
VM Building Solutions Scandinavia A/S

Lysbrohøjen 5, DK-8600 Silkeborg

Annual Report for 2019

CVR-nr. 19 67 82 02

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 12/6 2020

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 Annual Report of VM Building Solutions Scandinavia A/S for the financial year 1 January - 31 December 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Silkeborg, 12 June 2020

Executive Board

Erik Andersen
chief executive officer

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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 2019, which comprise income statement, balance sheet 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, 12 June 2020

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: 23th 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	2019 DKK	2018 DKK
Gross profit/loss		15,290,622	15,429,473
Staff expenses	3	-7,318,882	-7,831,475
Depreciation and impairment losses of property, plant and equipment		-655	-1,968
Profit/loss before financial income and expenses		7,971,085	7,596,030
Financial income	4	796,037	289,516
Financial expenses	5	-937,776	-419,464
Profit/loss before tax		7,829,346	7,466,082
Tax on profit/loss for the year	6	-1,803,560	-1,706,278
Net profit/loss for the year		6,025,786	5,759,804

Distribution of profit

	2019 DKK	2018 DKK
Proposed distribution of profit		
Proposed dividend for the year	6,000,000	10,000,000
Retained earnings	25,786	-4,240,196
	6,025,786	5,759,804

Balance sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		0	655
Property, plant and equipment		0	655
Other receivables		196,000	196,000
Fixed asset investments		196,000	196,000
Fixed assets		196,000	196,655
Finished goods and goods for resale		3,614,310	4,039,515
Inventories		3,614,310	4,039,515
Trade receivables		12,336,653	12,355,990
Receivables from group enterprises		1,055,620	11,776,192
Other receivables		9,412	0
Deferred tax asset		13,700	18,100
Receivables		13,415,385	24,150,282
Cash at bank and in hand		5,847,524	8,280,770
Current assets		22,877,219	36,470,567
Assets		23,073,219	36,667,222

Balance sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		1,500,000	1,500,000
Retained earnings		7,939,258	7,913,472
Proposed dividend for the year		6,000,000	10,000,000
Equity	7	15,439,258	19,413,472
Trade payables		441,985	478,424
Payables to group enterprises		2,976,704	11,994,909
Corporation tax		1,167,160	1,126,578
Other payables		3,048,112	3,653,839
Short-term debt		7,633,961	17,253,750
Debt		7,633,961	17,253,750
Liabilities and equity		23,073,219	36,667,222

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Notes to the financial statement

1. Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

To date, the Company has not been negatively impacted by the effects of COVID-19 and management considers the cash resources reasonable.

2. 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.

3. Staff Expenses

	2019 DKK	2018 DKK
Wages and salaries	6,102,843	6,376,219
Other social security expenses	804,279	801,850
Other staff expenses	411,760	653,406
	<u>7,318,882</u>	<u>7,831,475</u>
Average number of employees	<u>12</u>	<u>12</u>

4. Financial income

	2019 DKK	2018 DKK
Other financial income	796,037	289,516
	<u>796,037</u>	<u>289,516</u>

5. Financial expenses

	2019 DKK	2018 DKK
Other financial expenses	937,776	419,464
	<u>937,776</u>	<u>419,464</u>

Notes to the financial statement

	2019 DKK	2018 DKK
6. Income tax expense		
Current tax for the year	1,799,160	1,700,578
Deferred tax for the year	4,400	5,700
	1,803,560	1,706,278

7. Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	1,500,000	7,913,472	10,000,000	19,413,472
Ordinary dividend paid	0	0	-10,000,000	-10,000,000
Net profit/loss for the year	0	25,786	6,000,000	6,025,786
Equity at 31 December	1,500,000	7,939,258	6,000,000	15,439,258

	2019 DKK	2018 DKK
8. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	600,501	624,424
	600,501	624,424

9. 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 statement

10. Accounting policies

The Annual Report for VM Building Solutions Scandinavia A/S for 2019 has been prepared in accordance with the Danish Financial Statements Act for companies in Class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 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 statement

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 of 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.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

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

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tool and equipment	5 years
Automobiles	5 years
Leasehold improvements	3 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Notes to the financial statement

Other fixed asset investments

Fixed asset investments consist of deposit.

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.

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.