

VM Building Solutions Scandinavia A/S

Lysbrohøjen 5
DK-DK-8600 Silkeborg

CVR no. 19 67 82 02

Annual report 2021

The annual report was presented and approved at
the Company's annual general meeting on

_____20_____

Mads Wilkens

Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of VM Building Solutions Scandinavia A/S for the financial year 1 January – 31 December 2021.

The annual report has been 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 assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Silkeborg 29 June 2022
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

We have audited the financial statements of VM Building Solutions Scandinavia A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and 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 accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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.

Management's responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- 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.
- 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 of the Management's review.

Aarhus, 29 June 2022

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Katrine Gybel
State Authorised
Public Accountant
mne45848

VM Building Solutions Scandinavia A/S
Annual report 2021
CVR no. 19 67 82 02

Management's review

Company details

VM Building Solutions Scandinavia A/S
Lysbrohøjen 5
DK-8600 Silkeborg

CVR no.:	19 67 82 02
Established:	4 December 1996
Financial year:	1 January – 31 December

Board of Directors

Mark Vandecruys, Chairman
Erik Andersen
Steven Andreas F Geirnaert

Executive Board

Erik Andersen, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
DK-8000 Aarhus C
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

As in previous years, the principal activity of the Company is to market all types of laminated zinc products and accessories related thereto, primarily for the construction industry, as well as to further develop the market for the above-mentioned products. Furthermore, the Company has engaged in technical support for the purpose of the application of the above-mentioned products and accessories.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK 1,737,493 as against DKK 845,769 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 4,022,521 as against DKK 10,285,028 at 31 December 2020.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2021	2020
Gross profit		11,426,770	9,336,044
Staff costs	2	-8,933,305	-8,013,747
Profit before financial income and expenses		2,493,465	1,322,297
Financial income	3	384,963	353,379
Financial expenses		-626,913	-601,205
Profit before tax		2,251,515	1,074,471
Tax on profit for the year	4	-514,022	-228,702
Profit for the year		1,737,493	845,769
Proposed profit appropriation			
Proposed dividends for the year		1,737,493	8,000,000
Retained earnings		0	-7,154,231
		1,737,493	845,769

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Investments			
Other receivables		196,000	196,000
Total fixed assets		196,000	196,000
Current assets			
Inventories			
Finished goods and goods for resale		4,312,376	3,853,310
Receivables			
Trade receivables		5,024,739	1,444,873
Receivables from group entities		21,657,453	21,716,565
Other receivables		0	2,215
Deferred tax asset		7,800	10,300
Corporation tax		290,478	450,964
		26,980,470	23,624,917
Cash at bank and in hand		5,072,852	8,708,669
Total current assets		36,365,698	36,186,896
TOTAL ASSETS		36,561,698	36,382,896

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1,500,000	1,500,000
Retained earnings		785,028	785,028
Proposed dividends for the financial year		<u>1,737,493</u>	<u>8,000,000</u>
Total equity		<u>4,022,521</u>	<u>10,285,028</u>
Liabilities			
Current liabilities			
Trade payables		820,587	308,642
Payables to group entities		21,212,971	16,753,094
Other payables		<u>10,505,619</u>	<u>9,036,132</u>
		<u>32,539,177</u>	<u>26,097,868</u>
Total liabilities		<u>32,539,177</u>	<u>26,097,868</u>
TOTAL EQUITY AND LIABILITIES		<u>36,561,698</u>	<u>36,382,896</u>
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Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2021	1,500,000	785,028	8,000,000	10,285,028
Ordinary dividends paid	0	0	-8,000,000	-8,000,000
Transferred over the profit appropriation	0	0	1,737,493	1,737,493
Equity at 31 December 2021	1,500,000	785,028	1,737,493	4,022,521

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of VM Building Solutions Scandinavia A/S for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Income from the sale of goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Other external costs

Other external costs comprise distribution costs and costs related to sales, administration, office premises, operating leases, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

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.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities

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

DKK	2021	2020
2 Staff costs		
Wages and salaries	7,418,851	6,621,646
Other social security costs	891,628	805,255
Other staff costs	622,826	586,846
	<u>8,933,305</u>	<u>8,013,747</u>
Average number of full-time employees	<u>11</u>	<u>12</u>

3 Financial income

Interest income from group entities	160,763	166,634
Other financial income	3,717	-2
Exchange gains	220,483	186,747
Other adjustments of financial income	<u>0</u>	<u>0</u>
	<u>384,963</u>	<u>353,379</u>

Financial statements 1 January – 31 December

Notes

4 Tax on profit for the year

DKK	2021	2020
Current tax for the year	511,522	267,036
Deferred tax for the year	2,500	3,400
Adjustment of tax concerning previous years	0	-41,734
	<u>514,022</u>	<u>228,702</u>

5 Contractual obligations, contingencies, etc.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 3-36 months and an average monthly lease payment of DKK 74.970 thousand, totalling DKK 576.332 thousand.

6 Related party disclosures

VM Building Solutions Scandinavia A/S is included in the consolidated financial statements of the Parent Company, Fedrus International NV Puurs Belgium, which is the smallest group in which the Company is included as a subsidiary.