



3L Office Products A/S

Vibækvej 100
5690 Tommerup
CVR No. 26664888

Annual report 2022

The Annual General Meeting adopted the
annual report on 21.03.2023

Kim Berg
Conductor

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Entity details

Entity

3L Office Products A/S

Vibækvej 100

5690 Tommerup

Business Registration No.: 26664888

Registered office: Assens

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Guy Marcel Georges Raynaud

Kim Fuglsang Berg Steffensen

Hans Arne Lyhr

Executive Board

Kim Fuglsang Berg Steffensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Østre Havnepromenade 26, 4th floor

9000 Aalborg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of 3L Office Products A/S for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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.

Tommerup, 21.03.2023

Executive Board

Kim Fuglsang Berg Steffensen

Board of Directors

Guy Marcel Georges Raynaud

Kim Fuglsang Berg Steffensen

Hans Arne Lyhr

Independent auditor's report

To the shareholders of 3L Office Products A/S

Opinion

We have audited the financial statements of 3L Office Products A/S for the financial year 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 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.

Aalborg, 21.03.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Chris Bay

State Authorised Public Accountant

Identification No (MNE) mne36029

Management commentary

Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
Key figures					
Gross profit/loss	21,546	21,768	18,632	19,326	19,138
Operating profit/loss	4,018	3,839	2,062	1,678	2,819
Net financials	(42)	92	(565)	(212)	(303)
Profit/loss for the year	3,116	3,073	1,166	1,138	1,961
Total assets	26,140	24,368	22,537	23,479	21,783
Investments in property, plant and equipment	1,358	1,651	329	3,108	891
Equity	14,219	11,772	9,147	7,980	8,481
Ratios					
Return on equity (%)	23.98	29.38	13.62	13.83	25.03
Equity ratio (%)	54.40	48.31	40.59	33.99	38.93

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by CFA Society Denmark.

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

The Company's primary activities are to develop, produce and sell plastic filling and lamination solutions to professional users in particular.

Development in activities and finances

The Company's financial year saw a net gain of DKK 3,116K. Management considers this performance satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss	1	21,546,317	21,768,046
Staff costs	2	(16,393,478)	(16,787,244)
Depreciation, amortisation and impairment losses	3	(1,134,854)	(1,141,319)
Operating profit/loss		4,017,985	3,839,483
Other financial income	4	256,931	317,585
Financial expenses from group enterprises		(21,794)	(8,767)
Other financial expenses	5	(277,511)	(216,393)
Profit/loss before tax		3,975,611	3,931,908
Tax on profit/loss for the year	6	(859,852)	(859,129)
Profit/loss for the year		3,115,759	3,072,779
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		372,500	669,600
Retained earnings		2,743,259	2,403,179
Proposed distribution of profit and loss		3,115,759	3,072,779

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired trademarks		10,647	10,647
Goodwill		0	0
Intangible assets	7	10,647	10,647
Plant and machinery		5,704,240	4,893,092
Other fixtures and fittings, tools and equipment		854,907	1,078,190
Property, plant and equipment in progress		230,764	599,382
Property, plant and equipment	8	6,789,911	6,570,664
Investments in associates		118,506	118,506
Receivables from associates		2,373,759	2,233,830
Financial assets	9	2,492,265	2,352,336
Fixed assets		9,292,823	8,933,647
Raw materials and consumables		6,017,275	6,262,347
Manufactured goods and goods for resale		2,575,276	2,729,295
Inventories		8,592,551	8,991,642
Trade receivables		3,922,299	3,608,959
Receivables from group enterprises		3,404,580	2,072,635
Other receivables		196,519	33,558
Prepayments		137,543	163,777
Receivables		7,660,941	5,878,929
Cash		593,914	563,490
Current assets		16,847,406	15,434,061
Assets		26,140,229	24,367,708

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		2,000,000	2,000,000
Retained earnings		11,846,022	9,102,763
Proposed dividend		372,500	669,600
Equity		14,218,522	11,772,363
Deferred tax		565,076	434,000
Provisions		565,076	434,000
Lease liabilities		747,124	1,716,123
Other payables		788,237	1,537,009
Non-current liabilities other than provisions	10	1,535,361	3,253,132
Current portion of non-current liabilities other than provisions	10	969,433	970,806
Payables to other credit institutions		2,135,136	1,319,079
Prepayments received from customers		50,000	50,000
Trade payables		2,715,304	2,187,313
Payables to group enterprises		526,104	438,433
Joint taxation contribution payable		728,766	770,122
Other payables		2,696,527	3,172,460
Current liabilities other than provisions		9,821,270	8,908,213
Liabilities other than provisions		11,356,631	12,161,345
Equity and liabilities		26,140,229	24,367,708
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Assets charged and collateral	13		

Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	2,000,000	9,102,763	669,600	11,772,363
Ordinary dividend paid	0	0	(669,600)	(669,600)
Profit/loss for the year	0	2,743,259	372,500	3,115,759
Equity end of year	2,000,000	11,846,022	372,500	14,218,522

Notes

1 Gross profit/loss

The company has received other salary refunds (sick day refunds etc.) amounting to DKK 212,119 (2021: DKK 565,190) and lease income amounting to DKK 79,219 (2021: DKK 79,219).

2 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	15,245,192	15,615,633
Pension costs	1,084,857	1,106,668
Other social security costs	63,429	64,943
	16,393,478	16,787,244
Average number of full-time employees	28	29

3 Depreciation, amortisation and impairment losses

	2022 DKK	2021 DKK
Amortisation of intangible assets	0	19,187
Depreciation of property, plant and equipment	1,136,207	1,100,556
Profit/loss from sale of intangible assets and property, plant and equipment	(1,353)	21,576
	1,134,854	1,141,319

4 Other financial income

	2022 DKK	2021 DKK
Financial income from group enterprises	23,730	22,130
Other interest income	7,305	2,115
Exchange rate adjustments	225,896	293,340
	256,931	317,585

5 Other financial expenses

	2022 DKK	2021 DKK
Other interest expenses	176,346	130,535
Exchange rate adjustments	36,335	19,981
Other financial expenses	64,830	65,877
	277,511	216,393

6 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	728,776	770,129
Change in deferred tax	131,076	89,000
	859,852	859,129

7 Intangible assets

	Acquired trademarks DKK	Goodwill DKK
Cost beginning of year	10,647	172,679
Cost end of year	10,647	172,679
Amortisation and impairment losses beginning of year	0	(172,679)
Amortisation and impairment losses end of year	0	(172,679)
Carrying amount end of year	10,647	0

8 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	33,676,916	4,484,711	599,382
Transfers	1,260,738	0	(1,260,738)
Additions	246,870	219,448	892,120
Disposals	0	(4,173)	0
Cost end of year	35,184,524	4,699,986	230,764
Depreciation and impairment losses beginning of year	(28,783,824)	(3,406,521)	0
Depreciation for the year	(696,460)	(439,747)	0
Reversal regarding disposals	0	1,189	0
Depreciation and impairment losses end of year	(29,480,284)	(3,845,079)	0
Carrying amount end of year	5,704,240	854,907	230,764
Recognised assets not owned by entity	2,575,247	73,560	0

9 Financial assets

	Investments in associates DKK	Receivables from associates DKK
Cost beginning of year	118,506	2,233,830
Exchange rate adjustments	0	139,929
Cost end of year	118,506	2,373,759
Carrying amount end of year	118,506	2,373,759

Investments in associates	Registered in	Corporate form	Equity interest %
T3L USA, INC,	USA	Inc	25

10 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Lease liabilities	969,433	970,806	747,124	0
Other payables	0	0	788,237	788,237
	969,433	970,806	1,535,361	788,237

11 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	2,206,965	3,704,015

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Probeco A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

13 Assets charged and collateral

Other credit institutions is secured by trade receivables on DKK 3,922k.

The Entity has guaranteed the group enterprises' debt with Spar Nord Bank. Bank loans of the group enterprise amounts to DKK 4,081k, with a max limit of DKK 10,000k.

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.

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.

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods. This item includes ordinary writedowns of such inventories.

Other operating income

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

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

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 and 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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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:

	Useful life
Plant and machinery	5 - 10 years
Other fixtures and fittings, tools and equipment	2 - 5 years

Estimated useful lives and residual values are reassessed annually.

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

Investments in associates

Investments in associates are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Investments in associates fall within the definitions of both participating interests and associates, yet in the financial statements they have been presented as investments in associates because this designation reflects more accurately the Company's involvement in the relevant entities.

Receivables

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

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. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.