent 2019
Other operating income				
Covid-19 compensation	5.087	0	5.087	0
	5.087	**0**	**5.087**	**0**

NOTES

		Group		Parent company	
		2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
5	**Financial income**				
	Interest received from subsidiaries/Group Entreprises	5.448	395	10.573	4.232
	Other financial income	2.806	333	1.068	220
		8.254	**728**	**11.641**	**4.452**
6	**Financial costs**				
	Interest paid to subsidiaries/Group Entreprises	18.088	16.657	18.144	16.657
	Other financial costs	1.677	1.096	1.301	602
		19.765	**17.753**	**19.445**	**17.259**
7	**Tax on profit/loss for the year**				
	Current tax for the year	3.326	903	0	0
	Deferred tax for the year	344	2.852	249	1.639
	Adjustment of tax concerning previous years	6	7	0	0
		3.676	**3.762**	**249**	**1.639**
	which breaks down as follows				
	Tax on profit/loss for the year	3.676	3.762	249	1.639
	Tax on changes in equity	0	0	0	0
		3.676	**3.762**	**249**	**1.639**

NOTES

8 Intangible assets

Group

	Goodwill
Cost at 1 January 2020	173.800
Exchange adjustment	-505
Additions for the year	6.878
Disposals for the year	-4.035
Cost at 31 December 2020	176.138
Impairment losses and amortisation at 1 January 2020	29.881
Depreciation for the year	9.539
Reversal of depreciation of sold assets	-596
Impairment losses and amortisation at 31 December 2020	38.824
Carrying amount at 31 December 2020	**137.314**

Parent company

	Goodwill
Cost at 1 January 2020	96.801
Additions for the year	6.040
Disposals for the year	-1.596
Cost at 31 December 2020	101.245
Impairment losses and amortisation at 1 January 2020	24.737
Depreciation for the year	5.668
Reversal of depreciation of sold assets	-596
Impairment losses and amortisation at 31 December 2020	29.809
Carrying amount at 31 December 2020	**71.436**

NOTES

9 Tangible assets

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2020	340.620	294	340.914
Additions for the year	29.120	2.827	31.947
Disposals for the year	-8.883	-294	-9.177
Cost at 31 December 2020	360.857	2.827	363.684
Net effect from merger and acquisition	0	0	0
Impairment losses and depreciation at 1 January 2020	110.424	251	110.675
Depreciation for the year	21.778	44	21.822
Reversal of impairment and depreciation of sold assets	-8.181	-276	-8.457
Impairment losses and depreciation at 31 December 2020	124.021	19	124.040
Carrying amount at 31 December 2020	**236.836**	**2.808**	**239.644**
Value of leased assets	11.033	0	

NOTES

9 Tangible assets (continued)

Parent company

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2020	256.162
Additions for the year	8.865
Disposals for the year	-8.518
Cost at 31 December 2020	256.509
Impairment losses and depreciation at 1 January 2020	90.261
Depreciation for the year	15.219
Reversal of impairment and depreciation of sold assets	-8.032
Impairment losses and depreciation at 31 December 2020	97.448
Carrying amount at 31 December 2020	**159.061**

NOTES

		Parent company	
		2020	2019
		TDKK	TDKK
10	**Investments in subsidiaries**		
	Cost at 1 January 2020	41.671	419
	Additions for the year	500	41.252
	Cost at 31 December 2020	42.171	41.671
	Revaluations at 1 January 2020	29.648	23.076
	Exchange adjustment	0	56
	Net profit/loss for the year	10.099	7.262
	Depreciation of goodwill	-1.791	-746
	Revaluations at 31 December 2020	37.956	29.648
	Carrying amount at 31 December 2020	**80.127**	**71.319**

Remaining positive difference included in the above carrying amount at 31 December 2020	42.801

Parent company
Investments in subsidiaries are specified as follows:

Navn	Registered office	Ownership interest
Pierre Billackering AB	Sweden	100%
Corrpro A/S	Roskilde	100%
Hvidkær Autolak ApS under frivillig likvidation	Odense	100%
CPC Group A/S	Kolding	100%

NOTES

11 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums and subscriptions.

12 Equity

The share capital consists of 5 shares of a nominal value of TDKK 100. No shares carry any special rights.

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

	Group		Parent company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
13 Provision for deferred tax				
Provision for deferred tax at 1 January 2020	30.964	28.310	23.298	21.701
Deferred tax recognised in income statement	514	2.852	-949	1.638
Provisions for deferred tax through net exchange differences for foreign companys	0	-157	0	0
Provision for deferred tax at 31 December 2020	**31.478**	**31.005**	**22.349**	**23.339**
Intangible assets	4.124	5.232	2.543	3.885
Property, plant and equipment	31.369	31.236	23.889	24.915
Other taxable temporary differences	-4.015	-5.463	-4.083	-5.461
	31.478	**31.005**	**22.349**	**23.339**

NOTES

14 Long term debt

Group	Debt at 1 January 2020	Debt at 31 December 2020	Instalment next year	Debt outstanding after 5 years
Lease obligations	6.551	6.938	1.964	0
Payables to group enterprises	0	269.520	0	0
Other payables	26.556	17.022	7.922	0
	33.107	**293.480**	**9.886**	**0**

Parent Company	Debt at 1 January 2020	Debt at 31 December 2020	Instalment next year	Debt outstanding after 5 years
Lease obligations	6.243	6.444	1.858	0
Payables to group enterprises	263.638	269.520	0	0
Other payables	18.002	14.429	5.330	0
	287.883	**290.393**	**7.188**	**0**

NOTES

15 Contingent liabilities

The company has entered into non-terminable leases with a lease liability totalling DKK 111.052 thousand and a remaining contract period of up to 9 years.

The company has entered into operational leasing agreements at an average annual lease payment of DKK 598 thousand. The operational leasing agreement have a remaining contract period of 2-52 months and a total nominal residual lease liability of DKK 816 Thousand.

Contingent liabilities related to group enterprises
The company has entered into non-terminable leases with a lease liability totalling DKK 149.690 thousand and a remaining contract period of up to 11 years.

The company has entered into operating leases at an average annual lease payment of DKK 686 thousand. The leases have a remaining contract period of 2-52 months and a total nominal residual lease liabilityof DKK 992 Thousand.

16 Mortgages and collateral

The group has not assumed any gurantee and warranty commitments other than those assumed in the company's normal cause of business.

As security for bank debt the parent company has issued mortgage deeds registered to the mortgagor, totalling DKK 1.500 thousand, in equipment, intagible assets and rental rights with a book value of DKK 812 thousand.

Mortgages and collateral vis-à-vis the parent company and group entities

The company has not assumed any gurantee and warranty commitments other than those assumedin the company's normal cause of business.

As security for bank debt the parent company has issued mortgage deeds registered to the mortgagor, totalling DKK 1.500 thousand, in equipment, intagible assets and rental rights with a book value of DKK 812 thousand.

The subsidariy company CPC Group A/S has issued a bankgarantee for DKK 175 thousand as security for rentdeposit

NOTES

17 Related parties and ownership structure

Controlling interest

IRS Holding GmbH
25462 Rellingen, Germany

Transactions

Pursuant to section 98c of the Danish Financial Statements Act, it can be stated that there have been no related party transactions that have not been carried out under normal market conditions.

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

IRS Holding GmbH

	Group		Parent company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
18 Cash flow statement - adjustments				
Financial income	-8.254	-728	-11.641	-4.452
Financial costs	19.765	17.753	19.445	17.259
Depreciation, amortisation and impairment losses	32.987	28.909	22.502	22.061
Income from investments in subsidiares	0	0	-8.308	-6.516
Tax on profit/loss for the year	3.676	3.762	249	1.639
	48.174	**49.696**	**22.247**	**29.991**

	Group		Parent company	
	2020	2019	2020	2019
19 Cash flow statement - change in working capital				
Change in inventories	-789	-1.134	-430	-470
Change in receivables	-7.201	1.772	-10.007	3.903
Change in trade payables, etc.	2.524	-979	5.807	-5.644
	-5.466	**-341**	**-4.630**	**-2.211**

Bo Boelck Jacobsen

As CEO (Direktør)
PID: 9208-2002-2-234650982802
Time of signature: 11-05-2021 at: 06:59:58
Signed with NemID

NEM ID

Pierre Legarth

As Chairman (Bestyrelsesformand)
PID: 9208-2002-2-614221837531
Time of signature: 13-05-2021 at: 07:31:00
Signed with NemID

NEM ID

Dirk Wischnewski
As Member of the board (Bestyrelsesmedlem)
IP-address: 176.95.1.2:39325
Time of signature: 11-05-2021 at: 08:35:18
Signed with esignatur EasySign

Christian Moritz Kukwa
As Member of the board (Bestyrelsesmedlem)
IP-address: 213.152.104.33:51446
Time of signature: 11-05-2021 at: 07:07:50
Signed with esignatur EasySign

Henrik Hansen

As Accountant (Statsautoriseret revisor()
On behalf of ADVOSION statsautoriseret revisionspartnerse...
RID: 80810872
Time of signature: 13-05-2021 at: 18:55:52
Signed with NemID

NEM ID

Bo Boelck Jacobsen

As Chairman (Dirigent)
PID: 9208-2002-2-234650982802
Time of signature: 14-05-2021 at: 12:54:59
Signed with NemID

NEM ID