



3L Office Products A/S

Vibækvej 100
5690 Tommerup
CVR No. 26664888

Annual report 2019

The Annual General Meeting adopted the
annual report on 05.06.2020

Kim Berg
Conductor

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Entity details

Entity

3L Office Products A/S

Vibækvej 100

5690 Tommerup

CVR No.: 26664888

Registered office: Assens

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Hans Arne Lyhr

Kim Fuglsang Berg Steffensen

Guy Marcel Georges Raynaud

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 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Løgstør, 05.06.2020

Executive Board

Kim Fuglsang Berg Steffensen

Board of Directors

Hans Arne Lyhr

Kim Fuglsang Berg Steffensen

Guy Marcel Georges Raynaud

Independent auditor's extended review report

To the shareholders of 3L Office Products A/S

Conclusion

We have performed an extended review of the financial statements of 3L Office Products A/S for the financial year 01.01.2019 - 31.12.2019, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

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 extended review 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 extended review 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 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, 05.06.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Bjørnlund

State Authorised Public Accountant
Identification No (MNE) mne33216

Management commentary

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 1,138 k. Management considers this performance satisfactory.

Events after the balance sheet date

While it currently is not possible to estimate the financial impact for 3L Office Products A/S from the COVID-19 outbreak, management expects the pandemic to negatively impact revenue and profit before tax in 2020. Due to COVID-19 management expects a decrease in revenue and profit before tax in 2020 compared to 2019.

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

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		18,912,414	18,757,523
Staff costs	1	(16,349,990)	(15,359,463)
Depreciation, amortisation and impairment losses	2	(862,880)	(610,584)
Operating profit/loss		1,699,544	2,787,476
Other financial income		22,166	66,223
Other financial expenses	3	(255,255)	(338,172)
Profit/loss before tax		1,466,455	2,515,527
Tax on profit/loss for the year	4	(328,123)	(554,941)
Profit/loss for the year		1,138,332	1,960,586
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		0	1,639,000
Retained earnings		1,138,332	321,586
Proposed distribution of profit and loss		1,138,332	1,960,586

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Goodwill		38,370	57,557
Intangible assets	5	38,370	57,557
Plant and machinery		5,268,411	2,269,694
Other fixtures and fittings, tools and equipment		1,540,621	888,785
Prepayments for property, plant and equipment		0	1,386,720
Property, plant and equipment	6	6,809,032	4,545,199
Fixed assets		6,847,402	4,602,756
Raw materials and consumables		5,357,749	5,039,741
Manufactured goods and goods for resale		3,692,847	2,664,606
Inventories		9,050,596	7,704,347
Trade receivables		4,877,956	5,215,244
Receivables from group enterprises		2,023,365	3,853,680
Other receivables		110,897	24,292
Prepayments		163,327	145,735
Receivables		7,175,545	9,238,951
Cash		405,565	236,573
Current assets		16,631,706	17,179,871
Assets		23,479,108	21,782,627

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		2,000,000	2,000,000
Retained earnings		5,980,448	4,842,116
Proposed dividend		0	1,639,000
Equity		7,980,448	8,481,116
Deferred tax		286,000	323,000
Provisions		286,000	323,000
Finance lease liabilities		2,375,115	1,346,905
Other payables		283,933	0
Non-current liabilities other than provisions	7	2,659,048	1,346,905
Current portion of non-current liabilities other than provisions	7	869,696	379,513
Payables to other credit institutions		2,511,393	3,063,096
Prepayments received from customers		50,000	50,000
Trade payables		3,108,947	1,999,148
Payables to group enterprises		3,624,887	3,401,764
Joint taxation contribution payable		365,123	356,941
Other payables		2,023,566	2,381,144
Current liabilities other than provisions		12,553,612	11,631,606
Liabilities other than provisions		15,212,660	12,978,511
Equity and liabilities		23,479,108	21,782,627
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Assets charged and collateral	10		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	2,000,000	4,842,116	1,639,000	8,481,116
Ordinary dividend paid	0	0	(1,639,000)	(1,639,000)
Profit/loss for the year	0	1,138,332	0	1,138,332
Equity end of year	2,000,000	5,980,448	0	7,980,448

Notes

1 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	15,042,039	14,082,443
Pension costs	1,134,312	1,004,320
Other social security costs	70,881	66,146
Other staff costs	102,758	206,554
	16,349,990	15,359,463
Average number of full-time employees	31	29

2 Depreciation, amortisation and impairment losses

	2019 DKK	2018 DKK
Amortisation of intangible assets	19,187	37,098
Depreciation of property, plant and equipment	843,693	577,210
Profit/loss from sale of intangible assets and property, plant and equipment	0	(3,724)
	862,880	610,584

3 Other financial expenses

	2019 DKK	2018 DKK
Financial expenses from group enterprises	73,971	121,591
Other interest expenses	181,284	216,581
	255,255	338,172

4 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	365,123	358,380
Change in deferred tax	(37,000)	196,561
	328,123	554,941

5 Intangible assets

	Goodwill DKK
Cost beginning of year	13,191,866
Disposals	(13,019,187)
Cost end of year	172,679
Amortisation and impairment losses beginning of year	(13,134,309)
Amortisation for the year	(19,187)
Reversal regarding disposals	13,019,187
Amortisation and impairment losses end of year	(134,309)
Carrying amount end of year	38,370

6 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Prepayments for property, plant and equipment DKK
Cost beginning of year	39,035,801	4,845,335	1,386,720
Transfers	1,386,720	0	(1,386,720)
Additions	2,145,868	961,658	0
Disposals	(9,817,038)	(1,675,509)	0
Cost end of year	32,751,351	4,131,484	0
Depreciation and impairment losses beginning of year	(36,766,107)	(3,956,550)	0
Depreciation for the year	(533,871)	(309,822)	0
Reversal regarding disposals	9,817,038	1,675,509	0
Depreciation and impairment losses end of year	(27,482,940)	(2,590,863)	0
Carrying amount end of year	5,268,411	1,540,621	0
Recognised assets not owned by entity	2,165,284	976,513	0

7 Non-current liabilities other than provisions

	Due within 12 months 2019 DKK	Due within 12 months 2018 DKK	Due after more than 12 months 2019 DKK
Finance lease liabilities	869,696	379,513	2,375,115
Other payables	0	0	283,933
	869,696	379,513	2,659,048

Debt due after 5 years amounts to 0 DKK.

8 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	6,786,482	8,240,884

9 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.

10 Assets charged and collateral

Other credit institutions is secured by trade receivables on DKK 4,658k.

The Entity has guaranteed the group enterprises' debt with Spar Nord Bank. Bank loans of the group enterprise amounts to DKK 1,276k.

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 certain 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.

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.

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.

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:

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.

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.

Receivables

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

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.

Finance lease liabilities

Lease commitments 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 commitments 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.