

# **Legrand Scandinavia A/S**

Avedøreholmen 48

2650 Hvidovre

CVR No. 29185808

## **Annual Report 2021**

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 12 July 2022

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Ralf Karl-Heinz Schweickardt

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## **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Legrand Scandinavia A/S for the financial year 1 January 2021 - 31 December 2021.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hvidovre, 12 July 2022

### **Executive Board**

Ralf Karl-Heinz Schweickardt

### **Board of Directors**

Frank, Roger, Michel Lemery  
Chairman

Ralf Karl-Heinz Schweickardt

Yriex Dominique Roullac

## Independent Auditors' Report

### To the Shareholders of Legrand Scandinavia A/S

#### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company operations for the financial year 1 January 2021 - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Legrand Scandinavia A/S for the financial year 1 January 2021 - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Statement on Management's Review

Management is responsible for the 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, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

#### Management's responsibility for the financial statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control 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.

#### The auditor's responsibility 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

## **Independent Auditors' Report**

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 risk of material misstatements in 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.
- \* 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.

Hellerup, 12 July 2022

**PricewaterhouseCoopers**  
**Statsautoriseret Revisionspartnerselskab**  
CVR-no. 33771231

Martin Lunden  
State Authorised Public Accountant  
mne32209

## Legrand Scandinavia A/S

### Company details

<b>Company</b>	Legrand Scandinavia A/S Avedøreholmen 48 2650 Hvidovre
CVR No.	29185808
Financial year	1 January 2021 - 31 December 2021
<b>Board of Directors</b>	Frank, Roger, Michel Lemery, Chairman Ralf Karl-Heinz Schweickardt Yriex Dominique Roullac
<b>Executive Board</b>	Ralf Karl-Heinz Schweickardt
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231
<b>Consolidated Financial Statements</b>	<p>The annual report of the Company is part of the consolidated financial statements of the ultimate Parent Company, Legrand SA.</p> <p>The consolidated financial statements can be obtained by written application to:</p> <p>Legrand Société anonyme 128, avenue du Maréchal de Lattre de Tassigny 87000 Limoges</p>

## Management's Review

### Main activity

The Company's activity consists of distribution and sale of cable management systems and solutions and the majority of all activities are to a great extent based on the sale of the Legrand Group's products on the Scandinavian markets.

### Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2021 - 31 December 2021 shows a result of DKK 3.780.634 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 45.209.269 and an equity of DKK -15.980.170.

### Capital resources and liquidity

The Company has almost recovered 20% of the equity as of 31 December 2021. The Company is working very actively to protect its profitability and free cash flow. The Company's management expect to re-establish the equity from future operations.

To secure the liquidity the Company has received a letter of support and established a long-term credit facility with its immediate parent Legrand France SA.

### Expectations for the future

The Company expects its operations to develop positively next years, the operating profit is expected to be in the range of 2.000.000 and 5.000.000 DKK for 2022.

### Insecurity regarding recognition or measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

### Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

**Income Statement**

	Note	2021 DKK	2020 DKK
<b>Gross profit</b>		<b>24.453.028</b>	<b>19.248.626</b>
Staff expenses	2	-19.773.546	-19.087.142
Depreciation, property, plant and equipment		-595.840	-539.842
<b>Profit/loss from ordinary operating activities</b>		<b>4.083.642</b>	<b>-378.358</b>
Financial expenses	3	-303.008	-369.880
<b>Profit/loss from ordinary activities before tax</b>		<b>3.780.634</b>	<b>-748.238</b>
<b>Net profit/loss for the year</b>		<b>3.780.634</b>	<b>-748.238</b>
 <b>Proposed distribution of results</b>			
Retained earnings		3.780.634	-748.238
<b>Distribution of profit</b>		<b>3.780.634</b>	<b>-748.238</b>



**Balance Sheet 31 December**

	Note	2021 DKK	2020 DKK
<b>Assets</b>			
Software	4	351.326	78.585
<b>Intangible assets</b>		<b>351.326</b>	<b>78.585</b>
Plant and machinery	5	287.865	315.206
Other fixtures, fittings, tools and equipment	6	209.639	416.668
Leasehold improvements	7	333.577	233.258
Property, plant and equipment in progress and prepayments for property, plant and equipment	8	0	221.970
<b>Property, plant and equipment</b>		<b>831.081</b>	<b>1.187.102</b>
<b>Fixed assets</b>		<b>1.182.407</b>	<b>1.265.687</b>
Manufactured goods and goods for resale		8.244.417	5.799.828
<b>Inventories</b>		<b>8.244.417</b>	<b>5.799.828</b>
Short-term trade receivables		26.616.058	19.451.141
Other short-term receivables		845.922	835.131
Prepayments		843.321	409.809
<b>Receivables</b>		<b>28.305.301</b>	<b>20.696.081</b>
<b>Cash and cash equivalents</b>		<b>7.477.144</b>	<b>10.452.200</b>
<b>Current assets</b>		<b>44.026.862</b>	<b>36.948.109</b>
<b>Assets</b>		<b>45.209.269</b>	<b>38.213.796</b>

**Balance Sheet 31 December**

	Note	2021 DKK	2020 DKK
<b>Liabilities and equity</b>			
Share capital		500.000	500.000
Retained earnings		-16.480.170	-20.260.804
<b>Equity</b>		<b>-15.980.170</b>	<b>-19.760.804</b>
Payables to group enterprises		44.880.268	39.802.049
<b>Long-term liabilities other than provisions</b>		<b>44.880.268</b>	<b>39.802.049</b>
Trade payables		6.530.683	4.762.490
Payables to group enterprises		3.609.592	6.347.694
Other payables		6.168.896	7.062.367
<b>Short-term liabilities other than provisions</b>		<b>16.309.171</b>	<b>18.172.551</b>
<b>Liabilities other than provisions within the business</b>		<b>61.189.439</b>	<b>57.974.600</b>
<b>Liabilities and equity</b>		<b>45.209.269</b>	<b>38.213.796</b>
Going concern	1		
Contingent liabilities	9		
Deferred tax assets and liabilities	10		
Related parties and ownership	11		
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Statement of changes in Equity

	Share capital	Retained earnings	Total
Equity 1 January 2021	500.000	-20.260.804	-19.760.804
Net profit/loss for the year	0	3.780.634	3.780.634
Equity 31 December 2021	<u>500.000</u>	<u>-16.480.170</u>	<u>-15.980.170</u>

## Notes

### 1. Going concern

The Company has with reference to the development in income and equity and the expectations to the development in 2021 obtained a letter of support from the Parent Company Legrand France SA which secures the liquidity for the upcoming 12 months. The Company has also a long-term credit facility with the Parent Company Legrand France SA until the end of April 2026. The Financial Statements are therefore prepared under the going concern principle.

The Company has a negative equity of DKK 15.980.170 as of 31 December 2021. The Company's management expect to re-establish the equity from future operations.

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Staff expenses</b>		
Wages and salaries	17.634.041	17.471.288
Pensions	1.198.749	795.584
Social security contributions	940.756	820.270
	<b>19.773.546</b>	<b>19.087.142</b>
Average number of employees	23	24
<b>3. Financial expenses</b>		
Finance expenses, group	151.103	0
Other finance expenses	123.937	101.029
Exchange adjustments, expenses	27.968	268.851
	<b>303.008</b>	<b>369.880</b>
<b>4. Software</b>		
Cost at the beginning of the year	80.830	0
Addition in the year	353.521	80.830
<b>Cost at the end of the year</b>	<b>434.351</b>	<b>80.830</b>
Depreciation and amortisation at the beginning of the year	-2.245	0
Amortisation for the year	-80.780	-2.245
<b>Impairment losses and amortisation at the end of the year</b>	<b>-83.025</b>	<b>-2.245</b>
<b>Carrying amount at the end of the year</b>	<b>351.326</b>	<b>78.585</b>
<b>5. Plant and machinery</b>		
Cost at the beginning of the year	1.209.377	1.209.377
Addition in connection with merger and purchase of enterprise	101.799	0
<b>Cost at the end of the year</b>	<b>1.311.176</b>	<b>1.209.377</b>
Depreciation and amortisation at the beginning of the year	-894.171	-778.840
Depreciation for the year	-129.140	-115.331
<b>Depreciation and amortisation at the end of the year</b>	<b>-1.023.311</b>	<b>-894.171</b>
<b>Carrying amount at the end of the year</b>	<b>287.865</b>	<b>315.206</b>

Notes

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
<b>6. Other fixtures, fittings, tools and equipment</b>		
Cost at the beginning of the year	1.156.076	917.778
Addition during the year, incl. improvements	37.472	238.298
Disposal during the year	-231.003	0
<b>Cost at the end of the year</b>	<b>962.545</b>	<b>1.156.076</b>
Depreciation and amortisation at the beginning of the year	-739.408	-376.739
Depreciation for the year	-244.501	-362.669
Impairment losses for the year	231.003	0
<b>Depreciation and amortisation at the end of the year</b>	<b>-752.906</b>	<b>-739.408</b>
<b>Carrying amount at the end of the year</b>	<b>209.639</b>	<b>416.668</b>
<b>7. Leasehold improvements</b>		
Cost at the beginning of the year	739.727	739.727
Addition during the year, incl. improvements	241.738	0
Disposal during the year	-19.593	0
<b>Cost at the end of the year</b>	<b>961.872</b>	<b>739.727</b>
Depreciation and amortisation at the beginning of the year	-506.469	-446.872
Depreciation for the year	-141.419	-59.597
Reversal of impairment losses and amortisation of disposed assets	19.593	0
<b>Depreciation and amortisation at the end of the year</b>	<b>-628.295</b>	<b>-506.469</b>
<b>Carrying amount at the end of the year</b>	<b>333.577</b>	<b>233.258</b>
<b>8. Prepayments for property, plant and equipment</b>		
Cost at the beginning of the year	221.970	0
Addition in the year	0	221.970
Transfers during the year to other items	-221.970	0
<b>Cost at the end of the year</b>	<b>0</b>	<b>221.970</b>
<b>Carrying amount at the end of the year</b>	<b>0</b>	<b>221.970</b>

## Notes

### 9. Contingent liabilities

	2021 DKK	2020 DKK
Leases and rental agreement		
Lease obligations under operating leases. Total future payments:		
Within 1 year	852.139	865.980
Between 1 and 5 years	1.054.353	862.588
Total	<u>1.906.492</u>	<u>1.728.568</u>
Rental of property liabilities		
Within 1 year	1.606.467	1.560.678
Between 1 and 5 years	1.289.022	2.749.019
Total	<u>2.895.489</u>	<u>4.309.697</u>

The lease for the property can be terminated at the earliest on November 1, 2023

### 10. Deferred tax assets and liabilities

The Company has at 31. December 2021 an unrecognised tax asset of TDKK 4.894 (2020: TDKK 5.782).

### 11. Related parties and ownership

#### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Ultimate Parent Company of the smallest and largest group and can be requested at the below mentioned address:

Name	Place of registered office
Legrand SA	128, avenue du Maréchal de Lattre de Tassigny, 87000 Limoges

## **Notes**

### **12. Accounting policies**

#### **Reporting Class**

The Annual Report of Legrand Scandinavia A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2021 are presented in Danish kroner.

#### **Recognition and measurement**

The financial statement have been prepared under the historical cost method.

Revenue are recognised in the Income Statement as earned. Furthermore value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report, which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish Kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

#### **Leases**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (financial leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

## **Notes**

### **Translation policies**

Transactions in foreign currencies are translated at the exchange rate at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

## **Income Statement**

### **Gross profit/loss**

Revenue, expenses for raw materials and consumables as well as other external expenses are with reference to Section 32 in the Danish Financial Statements Act combined in the figure of "Gross profit".

### **Revenue**

Revenue from the sale of goods is recognised in the income statement when the sale is considered effected on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined, and payment has been received or may with reasonable certainty be expected to be received.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### **Expenses for raw materials and consumables**

Expenses for raw materials and consumables comprise the materials and consumables consumed to achieve revenue for the year and indirect costs such as salaries.

### **Other external expenses**

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses etc.

### **Staff expenses**

Staff expenses comprise wages and salaries as well as payroll expenses.

Incentive plans to management and employees is considered to be cashplans and is recognised proportionately as a provision during the vesting period.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### **Financial income and expenses**

Financial income and expenses comprise interest, realised and unrealised exchange adjustments as well as extra payments and repayment under the on-account taxation scheme.



## **Notes**

### **Tax on profit/loss for the year**

Tax on net profit/loss for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

## **Balance Sheet**

### **Intangible assets**

Other intangible assets, including licences and acquired rights etc., are measured at cost less accumulated amortisation and impairment losses.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Software	3 years
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### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Plant and machinery	5-10 years
Leasehold improvements	5 years

Depreciation period and residual value are reassessed annually.

### **Impairment of fixed assets**

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

### **Inventories**

Inventories are measured at the lower cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and cost of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

The cost of goods for resale, raw materials and consumables equals landed cost and indirect production cost as salaries.

## **Notes**

### **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provision for bad debts are determined on the basis of an individual assessment of each receivable.

### **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### **Equity**

#### **Dividend**

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### **Deferred tax assets and liabilities**

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purpose and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

### **Current tax receivables and liabilities**

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable income for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

### **Financial debts**

Debts are measured at amortised cost, substantially corresponding to nominal value.