

ICM A/S

Kærvej 25, 2970 Hørsholm

CVR no. 15 15 00 33

**Annual report for the period
1 January to 31 December 2021**

Adopted at the annual general meeting on 30 June
2022

Niels-Ole Svendsen
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of ICM A/S for the financial year 1 January - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

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.

Hørsholm, 30 June 2022

Executive board

Jan Selchau

Supervisory board

Søren Holmbom
chairman

Niels-Ole Svendsen
deputy chairman

Jan Selchau

Nils Lykke Rasmussen

Kim Pedersen

Independent auditor's report

To the shareholders of ICM A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of ICM A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent auditor's report

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the over-ride of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 30 June 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Leif Ulbæk Jensen
State Authorised Public Accountant
MNE no. mne23327

Thomas Lauridsen
State Authorised Public Accountant
MNE no. mne34342

Company details

The company	ICM A/S Kærvej 25 2970 Hørsholm CVR no.: 15 15 00 33 Reporting period: 1 January - 31 December 2021 Incorporated: 1 May 1991 Domicile: Hørsholm
Supervisory board	Søren Holmbom, chairman Niels-Ole Svendsen, deputy chairman Jan Selchau Nils Lykke Rasmussen Kim Pedersen
Executive board	Jan Selchau
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Financial highlights

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

	2021	2020	2019	2018	2017
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Revenue	389.223	432.694	413.753	367.326	368.658
Gross profit	67.473	100.070	94.091	82.611	80.860
Profit/loss before net financials	1.021	30.193	19.050	4.819	13.086
Net financials	-183	328	-865	-572	-1.795
Profit/loss for the year	160	23.086	12.138	1.103	6.808
Balance sheet total	148.881	173.741	168.128	159.501	155.872
Investment in property, plant and equipment	81	0	621	873	1.899
Equity	89.816	109.656	86.570	84.432	83.219
Number of employees	107	109	112	115	100
Financial ratios					
Solvency ratio	60,3%	63,1%	51,5%	52,9%	53,4%
Return on equity	0,2%	23,5%	14,2%	1,3%	9,3%

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

Business review

The Company's primary activities are sale of working environment solutions, including products as coveralls, fall arrest systems, gloves and respiratory protection, 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.

Recognition and measurement uncertainties

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

The income statement for the financial year 01.01.2021 - 31.12.2021 shows net results of DKK 160,169 against DKK 23,085,724 for the financial year 01.01.2020 - 31.12.2020. The balance sheet shows equity of DKK 89,815,914.

In 2021, compared to 2020, the company had almost no sales of products related to Covid-19. The company also lost a major export account to a local UK company, which in total had a negative impact on the revenue in 2021.

In 2021 the company is applying Bunzl group guidelines to the recognition and measurement of obsolete and slow-moving items at net realisable value. The change resulted in a cost of MDKK 20.1, which had a significant impact on the net result.

In total the above-mentioned facts are the reason behind an unsatisfactory result in 2021.

The Company continues to execute its strategy on added value and digital customer solutions for Danish and international customers. The company expects a much better result in 2022, closer to the results of previous years.

Unusual matters

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.

Management's review

Financial review

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.

Significant events occurring after the end of the financial year

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 persuades 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.

Recognition or measurement uncertainty

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

Knowledge resources and employee relations

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.

In 2021 the company continued to have 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, why Covid-19 had very little impact on the working ability in the company. Knowledge and expertise were still fully available to all customers, and deliveries were on time.

As of 31 December 2021, the Company had a staff of 107, which is on a par with 2020, where the Company had a staff of 109.

Management's review

Statement of data ethics

The company has established a data ethics policy, that reflects the company's obligation to handle data responsibly, and is based on principles of honesty, transparency and accountability. The company complies with these principles in accordance with applicable law to ensure, that employees, customers, suppliers and other stakeholders can feel ensure, when entrusting the company with its data.

The company primarily processes data in connection with HR, customer interaction and supplier contact. The company checks that data is collected for specific and legitimate purposes and is being processed in a lawful and fair manner, including that the processing only includes data, that is necessary to fulfil the purpose of the processing. At the same time, the company strives to ensure, that the data collected is always sufficient, relevant and correct. Employees responsible for data ensure, that personal data is stored in accordance with current rules. The company enters into data processor agreements with third parties and does not sell data. The policy on data ethics is revised as needed.

Corporate social responsibility

Business model

See point above in relation to primary activities.

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>

Management's review

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.

Management's review

Results regarding environment and climate

In 2021 we achieved the following results:

Operation:

- ISO 14001 recertification of the management system (along with recertification according to ISO 9001, ISO 45001 and DS 49001/ISO 26001).
- FSC certification (part of group certification in Bunzl).
- A small reduction in energy consumption and CO2 footprint switching to LED in the office department.
- Switching to green energy for our address in Odense, where we have our logistics center.

Products and suppliers:

- Sourcing of products with sustainable characteristics.
- Inclusion of environment and climate parameters in supplier assessment.
- Reduction of CO2 footprint and resource consumption from BlueStar products through reduction of plastic and cardboard packaging for a minimum of 2 item numbers.

Projects, focus and expectations for the coming year regarding environment and climate

In 2022, we will continue to work systematically to improve the environment and climate. In 2022, we will focus on the following initiatives:

Operation:

- We will increase the share of green energy from 0% to 95%
- We will carry out energy audit (ISO 50001 supplement to ISO 14001) and prepare a program for reducing our energy consumption, including replacement for LED lighting in high storage.

Management's review

- We will investigate opportunities for increased sustainability in packaging and transport of goods to customers.

Products and suppliers:

- We will source more products with sustainable properties (eco-labeled, content of recycled material, less environmentally damaging processes, etc.)
- We will reduce our CO2 footprint and resource consumption from BlueStar products by reducing plastic and cardboard packaging for a minimum of 20 item numbers.
- We will source a minimum of 10 new BlueStar products with sustainable features.
- We will map the opportunities for increased sustainability for products and processes at our BlueStar manufacturers.

Partnerships:

- We will continue to enter into partnerships with our customers around reducing climate footprints and resources.
- We will participate in the Bunzl Carbon Footprint program.
- We will investigate the possibility of collaboration with the university regarding the calculation of CO2 footprint on selected BlueStar products.

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.

Our biggest risks in social and personnel matters are related to attracting and developing the right employees.

In 2021 the company was part of different internal surveys initiated by Bunzl Plc to monitor the employee satisfaction in general and the employee view on diversity and inclusion.

Management's review

We constantly assess our options to exercise social responsibility by integrating refugees and creating flex-jobs and traineeships in the Company. In 2021 we took the decision to be part of a Young Talent program within the Bunzl group, which is to run in 2022.

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 another follow-up.

Results regarding human rights, including supplier audits, etc.

In 2021, we achieved the following results:

- Recertification according to DS 49001 (ISO 26001 Social Responsibility).
- Registration in SEDEX, collaboration with customers on these matters.
- Implementation of Bunzl's supplier policies and processes, including pre-approval risk assessment and audit.
- 100% of our high-risk suppliers have had a supplier audit performed at Bunzl Shanghai and are only used if the result is satisfactory, or the supplier can make the desired improvements.
- Supplier assessment of our BlueStar manufacturers and strategic suppliers, incl. assessment of their performance in connection with human rights.

In 2022, we will continue with our efforts and procedures from 2021, so as to ensure that we manage the risk of human rights violations in the best possible way in the supply chain.

The work of conducting audits will continue in 2022 to maintain the high standard within human rights.

Management's review

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.

It is our assessment, that the implemented measures contribute to maintaining a low risk of corruption and bribery, but ICM A/S will continue to prioritize training of the employees.

In 2021 there have been no cases in relation to corruption and bribery.

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, however, much of it was in lockdown during 2021 due to Covid-19. We work to form a partnership with a local technical school, teachers as well as students, on working environment knowhow.

Management's review

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, where one has successfully increased the working hours. Furthermore we have established a traineeship.

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.

Management's review

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.

Distribution by gender

The Board of Directors has established a target figure for the under-represented gender in the Board of 20%, corresponding to 1 out of 5 members. The target figure must be met before June 1, 2023. At present, the Board consists of 5 persons, and are all men. Active efforts are made to meet the target figure for the under-represented gender in the Board. The target figure for 2021 was not met due to lack of replacement in the Board of Directors in that period.

The company has an employment and appointment policy to increase the share of the under-represented gender in the other management layers. The other management layers consist of the Executive Board and the management team, in total 11 people, of whom 3 are women in 2021. The company has a focus on assessing and promoting development of the female employees in relation to management positions. The company has a policy, that a minimum of 1 woman is required for job interviews for positions for the other management layers. It was not possible to change the gender composition by replacement in the other management layers in 2021.

Expected development in 2022

The Company expects conditions, which will follow the general market development in Denmark. Some kind of reaction to geopolitical disorder and supply chain challenges is expected, however, the extent is uncertain. The EBITA result for 2022 is expected to be close to the result from 2019 of around MDKK 26.

Income statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Revenue	2	389.223.171	432.693.720
Cost of goods sold		-303.012.967	-313.461.652
Other external expenses	3	<u>-18.737.653</u>	<u>-19.161.717</u>
Gross profit		67.472.551	100.070.351
Staff costs	4	-63.185.315	-65.309.614
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	5	<u>-3.266.554</u>	<u>-4.567.845</u>
Profit/loss before net financials		1.020.682	30.192.892
Financial income		0	640.853
Financial costs	6	<u>-182.593</u>	<u>-313.269</u>
Profit/loss before tax		838.089	30.520.476
Tax on profit/loss for the year	7	<u>-677.920</u>	<u>-7.434.752</u>
Profit/loss for the year	8	<u>160.169</u>	<u>23.085.724</u>

Balance sheet 31 December

	Note	2021 DKK	2020 DKK
Assets			
Completed development projects	10	118.460	321.536
Goodwill		0	2.220.521
Intangible assets	9	118.460	2.542.057
Other fixtures and fittings, tools and equipment		434.172	770.258
Leasehold improvements		129.576	555.386
Tangible assets	11	563.748	1.325.644
Deposits	12	1.583.538	1.131.579
Fixed asset investments		1.583.538	1.131.579
Total non-current assets		2.265.746	4.999.280
Finished goods and goods for resale		61.415.685	79.540.205
Prepayments for goods		1.015.398	3.004.023
Stocks		62.431.083	82.544.228
Trade receivables		67.661.362	73.729.637
Receivables from group entities		6.601.136	6.000.000
Other receivables		1.199.115	1.223.013
Deferred tax asset	13	4.548.379	11.000
Prepayments	14	4.171.073	1.971.203
Receivables		84.181.065	82.934.853
Cash at bank and in hand		2.820	3.262.260
Total current assets		146.614.968	168.741.341
Total assets		148.880.714	173.740.621

Balance sheet 31 December

	Note	2021	2020
		DKK	DKK
Equity and liabilities			
Share capital		576.091	576.091
Unpaid share capital		0	-16.000
Paid share capital		576.091	560.091
Reserve for development expenditure		92.399	250.798
Retained earnings		89.147.424	88.844.856
Proposed dividend for the year		0	20.000.000
Equity		89.815.914	109.655.745
Other payables	15	5.938.499	5.917.452
Total non-current liabilities		5.938.499	5.917.452
Trade payables		40.104.309	37.985.235
Payables to group entities		75.180	0
Corporation tax		5.215.299	6.549.752
Other payables		7.731.513	13.632.437
Total current liabilities		53.126.301	58.167.424
Total liabilities		59.064.800	64.084.876
Total equity and liabilities		148.880.714	173.740.621
Events after the balance sheet date	1		
Special items			
Rent and lease liabilities	16		
Contingent liabilities	17		
Related parties and ownership structure	18		
Non-arm's length related party transactions	19		
Group relations	20		

Statement of changes in equity

	Share capital	Unpaid share capital	Reserve for development expenditure	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	576.091	-16.000	250.798	88.844.856	20.000.000	109.655.745
Transfer, reserves	0	16.000	0	-16.000	0	0
Ordinary dividend paid	0	0	0	0	-20.000.000	-20.000.000
Transfers, reserves	0	0	-158.399	158.399	0	0
Net profit/loss for the year	0	0	0	160.169	0	160.169
Equity at 31 December	<u>576.091</u>	<u>0</u>	<u>92.399</u>	<u>89.147.424</u>	<u>0</u>	<u>89.815.914</u>

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.

	<u>2021</u> DKK	<u>2020</u> DKK
2 Revenue		
Denmark	276.989.103	319.386.380
Other countries in Europe	71.115.792	89.349.261
Rest of the world	41.118.276	23.958.079
Total revenue	<u>389.223.171</u>	<u>432.693.720</u>

3 Fee to auditors appointed at the general meeting

Statutory audit services, PWC	305.000	0
Statutory audit services, Deloitte	29.735	177.000
Tax services, Deloitte	0	21.000
Other services, Deloitte	0	21.000
Total	<u>334.735</u>	<u>219.000</u>

Notes

	2021	2020
	DKK	DKK
4 Staff costs		
Wages and salaries	56.026.892	58.083.614
Pensions	5.677.681	5.677.214
Other social security costs	795.703	667.757
Other staff costs	685.039	881.029
	63.185.315	65.309.614
Average number of employees	107	109
According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the executive board has not been disclosed.		
5 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation intangible assets	2.423.596	3.533.845
Depreciation tangible assets	842.958	1.037.167
Gain/loss on disposal	0	-3.167
	3.266.554	4.567.845
6 Financial costs		
Financial expenses, group entities	75.180	0
Other financial costs	107.413	308.713
Exchange adjustments costs	0	4.556
	182.593	313.269

Notes

	2021 DKK	2020 DKK
7 Tax on profit/loss for the year		
Current tax for the year	5.215.299	7.530.752
Deferred tax for the year	-4.537.379	-96.000
	677.920	7.434.752
8 Proposed distribution of profit and loss		
Ordinary dividend for the financial year	0	20.000.000
Retained earnings	160.169	3.085.724
Total	160.169	23.085.724
9 Intangible assets		
	Completed development projects DKK	Goodwill DKK
Cost at 1 January	1.414.910	48.852.258
Cost at 31 December	1.414.910	48.852.258
Impairment losses and amortisation at 1 January	1.093.374	46.631.737
Amortisation for the year	203.076	2.220.521
Impairment losses and amortisation at 31 December	1.296.450	48.852.258
Carrying amount at 31 December	118.460	0

Notes

10 Development projects

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

11 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	6.930.262	2.739.797
Additions for the year	81.060	0
Cost at 31 December	<u>7.011.322</u>	<u>2.739.797</u>
Impairment losses and depreciation at 1 January	6.160.004	2.184.411
Depreciation for the year	417.146	425.810
Impairment losses and depreciation at 31 December	<u>6.577.150</u>	<u>2.610.221</u>
Carrying amount at 31 December	<u>434.172</u>	<u>129.576</u>

Notes

12 Fixed asset investments

	<u>Deposits</u>	
	DKK	
Cost at 1 January	1.131.579	
Additions for the year	<u>451.959</u>	
Cost at 31 December	<u>1.583.538</u>	
Carrying amount at 31 December	<u><u>1.583.538</u></u>	

13 Provision for deferred tax

Provision for deferred tax at 1 January	11.000	-85.000
Deferred tax recognised in income statement	<u>4.537.379</u>	<u>96.000</u>
Provision for deferred tax at 31 December	<u><u>4.548.379</u></u>	<u><u>11.000</u></u>

Provisions for deferred tax on:

Intangible assets	26.061	70.738
Property, plant and equipment	-141.640	-81.738
Inventories	-4.432.799	0
Transferred to deferred tax asset	<u>4.548.379</u>	<u>11.000</u>
	<u><u>0</u></u>	<u><u>0</u></u>

Deferred tax asset

Calculated tax asset	<u>4.548.379</u>	<u>11.000</u>
Carrying amount	<u><u>4.548.379</u></u>	<u><u>11.000</u></u>

14 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance etc.

Notes

	<u>2021</u>	<u>2020</u>
	DKK	DKK
15 Other payables		
Holiday pay obligation	5.938.499	5.917.452
Total	<u>5.938.499</u>	<u>5.917.452</u>
Over 5 years	5.938.499	5.917.452
Total	<u>5.938.499</u>	<u>5.917.452</u>
16 Rent and lease liabilities		
Liabilities under rental or lease agreements until maturity in total	16.773.002	20.924.195
	<u>16.773.002</u>	<u>20.924.195</u>

17 Contingent liabilities

The company is jointly taxed with its parent company, Bunzl Holding Danmark A/S (management company), and jointly and severally liable with other jointly taxed entities for payment of income taxes as well as for payment of withholding taxes on dividends, interest and royalties.

18 Related parties and ownership structure

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 7TJ London

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

Notes

19 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.

20 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

The annual report of ICM A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C enterprises (large).

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

The annual report for 2021 is presented in DKK.

Basis of recognition and measurement

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

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

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

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

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

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

Income statement

Revenue

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

Cost of goods sold

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

Accounting policies

Other external expenses

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

Staff costs

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

Amortisation, depreciation and impairment losses

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate 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, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

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

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

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 20 years. The amortisation period is based on the assessment that the entities in question are strategically acquired entities with a strong market position and a long-term earnings profile.

Accounting policies

Development projects

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation periods used are three years.

Tangible assets

Fixtures and fittings, tools and equipment and leasehold improvements 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.

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

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

The useful life and residual value are re-assessed annually.

Stocks

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

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

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

Production overheads include the indirect cost of materials, wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the cost.

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.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Dividends

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

Income tax and deferred tax

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

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

Liabilities

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.

Accounting policies

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'.

Cash flow statement

No cash flow statement has been prepared, as the company's cash flows are included in the consolidated cash flow statement, see section 86(4) of the Danish Financial Statements Act.

Financial highlights

Definitions of financial ratios.

Solvency ratio	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Profit/loss from ordinary operations after tax} \times 100}{\text{Average equity}}$