



Tel.: +45 89 30 78 00
aarhus@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Kystvejen 29
DK-8000 Aarhus C
CVR no. 20 22 26 70

SCANDINAVIAN PRINT GROUP A/S
P.O. PEDERSENS VEJ 26, 8200 AARHUS N
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2020

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 7 June 2021**

Esben Mols Kabell

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 21 68 64 33

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Board of Directors Statement and Management's Statement.....	4
Independent Auditor's Report.....	5-6
Management Commentary	
Financial Highlights.....	7
Management Commentary.....	8-9
Financial Statements 1 January - 31 December	
Income Statement.....	10
Balance Sheet.....	11-12
Equity.....	13
Cash Flow Statement.....	14
Notes.....	15-22
Accounting Policies.....	23-28

COMPANY DETAILS

Company	Scandinavian Print Group A/S P.O. Pedersens Vej 26 8200 Aarhus N CVR No.: 21 68 64 33 Established: 5 May 1999 Registered Office: Aarhus Financial Year: 1 January - 31 December
Board of Directors	Dirk Anton Josef Müller, chairman Christian Würst Esben Mols Kabell
Executive Board	Esben Mols Kabell
Auditor	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C
Bank	Danske Bank Åboulevarden 69 8000 Aarhus C
Law Firm	DLA Piper DOKK1 Hack Kampmanns Plads 2, Niveau 3 8000 Aarhus

BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Scandinavian Print Group A/S for the financial year 1 January - 31 December 2020.

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 Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2020.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Aarhus, 7 June 2021

Executive Board

Esben Mols Kabell

Board of Directors

Dirk Anton Josef Müller
Chairman

Christian Würst

Esben Mols Kabell

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Scandinavian Print Group A/S

Opinion

We have audited the Financial Statements of Scandinavian Print Group A/S for the financial year 1 January - 31 December 2020, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and 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 assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2020 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' 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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.

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, we conclude that 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 Management's Review.

Aarhus, 7 June 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Trap Olesen
State Authorised Public Accountant
MNE no. mne35625

FINANCIAL HIGHLIGHTS

	2020 DKK '000	2019 DKK '000	2018 DKK '000	2017 DKK '000	2016 DKK '000
Net revenue.....	395.687	427.006	361.841	323.308	246.273
Gross profit.....	130.849	171.160	126.938	133.816	111.038
Operating profit/loss of main activities...	-19.127	29.256	18.062	17.529	24.696
Financial income and expenses, net.....	-586	-898	-2.256	-1.540	-1.757
Profit/loss for the year before tax.....	-15.226	47.030	29.070	25.842	27.881
Profit/loss for the year.....	-9.863	40.843	25.126	21.950	22.627
Balance sheet					
Total assets.....	274.582	245.304	212.688	242.498	172.186
Equity.....	55.089	64.841	69.391	94.612	78.158
Cash flows					
Investment in property, plant and equipment.....	-38.391	-13.510	-8.604	-46.012	-12.712
Average number of full-time employees.....	246	231	233	233	182
Key ratios					
Equity ratio.....	20,1	26,4	32,6	39,0	45,4
Return on equity.....	-16,4	60,9	30,6	25,4	32,6

The ratios follow in all material respect the recommendations of the Danish Finance Society

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio:
$$\frac{\text{Equity, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$$

Return on equity:
$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

MANAGEMENT COMMENTARY

Principal activities

The company's principal activities are printing, distribution, marketing and related activities.

Development in activities and financial and economic position

The company's results and financial development have been negatively affected by the Covid-19 pandemic. The results for the year have not fulfilled the expectations that Management had at the beginning of the year and are therefore not considered satisfactory.

The results for 2020 show a loss of DKK ('000) 9,863.

Profit for the year compared to future expectations

It was Management's expectation that the results for 2020 were above the results realized in 2019. The result for 2021 is expected to be positive but still affected by the covid-19 pandemic in the first half of the year.

Significant events after the end of the financial year

In Q1 2021 and beginning of Q2 large parts of the Scandinavian countries are still heavily effected by the covid-19 pandemic and this has a negative impact on the sales of printed materials.

In addition, as of the date the financial statements were available to be issued, there is uncertainty with respect to the extent or impact of restrictions or other measures that have been and may be implemented by local, state, federal or foreign governments or other parties, and how those measures may impact the Company, the Group and its customers. The ultimate impact of these matters to the Company and its financial condition is presently unknown.

Furthermore, the Company is reliant on the impact on the Group, where the final effect of the aforementioned circumstances is also unknown at this time. The accompanying financial statements as of and for the year ended December 31, 2020 do not reflect the effects of these subsequent events and the natural operating risk regarding the changing situation globally. It is the management's expectation that the worst effects of the pandemic are behind us and that the company and the group it is part of will improve its financial results during 2021.

Special risk

Business risks

Scandinavian Print group A/S is not subject to any special business risk. The company's sales cover quite many product groups, and the largest customers constitute less than 2% of revenue.

Financial risks

Scandinavian Print Group's exports, among others, to Norway and Sweden, which totals approx. 11% of Scandinavian Print Group. A decrease in these currencies may have a negative impact on earnings and revenue.

Scandinavian print Group produces about 35% of its revenue in Poland and an increase in the currency may have a negative impact on the earnings.

The main part of the company's debt is subject to a fixed interest.

Knowledge resources

Scandinavian Print Group has today a size where all functions are spread out on several persons, so the company is not at risk of substantial loss of knowledge resources. By far the main part of the company's processes and IT is well-documented

Research and development activities

Scandinavian print Group has today approx. 15 people employed within development of IT, products and production processes. Management considers this necessary to continue to keep the business at the forefront as regards product program and production efficiency.

MANAGEMENT COMMENTARY

Future expectations

It is the Management's expectation that the results for 2021 will be about DKK 30-40 M, but the covid-19 pandemic can affect the expectations.

Corporate social responsibility (CSR) report

The company wants to develop its business and meet its strategic challenges in an economically and socially responsible way through compliance with the legislation and activities and initiatives of a socially responsible nature.

The company has introduced policies containing internal guidelines and strategies, after which goal-oriented efforts are made to ensure a safe and healthy working environment, and that the environment and climate conditions are considered in the company's processes, so that environmentally sound operations are ensured.

Scandinavian Print Group formulated in 2014 a new CSR strategy and policy, which has been published on the company's website (https://www.lasertryk.dk/content/dat/miljo_csr.htmlx). Scandinavian Print Group has cooperated with external advisors with regard to higher CSR efforts and this has resulted in a large number of positive initiatives, which were also described in several national medias. This strategy has been followed in 2020.

Scandinavian Print Group has an ambition to be among the most environmentally friendly businesses in the sector and it continues to offer eco-labelled printed matters.

Scandinavian Print Group A/S has accepted Grafisk CSR code (<https://www.grakom.dk/services/din-virksomhed/csr/csr-kodeks>) and is a Nordic Swan Ecolabel printing company and also has the FSC label.

Target figures and policy for the underrepresented gender

The company has a target to increase the number of female leaders. The target is to increase the female leaders with 33% or 1 member before 2022. In 2020 there are 0 female leaders.

The printing business is a male dominated business and we have historically found it difficult to identify female leaders with the right knowledge to the business.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 DKK
NET REVENUE	1	395.687.242	427.005.863
Cost of sales.....		-256.774.157	-241.491.729
Other operating income.....		23.616.003	17.984.368
Other external expenses.....	2	-31.679.642	-32.338.032
GROSS PROFIT/LOSS		130.849.446	171.160.470
Staff costs.....	3	-121.338.675	-117.677.979
Depreciation, amortisation and impairment.....		-22.256.995	-23.072.242
Other operating expenses.....		-6.381.072	-1.154.161
OPERATING LOSS		-19.127.296	29.256.088
Result of equity investments in group and associates.....	4	4.487.062	18.671.928
Other financial income.....	5	2.934.965	1.248.034
Other financial expenses.....	6	-3.520.711	-2.146.263
LOSS BEFORE TAX		-15.225.980	47.029.787
Tax on profit/loss for the year.....	7	5.363.298	-6.187.057
LOSS FOR THE YEAR	8	-9.862.682	40.842.730

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK	2019 DKK
Software.....		2.090.006	343.317
Software projects in progress.....		148.911	1.696.192
Client Relationships.....		3.040.000	4.180.000
Goodwill.....		2.832.657	4.810.816
Intangible assets.....	9	8.111.574	11.030.325
Production plant and machinery.....		83.756.823	65.229.595
Other plant, machinery, tools and equipment.....		2.897.840	2.348.075
Leasehold improvements.....		455.525	604.958
Property, plant and equipment.....	10	87.110.188	68.182.628
Equity investments in group enterprises.....		88.038.594	80.047.299
Equity investments in associated enterprises.....		0	1.552.257
Rent deposit and other receivables.....		738.249	710.867
Financial non-current assets.....	11	88.776.843	82.310.423
NON-CURRENT ASSETS.....		183.998.605	161.523.376
Raw materials and consumables.....		6.580.003	7.574.223
Work in progress.....		5.037.478	4.741.644
Finished goods and goods for resale.....		1.177.139	1.503.920
Inventories.....		12.794.620	13.819.787
Trade receivables.....		24.140.056	31.421.933
Receivables from group enterprises.....		40.307.257	19.224.855
Receivables from associated enterprises.....		0	2.257.428
Other receivables.....		732.893	1.348.111
Corporation tax receivable.....		2.862.020	0
Prepayments and accrued income.....	12	8.360.381	4.251.127
Receivables.....		76.402.607	58.503.454
Cash and cash equivalents.....		1.386.163	11.457.238
CURRENT ASSETS.....		90.583.390	83.780.479
ASSETS.....		274.581.995	245.303.855

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2020 DKK	2019 DKK
Share capital.....	13	537.634	537.634
Reserve for net revaluation according to equity value method.....		0	29.948.549
Retained profit.....		54.551.291	34.355.223
EQUITY.....		55.088.925	64.841.406
Provision for deferred tax.....	14	624.971	1.258.005
PROVISIONS.....		624.971	1.258.005
Lease liabilities.....		43.602.984	34.776.806
Other liabilities.....		12.316.843	5.594.927
Non-current liabilities.....	15	55.919.827	40.371.733
Gæld til pengeinstitutter.....		2.908.176	1.414.388
Lease liabilities.....		11.781.564	10.208.022
Prepayments received from customers.....		1.223.243	555.057
Trade payables.....		39.303.381	35.824.647
Payables to group enterprises.....		83.931.199	61.025.029
Corporation tax.....		0	6.860.430
Other liabilities.....		23.800.709	22.945.138
Current liabilities.....		162.948.272	138.832.711
LIABILITIES.....		218.868.099	179.204.444
EQUITY AND LIABILITIES.....		274.581.995	245.303.855
 Contingencies etc.	16		
Related parties	17		
Consolidated Financial Statements	18		

EQUITY

	Share capital	Reserve for net revaluation according to equity value method	Retained profit	Total
Equity at 1 January 2020.....	537.634	29.976.466	34.327.306	64.841.406
Proposed profit allocation, note8.....		4.487.062	-14.349.744	-9.862.682
Other legal bindings				
Other adjustments to equity value.....			110.201	110.201
Transfers to/from other items				
Other adjustments.....		-34.463.528	34.463.528	0
Equity at 31 December 2020.....	537.634	0	54.551.291	55.088.925

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	2020 DKK	2019 DKK
Profit/loss for the year.....	-9.862.682	40.842.730
Depreciation and amortisation, reversed.....	22.256.995	23.072.242
Reversed realization gains.....	5.076.010	912.771
Profit/loss from subsidiaries.....	-4.487.062	-18.671.928
Tax on profit/loss, reversed.....	-5.363.298	6.187.057
Other adjustments.....	1.877.296	3.163.970
Corporation tax paid.....	-6.869.481	-4.100.328
Change in inventories.....	1.025.167	-3.999.977
Change in receivables (ex tax).....	-15.037.133	-9.787.763
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	30.907.079	34.085.421
Other cash flows from operating activities.....	4.586.095	2.404.498
CASH FLOWS FROM OPERATING ACTIVITY.....	24.108.986	74.108.693
Purchase of intangible assets.....	-1.698.764	-19.266.397
Mergers.....	0	7.124.518
Purchase of property, plant and equipment.....	-38.390.679	-27.320.448
Sale of property, plant and equipment.....	877.884	3.822.747
Purchase of financial assets.....	-32.276.655	-30.958.489
Depreciation on assets from acquired companies.....	0	17.646.760
Received dividends.....	25.862.994	17.444.472
Other cash flows from investing activities.....	304.048	22.223
CASH FLOWS FROM INVESTING ACTIVITY.....	-45.321.172	-31.484.614
Proceeds from non-current borrowing.....	21.017.245	2.466.939
Instalments on loans.....	-11.119.919	-10.345.447
Other changes in non-current debt.....	-862.937	3.405.304
Dividends paid in the financial year.....	0	-45.000.000
Other cash flows from financing activities.....	612.934	-605.875
CASH FLOWS FROM FINANCING ACTIVITY.....	9.647.323	-50.079.079
CHANGE IN CASH AND CASH EQUIVALENTS.....	-11.564.863	-7.455.000
Cash and cash equivalents at 1. januar.....	10.042.850	17.497.850
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	-1.522.013	10.042.850
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	1.386.163	11.457.238
Bank overdraft.....	-2.908.176	-1.414.388
CASH AND CASH EQUIVALENTS, NET DEBT.....	-1.522.013	10.042.850

NOTES

	2020 DKK	2019 DKK	Note Note
Net revenue			1
Segment details (geography)			
Denmark	339.484.993	364.132.948	
Abroad.....	56.202.249	62.872.915	
	395.687.242	427.005.863	
Segment details (activities)			
Printing, distribution and marketing.....	395.687.242	427.005.863	
	395.687.242	427.005.863	
Fee to statutory auditor			2
Total fees:			
Fee to independent auditor.....	361.859	264.952	
Auditors of foreign subsidiaries.....	44.841	0	
	406.700	264.952	
Specification of fee:			
Statutory audit.....	260.000	152.555	
Assurance engagements.....	7.875	0	
Tax consultancy.....	15.250	27.645	
Other services.....	123.575	84.752	
	406.700	264.952	
Staff costs			3
Average number of employees	246	231	
Wages and salaries.....	108.534.825	105.537.306	
Pensions.....	8.864.367	8.008.850	
Social security costs.....	2.289.781	2.374.993	
Other staff costs.....	1.649.702	1.756.830	
	121.338.675	117.677.979	
Remuneration of management and board of directors.....	2.880.000	2.880.000	
	2.880.000	2.880.000	
Result of equity investments in group and associates			4
Result of equity investments in group enterprises.....	4.487.062	18.671.928	
	4.487.062	18.671.928	

NOTES

	2020 DKK	2019 DKK	Note
Other financial income			5
Group enterprises.....	766.757	646.816	
Other interest income.....	2.168.208	601.218	
	2.934.965	1.248.034	
Other financial expenses			6
Group enterprises.....	1.581.241	875.637	
Other interest expenses.....	1.939.470	1.270.626	
	3.520.711	2.146.263	
Tax on profit/loss for the year			7
Calculated tax on taxable income of the year.....	-2.862.020	6.860.430	
Adjustment of tax in previous years.....	0	-22.102	
Adjustment of deferred tax.....	-2.501.278	-651.271	
	-5.363.298	6.187.057	
Proposed distribution of profit			8
Allocation to reserve for net revaluation according to equity value method.....	4.487.062	18.671.928	
Retained earnings.....	-14.349.744	22.170.802	
	-9.862.682	40.842.730	
Intangible assets			9
	Software	Software projects in progress	
Cost at 1 January 2020.....	2.453.581	1.696.192	
Transfer.....	2.144.896	-2.144.896	
Additions.....	0	1.698.764	
Disposals.....	-1.683.153	-1.101.149	
Cost at 31 December 2020.....	2.915.324	148.911	
Amortisation at 1 January 2020.....	2.110.264		
Reversal of amortisation of assets disposed of	-1.683.153		
Amortisation for the year.....	398.207		
Amortisation at 31 December 2020.....	825.318		
Carrying amount at 31 December 2020.....	2.090.006	148.911	

NOTES

Note

Intangible fixed assets (continued)

9

	Client Relationships	Goodwill
Cost at 1 January 2020.....	4.560.000	30.599.195
Cost at 31 December 2020.....	4.560.000	30.599.195
Amortisation at 1 January 2020.....	380.000	25.788.379
Amortisation for the year.....	1.140.000	1.978.159
Amortisation at 31 December 2020.....	1.520.000	27.766.538
Carrying amount at 31 December 2020.....	3.040.000	2.832.657

Property, plant and equipment

10

	Production plant and machinery	Other plant, machinery, tools and equipment	Leasehold improvements
Cost at 1 January 2020.....	144.309.813	7.354.054	2.851.907
Additions.....	36.210.371	1.992.647	187.661
Disposals.....	-1.340.901	-1.571.236	0
Cost at 31 December 2020.....	179.179.283	7.775.465	3.039.568
Depreciation and impairment losses at 1 January 2020.....	79.080.218	5.005.979	2.246.949
Reversal of depreciation of assets disposed of..	-1.140.883	-1.048.761	0
Depreciation for the year.....	17.483.125	920.407	337.094
Depreciation and impairment losses at 31 December 2020.....	95.422.460	4.877.625	2.584.043
Carrying amount at 31 December 2020.....	83.756.823	2.897.840	455.525
Finance lease assets.....	32.657.275	517.882	

NOTES

Note

Financial non-current assets

11

	Equity investments in group enterprises	Equity investments in associated enterprises	Rent deposit and other receivables
Cost at 1 January 2020.....	61.845.445	2.500.000	710.867
Transferred.....	2.500.000	-2.500.000	0
Additions.....	32.140.655	0	136.000
Disposals.....	-4.600.615	0	-108.618
Cost at 31 December 2020.....	91.885.485	0	738.249
Revaluation at 1 January 2020.....	33.895.904	-947.743	0
Exchange adjustment.....	165.414	0	0
Transferred.....	-947.743	947.743	0
Dividend.....	-25.862.994	0	0
Profit/loss for the year.....	17.080.941	0	0
Reversals of the year on disposals.....	164.915	0	0
Other adjustments.....	-55.409	0	0
Revaluation at 31 December 2020.....	24.441.028	0	0
Impairment losses and amortisation of goodwill at 1 January 2020.....	15.694.050	0	0
Amortisation of goodwill.....	9.413.202	0	0
Amortisation of client relationships and stepup on tangible assets.....	3.180.667	0	0
Impairment losses and amortisation of goodwill at 31 December 2020.....	28.287.919	0	0
Carrying amount at 31 December 2020.....	88.038.594	0	738.249

Goodwill

Scandinavian Print Group A/S has acquired equity investments in Specialtrykkeriet Arco A/S, EO Grafiska AB and Jørn Thomsen Elbo A/S during the year. The cost of the equity investment is DKK ('000) 32,140. Goodwill on the purchases during the year is DKK ('000) 25,358.

NOTES

Note

Fixed asset investments (continued)
Investments in subsidiaries (DKK)

11

Name and domicil	Equity	Profit/loss for the year	Ownership
Lasertrykk.no AS, Oslo.....	4.576.221	3.098.740	100 %
Lasertryck.se AB, Stockholm.....	7.639.772	3.479.232	100 %
Lasertryk.de GmbH, Bremen.....	5.057.040	985.486	100 %
Lasertryk.co.uk Limited, London.....	-	12.571	100 %
Novagraf - Grafisk Trykcenter - Knudtzon			
Graphic A/S, Vallensbæk.....	6.974.953	4.284.260	100 %
Eurographic A/S, Vallensbæk.....	5.282.009	4.080.073	100 %
AKA-print A/S, Aarhus N.....	2.503.790	1.535.384	100 %
SPG Polska SP Z.O.O. W, Poland.....	4.518.308	-938.553	100 %
Frederiksberg Bogtrykkeri A/S, Vallensbæk.....	2.785.722	1.760.307	100 %
Clausen Grafisk & Kindly ApS, Odense	4.507.732	4.217.408	100 %
AJ - E Print AB, Stockholm.....	972.773	-1.238.057	100 %
Östertälje Trykeri AB, Stockholm.....	4.633.607	771.528	100 %
EO Grafiska AB, Skarpnäck.....	5.380.824	-1.271.458	100 %
Specialtrykkeriet Arco A/S, Skive.....	-4.649.032	-8.583.926	100 %
Jørn Thomsen Elbo A/S , Kolding.....	2.903.278	-2.909.607	100 %

	2020 DKK	2019 DKK
Prepayments and accrued income		
Costs.....	8.360.381	4.251.127
	8.360.381	4.251.127

12

Prepayments and accrued income include prepaid expenses, primarily insurances, membership fees and rents relating to the following financial year.

	2020 DKK	2019 DKK
Share capital		
Allocation of share capital:		
Shares, 537.634 unit in the denomination of 1 DKK.....	537.634	537.634
	537.634	537.634

13

NOTES

Note

Provision for deferred tax

14

Provision for deferred tax comprises deferred tax on intangible and tangible fixed assets.

	2020 DKK	2019 DKK
Deferred tax concerns:		
Intangible fixed assets	2.738.238	-2.179.233
Tangible fixed assets.....	705.015	921.228
Tax loss carried forward.....	-2.818.282	0
	624.971	-1.258.005
Deferred tax, beginning of year.....	-1.258.005	1.232.592
Deferred tax of the year, income statement.....	2.501.278	651.271
Addition from merger and acquisition of company.....	-1.868.244	-3.141.868
Provision for deferred tax 31 December 2020.....	-624.971	-1.258.005

Long-term liabilities

15

	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Lease liabilities.....	55.384.548	11.781.564	2.457.159	44.984.828
Other liabilities.....	14.631.562	2.314.719	0	10.908.064
	70.016.110	14.096.283	2.457.159	55.892.892

NOTES

Note

Contingencies etc.

16

Contingent liabilities

	2020 DKK	2019 DKK
Liabilities according to tenancy contracts until expiry:.....	23.737.669	27.945.624
	23.737.669	27.945.624

The company is jointly liable for the group's bank facility of a total of 245.000 t.EUR.

Furthermore the company has issued financial letters of support in favour of the subsidiary Specialtrykkeriet Arco A/S and EO Grafiska AB, which means that the company will support the above mentioned subsidiaries financially by loans or alternatively by waiving of receivables or through capital contributions to the extent required in order for the subsidiaries to continue its ordinary operating activities. Regarding EO Grafiska AB the support is limited to a maximum of 3 mio. SEK.

The letters of support are valid until further notice and can be terminated at a forthcoming general meeting.

Joint liabilities

The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of OP DK Holding ApS, which serves as management company for the joint taxation.

NOTES

Note

Related parties

17

The Company's related parties include:

Controlling interest

OP DK Holding ApS, P.O. Pedersens Vej 26, 8200 Aarhus N

Onlineprinters Holding GmbH, Rudolf-Diesel-Str. 10, 91413, Neustadt A.D.Aisch, Bayern, Germany

OP AcquiCO GmbH, Rudolf-Diesel-Str. 10, 91413, Neustadt A.D.Aisch, Bayern, Germany

OP HoldCo GmbH, Rudolf-Diesel-Str. 10, 91413, Neustadt A.D.Aisch, Bayern, Germany

Postulo S.á.r.l, Route D'arlon 19-21, 8009 Strassen, Luxembourg

Begal Unternehmerkapital General Partner Limited, Windward House 2nd Floor, La Route de la Liberation, St Helier, Jersey JE2 3QB is the ultimate parent company.

Other related parties having performed transactions with the company

The company's related parties having a significant influence comprise subsidiaries as well as the companies' Board of Directors, Board of Executives and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

Transactions with related parties

The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

Consolidated Financial Statements

18

The company is included in the consolidated financial statements of OP AcquiCo GmbH, Germany, and in the consolidated financial statements of OP HoldCo GmbH, Germany, which is the highest level in the group where consolidated financial statements are prepared.

Requisitioning of the parent companies' consolidated financial statements:

Rudolf-Diesel-Str. 10, 91413, Neustadt a.d.Aisch, Bayern Germany

ACCOUNTING POLICIES

The Annual Report of Scandinavian Print Group A/S for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year with except for a few changes in the presentation. The comparative figures have been adjusted, but the changes have not had an impact on results or equity.

INCOME STATEMENT

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including income from subsidiaries regarding salary and administration fees, profit from sale of intangible and tangible fixed assets and compensation from authorities is recognized when the income is deemed to be realisable.

Other operating expenses

Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets and moving expenses.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Income from equity interests in subsidiaries and associates

The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

ACCOUNTING POLICIES

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 3-5 years. Identified goodwill relating to customer relationships is amortised over 4 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

Software are measured at the lower of cost less accumulated amortisation or recoverable amount. Software comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Software are amortised over the residual patent term and licences are amortised over the term of the agreement, however, no more than 8 years.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Production plant and machinery.....	3-10 years	0-40 %
Other plant, fixtures and equipment.....	3-10 years	0 %
Leasehold improvements.....	3-8 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

ACCOUNTING POLICIES

Lease contracts

Lease contracts relating to tangible fixed assets where the company bears all material risks and benefits attached to the ownership (finance lease) are recognised as assets in the balance sheet. The assets are at the initial recognition measured at calculated cost equal to the lower of fair value and present value of the future lease payments. The internal interest rate of the lease contract is used as discounting factor or an approximate value when calculating the present value. Finance lease assets are depreciated similarly to the company's other tangible fixed assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability and the interest portion of the lease payment is recognised in the income statement over the term of the contract.

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the income statement over the term of the contract. The company's total liability relating to operating leases and rental agreements is disclosed as contingencies etc.

Fixed asset investments

Investments in subsidiaries and associates are measured in the company's balance sheet under the equity method.

Investments in subsidiaries and associates are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill.

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, using on an overall assessment of the production equipments.

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries and associates with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the company's has a legal or actual liability to cover the subsidiary's and associates deficit.

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Tax payable and deferred tax

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

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

The income statements of foreign subsidiaries and associates fulfilling the criteria for being independent entities are translated at an average exchange rate for the month and balance sheet items are translated at the rate of exchange on the balance sheet date. Exchange differences arising from translation of the equity of foreign subsidiaries at the beginning of the year to the rates of the balance sheet date and from translation of income statements from average rate to the rates of the balance sheet date are recognised directly in the equity.

ACCOUNTING POLICIES

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include bank overdraft and cash in hand.