
VM Building Solutions Scandinavia A/S

Lysbrohøjen 5, DK-8600 Silkeborg

Annual Report for 2020

CVR No. 19 67 82 02

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 21/4 2021

Mads Balsby Wilkens
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of VM Building Solutions Scandinavia 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 Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Silkeborg, 21 April 2021

Executive Board

Erik Andersen
CEO

Board of Directors

Mark Vandecruys
Chairman

Erik Andersen

Steven Andreas F Geirnaert

Independent Auditor's report

To the shareholders of VM Building Solutions Scandinavia 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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of VM Building Solutions Scandinavia A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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' 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 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 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 Company's internal control.

Independent Auditor's report

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

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

Aarhus C, 21 April 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Michael Nielsson

State Authorised Public Accountant

mne15151

Company information

| | |
|---------------------------|---|
| The Company | VM Building Solutions Scandinavia A/S Lysbrohøjen 5 DK-8600 Silkeborg CVR No: 19 67 82 02 Financial period: 1 January - 31 December Incorporated: 4 December 1996 Financial year: 24th financial year Municipality of reg. office: Silkeborg |
| Board of Directors | Mark Vandecruys, Chairman Erik Andersen Steven Andreas F Geirnaert |
| Executive board | Erik Andersen |
| Auditors | PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 8000 Aarhus C |

Income statement 1 January - 31 December

| | Note | 2020 DKK | 2019 DKK |
|---|------|------------------|-------------------|
| Gross profit/loss | | 9,336,045 | 15,290,622 |
| Staff expenses | 2 | -8,013,747 | -7,318,882 |
| Depreciation and impairment losses of property, plant and equipment | | 0 | -655 |
| Profit/loss before financial income and expenses | | 1,322,298 | 7,971,085 |
| Financial income | 3 | 353,380 | 796,037 |
| Financial expenses | 4 | -601,206 | -937,776 |
| Profit/loss before tax | | 1,074,472 | 7,829,346 |
| Tax on profit/loss for the year | 5 | -228,702 | -1,803,560 |
| Net profit/loss for the year | | 845,770 | 6,025,786 |

Distribution of profit

| | 2020 DKK | 2019 DKK |
|--|----------------|------------------|
| Proposed distribution of profit | | |
| Proposed dividend for the year | 8,000,000 | 6,000,000 |
| Retained earnings | -7,154,230 | 25,786 |
| | 845,770 | 6,025,786 |

Balance sheet 31 December

Assets

| | Note | 2020 DKK | 2019 DKK |
|-------------------------------------|------|-------------------|-------------------|
| Other receivables | | 196,000 | 196,000 |
| Fixed asset investments | | 196,000 | 196,000 |
| Fixed assets | | 196,000 | 196,000 |
| Finished goods and goods for resale | | 3,853,310 | 3,614,310 |
| Inventories | | 3,853,310 | 3,614,310 |
| Trade receivables | | 1,444,873 | 12,336,653 |
| Receivables from group enterprises | | 21,716,565 | 1,055,620 |
| Other receivables | | 2,215 | 9,412 |
| Deferred tax asset | | 10,300 | 13,700 |
| Corporation tax | | 450,964 | 0 |
| Receivables | | 23,624,917 | 13,415,385 |
| Cash at bank and in hand | | 8,708,669 | 5,847,524 |
| Current assets | | 36,186,896 | 22,877,219 |
| Assets | | 36,382,896 | 23,073,219 |

Balance sheet 31 December

Liabilities and equity

| | Note | 2020 DKK | 2019 DKK |
|--------------------------------|------|-------------------|-------------------|
| Share capital | | 1,500,000 | 1,500,000 |
| Retained earnings | | 785,029 | 7,939,258 |
| Proposed dividend for the year | | 8,000,000 | 6,000,000 |
| Equity | | 10,285,029 | 15,439,258 |
| Trade payables | | 308,642 | 441,985 |
| Payables to group enterprises | | 16,753,094 | 2,976,704 |
| Corporation tax | | 0 | 1,167,160 |
| Other payables | | 9,036,131 | 3,048,112 |
| Short-term debt | | 26,097,867 | 7,633,961 |
| Debt | | 26,097,867 | 7,633,961 |
| Liabilities and equity | | 36,382,896 | 23,073,219 |

| | |
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Statement of changes in equity

| | Share capital | Retained earnings | Proposed dividend for the year | Total |
|------------------------------|------------------|-------------------|--------------------------------|-------------------|
| | DKK | DKK | DKK | DKK |
| Equity at 1 January | 1,500,000 | 7,939,259 | 6,000,000 | 15,439,259 |
| Ordinary dividend paid | 0 | 0 | -6,000,000 | -6,000,000 |
| Net profit/loss for the year | 0 | -7,154,230 | 8,000,000 | 845,770 |
| Equity at 31 December | 1,500,000 | 785,029 | 8,000,000 | 10,285,029 |

Notes to the Financial Statements

1. Key activities

As in previous years, the main activity of the Company is to market all types of laminated zinc products and accessories related herewith, primarily for the building industry, as well as to further develop the market for the above mentioned products. Furthermore, the Company has engaged in technical support in connection with the application of the above mentioned products and accessories.

2. Staff Expenses

| | 2020 DKK | 2019 DKK |
|--------------------------------|------------------|------------------|
| Wages and salaries | 6,621,646 | 6,102,843 |
| Other social security expenses | 805,255 | 804,279 |
| Other staff expenses | 586,846 | 411,760 |
| | <u>8,013,747</u> | <u>7,318,882</u> |
| Average number of employees | <u>12</u> | <u>12</u> |

3. Financial income

| | 2020 DKK | 2019 DKK |
|--|----------------|----------------|
| Interest received from group enterprises | 166,634 | 0 |
| Other financial income | 186,746 | 796,037 |
| | <u>353,380</u> | <u>796,037</u> |

4. Financial expenses

| | 2020 DKK | 2019 DKK |
|--------------------------|----------------|----------------|
| Other financial expenses | 601,206 | 937,776 |
| | <u>601,206</u> | <u>937,776</u> |

Notes to the Financial Statements

| | 2020 | 2019 |
|---|----------------|------------------|
| | DKK | DKK |
| 5. Income tax expense | | |
| Current tax for the year | 267,036 | 1,799,160 |
| Deferred tax for the year | 3,400 | 4,400 |
| Adjustment of tax concerning previous years | -41,734 | 0 |
| | <u>228,702</u> | <u>1,803,560</u> |

| | 2020 | 2019 |
|--|----------------|----------------|
| | DKK | DKK |
| 6. Contingent assets, liabilities and other financial obligations | | |
| Rental and lease obligations | | |
| Lease obligations under operating leases. Total future lease payments: | | |
| Within 1 year | 593,668 | 600,501 |
| | <u>593,668</u> | <u>600,501</u> |

7. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

| Name | Place of registered office |
|-------------------------|----------------------------|
| Fedrus International NV | Puurs, Belgium |

Notes to the Financial Statements

8. Accounting policies

The Annual Report of VM Building Solutions Scandinavia A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Notes to the Financial Statements

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, change in inventories of finished goods, work in progress and goods for resale, expenses for raw materials and consumables and other external expenses.

Staff expenses

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.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Balance sheet

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.