



ICM A/S

Kærvej 25
2970 Hørsholm
CVR No. 15150033

Annual report 2020

The Annual General Meeting adopted the
annual report on 16.04.2021

Jan Selchau

Chairman of the General Meeting

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Entity details

Entity

ICM A/S

Kærvej 25

2970 Hørsholm

CVR No.: 15150033

Registered office: Hørsholm

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Søren Holmbom, Chairman of the Board

Niels-Ole Krøjer Svendsen, Vice chairman

Nils Lykke Rasmussen

Jan Selchau

Kim Pedersen

Executive Board

Jan Selchau, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of ICM A/S for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hørsholm, 16.04.2021

Executive Board

Jan Selchau

Chief Executive Officer

Board of Directors

Søren Holmbom

Chairman of the Board

Niels-Ole Krøjer Svendsen

Vice chairman

Nils Lykke Rasmussen

Jan Selchau

Kim Pedersen

Independent auditor's report

To the shareholders of ICM A/S

Opinion

We have audited the financial statements of ICM A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Copenhagen, 16.04.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant
Identification No (MNE) mne33712

Management commentary

Financial highlights

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
Key figures					
Revenue	432,694	413,753	367,326	368,658	354,649
Gross profit/loss	100,070	94,091	82,611	80,860	74,794
Operating profit/loss	30,193	19,050	4,819	13,086	4,035
Net financials	328	(865)	(572)	(1,795)	(1,547)
Profit/loss for the year	23,086	12,138	1,103	6,808	2,216
Total assets	173,741	168,128	159,501	155,872	149,794
Investments in property, plant and equipment	0	621	873	1,899	5,744
Equity	109,656	86,570	84,432	83,219	63,863
Average number of employees	109	112	115	100	93
Ratios					
Return on equity (%)	23.53	14.20	1.32	9.26	3.5
Equity ratio (%)	63.11	51.49	52.94	53.39	42.63

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

The Company's primary activities are sale of working environment solutions from leading manufacturers and proprietary products under the BlueStar brand.

The Company's sales and service activities are focused on Danish and International business-to-business customers.

Development in activities and finances

The Company has continued to develop its position and activities relating to the sale of personal safety and environmental safety products.

The company started off with higher growth than expected in Q1, only partly triggered by the arrival of Covid-19, where certain products group were in great demand. Restrictions on the population and temporary lockdowns had a negative impact on the general demand for the rest of the year, but again, unexpected sales of products related to Covid-19 made up for the missing sales in general.

The Company continues to execute its strategy on added value and digital customer solutions for Danish and international customers.

The income statement for the financial year 01.01.2020 - 31.12.20 shows net results of DKK 23,085,724 against DKK 12,138,076 for the financial year 01.01.2019 - 31.12.2019. The balance sheet shows equity of DKK 109,655,745.

The Management is very satisfied with the net results for the year, but also recognizes that 2020 is an unusual year.

An agreement was made early in the year, where Bunzl Holding Danmark A/S was to acquire the majority of the shares in the company ICM. The agreement was submitted for approval by the Danish Competition and Consumer Authority, and was expected to be finalised during the spring of 2020. However, due to the circumstances surrounding Covid-19 the parties agreed to delay the process. On October 10 2020 the agreement was finalized, and Bunzl Holding Danmark A/S became the majority shareholder of ICM. As a consequence changes were made to the board of directors.

Market development

ICM A/S operates in the market of personal safety equipment and technical articles, particularly for the industrial and building sector.

In future, the Management will focus on continued expansion of the market share without compromising on the Company's profitability.

Uncertainty relating to recognition and measurement

No recognition or measurement uncertainty has been found in the annual report.

Outlook

The Company expects stable conditions, which will follow the general market development in Denmark. The EBITA result for 2021 is expected to be on a par with the result for 2019, but below the results for 2020, which were outstanding under the given circumstances.

Particular risks

Business Risk

For a number of years, the Company has established significant customer relations, whose continued development will affect the development of ICM A/S. Appreciable changes to these customer relations could imply that ICM A/S will be forced to adapt its business, which would, naturally, take some time and affect the results of the Company.

The strategy and operation of ICM A/S implies a reduction of the business risk of individual customers over time.

Financial risks

As a consequence of its operating activities, investments and financing, the Company is exposed to changes in exchange rates and interest rate levels. The Company pursues a low risk profile, ensuring that currency exposure as well as interest rate and credit risks shall only arise on the basis of commercial conditions.

Intellectual capital resources

The Company focuses on attracting and retaining the right employees as the Company depends on employees with the right skills and knowledge in order to further develop and optimise the business.

The Company has distributed its knowledge and expertise among several departments and many employees, and thus the Company estimates that it does not rely on individuals.

During 2020 the company had several employees working from home due to Covid-19. For the employees working in the offices and warehouse strict guidelines were implied and enforced to secure the organization. Great work was done by QHSE and the whole organization, so Covid-19 had very little impact on the working ability in the company. Knowledge and expertise were still fully available to all customers, even though we were apart from each other.

As at 31 December 2020, the Company had a staff of 107, which is on a par with 2019, where the Company had a staff of 112.

Statutory report on corporate social responsibility

Social model of the Company

The Company has implemented clear and written policies on corporate social responsibility, e.g. by means of four ISO certifications within the fields of Quality, Environment, Working environment and CSR.

We take responsibility for the society we are part of. Therefore, we offer reliable products with a good match between price and quality, knowledge at a high level, good working conditions and equal opportunities for all. We pay everyone their due, have good relations with the local community and the authorities and support charitable purposes.

Since 2015, we have worked with a Code of Conduct, specifying how we and our suppliers should act in relation to the 10 principles of the UN Global Compact.

We are part of the global supply chain and we wish to make a positive difference in the world just as many of our customers and suppliers. This is only achieved by making a great effort and we cannot do it alone, but through joint efforts, we believe we will succeed.

The policies on corporate social responsibility are published on the Company's website and can be found at the following URL: <https://catalogue.icmsafety.com/csr1/csr-rapport-202021/>

The Company's policies on quality, environment and working environment can be found at the following URL: <https://www.icmsafety.com/da/om-icm/politik-for-kvalitet-miljoe-arbejdsmiljoe-og-csr>

Environmental conditions and climate forcing

We support a precautionary approach to environmental challenges, wish to promote environmental responsibility and encourage the development and dissemination of environmentally sound technologies.

ICM sells products made of leather. The global demand for leather is rising due to increasing usage for footwear, clothes, bags and furniture, which are considered to be luxury and status products in many countries. Thus, the global supply of leather is also increasing, resulting in a growing pressure on animal welfare and the environment in the producer countries. Increasing amounts of leather are produced in Africa, shipped to Asia for processing, and then the finished goods are shipped to Europe. Ocean shipping is increasing the global environmental impact. ICM is aware of the environmental impact and risks due to increased dependency on raw materials from African countries, which often deal with poor infrastructure and political instability

Social relations and employee relations

Our values define us both as a company and as individuals. They are our guideposts in all that we do - from strategic decisions to our day-to-day activities - and they lay the groundwork for the conduct of the employees. Our primary values cover responsibility above all, a professional approach to the day-to-day operations, quality in all processes, we challenge status quo and seek new methods, we have a solutions-oriented approach to our activities and believe that knowledge sharing is key.

In 2020 our teambuilding initiatives and social events have been very limited due to restrictions surrounding Covid-19. However, we have tried in many digital ways to keep up the good spirit in the organization.

We constantly assess our options to exercise social responsibility by integrating refugees and creating flex-jobs and traineeships in the Company. In 2021, we expect to establish an extra traineeship in the Company.

Human rights

We support and respect the internationally accepted human rights and we will not be involved in any violation of these. We respect the right to freedom of association and collective bargaining and we will contribute to the abolition of forced labour, child labour and discriminatory treatment with regard to employment and occupation.

ICM sells products made of textiles that come from Danish recycling organisations and are cut up at supplier facilities abroad. The textile industry has a reputation of having many challenges with regard to human rights and for this reason, ICM has increased its dialogue with selected suppliers on this matter by requesting them to accept and respect the requirements in our Code of Conduct.

ICM wishes to ensure that work, which is contracted or sourced out, will be performed in a safe manner to avoid any harm or injuries to suppliers. For this reason, we have communicated our expectations to the suppliers through our Code of Conduct and the suppliers are reviewed regularly to identify those who require special dialogue, audit or other follow-up.

Anti-corruption and bribery

We will work against corruption, including blackmail and bribery. ICM does business with suppliers in many

countries where the business practices often are very different from Denmark. Naturally, we respect the cultural differences, but we will not accept having to compromise on corruption. This has been communicated through our Code of Conduct.

We have distributed our Code of Conduct, which our suppliers have been requested to respect and accept. Internally in the Company, we follow the generally accepted business practices through our values, policies, procedures, accounts and audit.

Substantial risks in relation to the business activities of the Company

Fire in the warehouse in Odense, where the Company could lose its stock, is a risk, which should be taken into consideration. The Company has a permanent service agreement on a fire-extinguishing installation, an internal employee who is trained in checking the installation and conditions, and internal training in fire and emergency response is implemented.

Inadequate quality and compliance in connection with particularly critical products is a business risk. The Company performs systematic inspections of high-risk products with special focus on reviewing all requirements and establishing a modification procedure. The Company will assess future resources in the QHSE department.

The Company is highly dependent on IT, which is also related to a business risk. IT breakdowns are prevented by using a hosting solution with backup from a major provider. In this way, the risk of internal IT failures is reduced, but the Company is still vulnerable to external failures, such as cable cuts.

Violation of the laws on personal data is a risk, which the Company prevents by having a procedure for handling of sensitive personal data as well as a policy for deletion of personal data that are no longer relevant.

Performance achieved as a result of the Company's CSR efforts

The application of protected workshops is a local community involvement. We work to form a partnership with a local technical school, teachers as well as students, on working environment knowhow.

ICM supports local and national knowledge and society building through participation in different business and industry networks. We are sponsors of Skills and Arbejds miljøprisen (the Danish working environment award), which is aimed at young people in the process of training, more specifically craftsmen, where focus is on a good working environment.

ICM creates jobs through organic growth and acquisition and only applies temporary workers to a limited extent. ICM uses local as well as international suppliers. ICM supports the development of the employees' competencies and applies certification schemes e.g. for service and maintenance of the customers' products. ICM has two flex-job employees - one has successfully increased his/her working hours - and we have established a traineeship.

Statutory report on the underrepresented gender

The Board of Directors has established a target figure for the under-represented gender in the Board of 16,7%, corresponding to 1 out of 6 members. At present, the Board consists of 5 persons, and are all men. Active efforts are made to meet the target figure for the underrepresented gender in the Board.

Statutory report on corporate governance

Corporate Governance

The framework of the organisation of the Management's responsibilities is the Danish Companies Act, the Danish Financial Statements Act, the Company's Articles of Association and good practice for businesses of the

same size and with identical international activities as ICM.

The Company's Board of Directors and Management constantly seek to ensure that the Group's management structure and control systems are appropriate and work in a satisfactory way. The Management will currently assess whether this is the case.

Shareholder relations

The top management shall currently assess whether the capital structure of the Company is in keeping with the interests of the Company and its stakeholders. The overall purpose is to ensure a capital structure that supports long-term, profitable growth.

The Company's Articles of Association contain no limitations in relation to ownership or voting rights.

Work of the Board of Directors

ICM's Board of Directors will ensure that the Management complies with the objectives and business processes adopted by the Board.

The Board of Directors will meet on regular basis, and the Board will get written monthly information about the Company's results and financial position. Extraordinary meetings will be convened if the situation so requires.

Management remuneration

In order to attract and retain a well-qualified management, the remuneration of the Management and Executives of the Company is fixed in consideration of responsibilities, value creation and conditions in comparable businesses.

Dividend policy

Payment of dividend will be made in consideration of any required consolidation of equity, as the basis of the Company's continued expansion, and of the existing agreements with the sources of finance.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Revenue	2	432,693,720	413,752,806
Cost of sales		(313,461,652)	(298,998,293)
Other external expenses	3	(19,161,717)	(20,663,646)
Gross profit/loss		100,070,351	94,090,867
Staff costs	4	(65,309,614)	(65,274,569)
Depreciation, amortisation and impairment losses	5	(4,567,845)	(9,766,175)
Operating profit/loss		30,192,892	19,050,123
Other financial income		640,853	327,987
Other financial expenses	6	(313,269)	(1,192,635)
Profit/loss before tax		30,520,476	18,185,475
Tax on profit/loss for the year	7	(7,434,752)	(6,047,399)
Profit/loss for the year	8	23,085,724	12,138,076

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	10	321,536	524,614
Goodwill		2,220,521	5,551,288
Intangible assets	9	2,542,057	6,075,902
Other fixtures and fittings, tools and equipment		770,258	1,239,935
Leasehold improvements		555,386	1,143,710
Property, plant and equipment	11	1,325,644	2,383,645
Deposits		1,131,579	1,144,753
Deferred tax	13	11,000	0
Financial assets	12	1,142,579	1,144,753
Long-term assets		5,010,280	9,604,300
Manufactured goods and goods for resale		79,540,205	79,182,207
Prepayments for goods		3,004,023	779,259
Inventories		82,544,228	79,961,466
Trade receivables		73,729,637	69,867,273
Receivables from group enterprises		6,000,000	5,436,800
Other receivables		1,223,013	0
Prepayments	14	1,971,203	479,515
Receivables		82,923,853	75,783,588
Cash		3,262,260	2,778,174
Assets		173,740,621	168,127,528

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		576,091	560,091
Unpaid contributed capital		(16,000)	0
Reserve for development expenditure		250,798	409,199
Retained earnings		88,844,856	85,600,731
Proposed dividend		20,000,000	0
Equity		109,655,745	86,570,021
Deferred tax	13	0	85,000
Other payables	15	5,917,452	1,954,468
Non-current liabilities other than provisions		5,917,452	2,039,468
Bank loans		0	26,199,680
Trade payables		37,985,235	36,643,280
Tax payable		6,549,752	5,814,399
Other payables	16	13,632,437	10,860,680
Current liabilities other than provisions		58,167,424	79,518,039
Liabilities other than provisions		64,084,876	81,557,507
Equity and liabilities		173,740,621	168,127,528
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Related parties with controlling interest	19		
Non-arm's length related party transactions	20		
Group relations	21		

Statement of changes in equity for 2020

	Contributed capital DKK	Unpaid contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK
Equity beginning of year	560,091	0	409,199	85,600,731	0
Increase of capital	16,000	(16,000)	0	0	0
Transfer to reserves	0	0	(158,401)	158,401	0
Profit/loss for the year	0	0	0	3,085,724	20,000,000
Equity end of year	576,091	(16,000)	250,798	88,844,856	20,000,000
					Total DKK
Equity beginning of year					86,570,021
Increase of capital					0
Transfer to reserves					0
Profit/loss for the year					23,085,724
Equity end of year					109,655,745

Notes

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Revenue

	2020	2019
	DKK	DKK
Denmark	319,386,380	313,125,204
Other countries in Europe	89,349,261	72,322,784
Rest of the world	23,958,079	28,304,818
Total revenue by geographical market	432,693,720	413,752,806

3 Fees to the auditor appointed by the Annual General Meeting

	2020	2019
	DKK	DKK
Statutory audit services	177,000	169,000
Tax services	21,000	20,500
Other services	21,000	15,500
	219,000	205,000

4 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	58,083,614	57,403,328
Pension costs	5,677,214	5,715,304
Other social security costs	667,757	808,466
Other staff costs	881,029	1,347,471
	65,309,614	65,274,569

Average number of full-time employees	109	112
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	Remuneration of management 2020 DKK	Remuneration of management 2019 DKK
Total amount for management categories	2,479,809	2,656,042
	2,479,809	2,656,042

5 Depreciation, amortisation and impairment losses

	2020 DKK	2019 DKK
Amortisation of intangible assets	3,533,845	8,896,131
Depreciation of property, plant and equipment	1,037,167	870,044
Profit/loss from sale of intangible assets and property, plant and equipment	(3,167)	0
	4,567,845	9,766,175

6 Other financial expenses

	2020 DKK	2019 DKK
Financial expenses from group enterprises	0	89,970
Other interest expenses	219,367	722,252
Exchange rate adjustments	4,556	93,320
Other financial expenses	89,346	287,093
	313,269	1,192,635

7 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	7,530,752	5,814,399
Change in deferred tax	(96,000)	233,000
	7,434,752	6,047,399

8 Proposed distribution of profit and loss

	2020 DKK	2019 DKK
Ordinary dividend for the financial year	20,000,000	0
Retained earnings	3,085,724	12,138,076
	23,085,724	12,138,076

9 Intangible assets

	Completed development projects DKK	Goodwill DKK
Cost beginning of year	1,414,910	48,852,258
Cost end of year	1,414,910	48,852,258
Amortisation and impairment losses beginning of year	(890,296)	(43,300,970)
Amortisation for the year	(203,078)	(3,330,767)
Amortisation and impairment losses end of year	(1,093,374)	(46,631,737)
Carrying amount end of year	321,536	2,220,521

10 Development projects

Completed development projects consist of costs related to webshop and CRM system.

11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	6,980,262	2,739,797
Disposals	(50,000)	0
Cost end of year	6,930,262	2,739,797
Depreciation and impairment losses beginning of year	(5,740,327)	(1,596,087)
Depreciation for the year	(448,843)	(588,324)
Reversal regarding disposals	29,166	0
Depreciation and impairment losses end of year	(6,160,004)	(2,184,411)
Carrying amount end of year	770,258	555,386

12 Financial assets

	Deposits DKK	Deferred tax DKK
Cost beginning of year	1,144,753	0
Additions	1,826	11,000
Disposals	(15,000)	0
Cost end of year	1,131,579	11,000
Carrying amount end of year	1,131,579	11,000

13 Deferred tax

	2020 DKK
Changes during the year	
Beginning of year	(85,000)
Recognised in the income statement	96,000
End of year	11,000

Deferred tax asset comprise primary of intangible and tangible fixed assets.

14 Prepayments

Prepayments consist of rent, insurance etc.

15 Other payables

	2020	2019
	DKK	DKK
Holiday pay obligation	5,917,452	1,954,468
	5,917,452	1,954,468

16 Other payables

	2020	2019
	DKK	DKK
VAT and duties	2,637,493	2,710,314
Wages and salaries, personal income taxes, social security costs, etc payable	5,460,010	109,819
Holiday pay obligation	2,742,353	5,847,742
Other costs payable	2,792,581	2,192,805
	13,632,437	10,860,680

17 Unrecognised rental and lease commitments

	2020	2019
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	20,924,195	20,355,519

18 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Bunzl Holding Danmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

19 Related parties with controlling interest

Bunzl plc (principal shareholder in Selectuser Ltd)
York House, 45 Seymour Street
W1H 7JT London

Selectuser Ltd (principal shareholder in Bunzl Holding Danmark A/S)
York House, 45 Seymour Street
W1H 7JT London

Bunzl Holding Danmark A/S (principal shareholder in ICM A/S)
Greve Main 30
2670 Greve

20 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

21 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Bunzl plc, London

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Bunzl plc, London

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other nonmonetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of

receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and foreign currency transactions, etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and foreign currency transactions, etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under reserve for development costs that is reduced as the development

projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at ten years. For development projects, protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are three years.

Property, plant and equipment

Other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	3 years

Estimated useful lives and residual values are reassessed annually.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance, depreciation and impairment losses for machinery, factory buildings and equipment applied for the manufacturing process

as well as costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Company has decided not to prepare any cash flow statement because the Company is included in the consolidated cash flow statement.