



Novatech Denmark A/S

Industrivej 2
6690 Gørding
CVR No. 20229136

Annual report 2021

The Annual General Meeting adopted the
annual report on 28.04.2022

Bert Jozef Vissers
Conductor

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2021	8
Balance sheet at 31.12.2021	9
Statement of changes in equity for 2021	11
Notes	12
Accounting policies	14

Entity details

Entity

Novatech Denmark A/S

Industrivej 2

6690 Gørding

Business Registration No.: 20229136

Registered office: Esbjerg

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Bert Jozef Vissers, formand

Hans Jørgen Torborg Jensen

Walter Joanna J Vandenbulcke

Marjan Vermeulen

Executive Board

Kristian Sønderby Voss, direktør

Auditors

BDO Statsautoriseret Revisionspartnerselskab

John Tranums Vej 23, 1. sal.

6705 Esbjerg Ø

CVR No.: 20222670

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Novatech Denmark A/S for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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

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

Gørding, 22.03.2022

Executive Board

Kristian Sønderby Voss
direktør

Board of Directors

Bert Jozef Vissers
formand

Hans Jørgen Torborg Jensen

Walter Joanna J Vandenbulcke

Marjan Vermeulen

Independent auditor's report

To the shareholders of Novatech Denmark A/S

Opinion

We have audited the financial statements of Novatech Denmark A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board 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 responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Esbjerg, 22.03.2022

BDO Statsautoriseret Revisionspartnerselskab

CVR No. 20222670

Flemming Bro Lund

State Authorised Public Accountant

Identification No (MNE) mne31433

Management commentary

Primary activities

The company's main activity is to import, market and sell Tec7, Novatio, Top-Tek and Omega maintenance products.

Development in activities and finances

The profit of the year was a loss of DKK 108k against a profit for 2020 of DKK 309k.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss	1	8,962,868	10,631,217
Staff costs	2	(8,841,181)	(10,026,154)
Depreciation, amortisation and impairment losses	3	(187,663)	(132,323)
Operating profit/loss		(65,976)	472,740
Other financial income		3,351	8,322
Financial expenses from group enterprises		(46,511)	(46,501)
Other financial expenses		(27,947)	(39,264)
Profit/loss before tax		(137,083)	395,297
Tax on profit/loss for the year	4	29,087	(86,700)
Profit/loss for the year		(107,996)	308,597
Proposed distribution of profit and loss			
Retained earnings		(107,996)	308,597
Proposed distribution of profit and loss		(107,996)	308,597

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		284,277	246,646
Leasehold improvements		73,053	0
Property, plant and equipment	5	357,330	246,646
Deposits		514,020	503,940
Financial assets		514,020	503,940
Fixed assets		871,350	750,586
Manufactured goods and goods for resale		5,027,990	4,386,780
Inventories		5,027,990	4,386,780
Trade receivables		3,128,301	2,485,882
Receivables from group enterprises		420,235	418,492
Deferred tax		32,000	3,000
Other receivables		0	42,220
Income tax receivable		115,387	7,300
Prepayments		109,169	163,177
Receivables		3,805,092	3,120,071
Cash		7,054	3,177,627
Current assets		8,840,136	10,684,478
Assets		9,711,486	11,435,064

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		1,000,000	1,000,000
Retained earnings		1,302,295	1,410,291
Equity		2,302,295	2,410,291
Other payables		0	937,964
Non-current liabilities other than provisions		0	937,964
Bank loans		873,271	0
Trade payables		250,461	163,350
Payables to group enterprises		2,595,656	2,853,689
Other payables		3,689,803	5,069,770
Current liabilities other than provisions		7,409,191	8,086,809
Liabilities other than provisions		7,409,191	9,024,773
Equity and liabilities		9,711,486	11,435,064
Unrecognised rental and lease commitments	6		
Assets charged and collateral	7		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000,000	1,410,291	2,410,291
Profit/loss for the year	0	(107,996)	(107,996)
Equity end of year	1,000,000	1,302,295	2,302,295

Notes

1 Gross profit/loss

Other operating income included in gross profit includes compensation received from the pay support scheme established as a result of the outbreak and spread of COVID-19 in 2021, with 332k.

2 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	8,212,385	9,414,296
Pension costs	516,968	509,134
Other social security costs	63,828	54,724
Other staff costs	48,000	48,000
	8,841,181	10,026,154
Average number of full-time employees	15	18

3 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Depreciation of property, plant and equipment	187,663	132,323
	187,663	132,323

4 Tax on profit/loss for the year

	2021	2020
	DKK	DKK
Current tax	0	4,700
Change in deferred tax	(29,000)	82,000
Adjustment concerning previous years	(87)	0
	(29,087)	86,700

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,617,379	0
Additions	214,858	83,489
Cost end of year	1,832,237	83,489
Depreciation and impairment losses beginning of year	(1,370,733)	0
Depreciation for the year	(177,227)	(10,436)
Depreciation and impairment losses end of year	(1,547,960)	(10,436)
Carrying amount end of year	284,277	73,053

6 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	933,678	339,200

7 Assets charged and collateral

Mortgage debt is secured by way of mortgage on plant and machinery as well as other fixtures, receivables and inventory of DKK 6,500k. The carrying amount on plant and machinery as well as goodwill, other fixtures, receivables and inventory is DKK 8.441k.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

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

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

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

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

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

Public grants

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

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

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

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

writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

Balance sheet

Property, plant and equipment

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

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

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

Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	6 years

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

Inventories

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

Cost consists of purchase price plus delivery costs.

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

Receivables

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

Deferred tax

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

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

Tax payable or receivable

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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