

**Einhell Nordic A/S**  
Rokhøj 26  
8520 Lystrup  
Business Registration No  
31622875

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 19.03.2019

### **Chairman of the General Meeting**

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Name: Lars Christian Bærentsen

# Contents

|  | <b><u>Page</u></b> |
|--|--------------------|
| Entity details                               | 1                  |
| Statement by Management on the annual report | 2                  |
| Independent auditor's extended review report | 3                  |
| Management commentary                        | 5                  |
| Income statement for 2018                    | 6                  |
| Balance sheet at 31.12.2018                  | 7                  |
| Statement of changes in equity for 2018      | 9                  |
| Notes  | 10                 |
| Accounting policies                          | 12                 |

## **Entity details**

### **Entity**

Einhell Nordic A/S

Rokhøj 26

8520 Lystrup

Central Business Registration No (CVR): 31622875

Registered in: Aarhus

Financial year: 01.01.2018 - 31.12.2018

### **Board of Directors**

Alexander Schweikl

Andreas Kroiss

Jan Ravn Kristoffersen

Heinz Walter Adolf Hoffmann

Lars Christian Bærentsen

### **Executive Board**

Lars Christian Bærentsen

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Einhell Nordic A/S for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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.

Aarhus, 19.03.2019

### Executive Board

Lars Christian Bærentsen

### Board of Directors

Alexander Schweikl

Andreas Kroiss

Jan Ravn Kristoffersen

Heinz Walter Adolf Hoffmann

Lars Christian Bærentsen

# Independent auditor's extended review report

## To the shareholders of Einhell Nordic A/S

### Conclusion

We have performed an extended review of the financial statements of Einhell Nordic A/S for the financial year 01.01.2018 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 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". 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.

## Independent auditor's extended review report

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.

Aarhus, 19.03.2019

## Deloitte

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR)  
33963556

Klaus Tvede-Jensen  
State Authorised Public Accountant  
Identification No (MNE) mne23304

Steen Andersen  
State Authorised Public Accountant  
Identification No (MNE) mne27730

## Management commentary

### Primary activities

The main activities are wholesale trade of Einhell products.

### Development in activities and finances

The company's income statement for the financial year 1. January 2018 – 31 December 2018 shows a loss of 1.409 t.kr.

The result of the year is not considered satisfying.

The company has lost more than half of the contributed capital, and is therefore covered by the rules of capital loss. It is the managements expectation that the capital will be reestablished, by positive operating profits in the future.

### 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 2018

|  | <u>Notes</u> | <u>2018<br/>DKK</u> | <u>2017<br/>DKK</u> |
|--|--------------|---------------------|---------------------|
| <b>Gross loss</b>                                |              | <b>(1.352.284)</b>  | <b>(128.066)</b>    |
| Depreciation, amortisation and impairment losses | 1            | (27.539)            | (35.123)            |
| <b>Operating profit/loss</b>                     |              | <b>(1.379.823)</b>  | <b>(163.189)</b>    |
| Other financial income                           |              | 0                   | 14.869              |
| Other financial expenses                         |              | (28.710)            | (319.142)           |
| <b>Profit/loss for the year</b>                  |              | <b>(1.408.533)</b>  | <b>(467.462)</b>    |
| <b>Proposed distribution of profit/loss</b>      |              |                     |                     |
| Retained earnings                                |              | (1.408.533)         | (467.462)           |
|  |              | <b>(1.408.533)</b>  | <b>(467.462)</b>    |



## Balance sheet at 31.12.2018

|  | <u>Notes</u> | <u>2018<br/>DKK</u> | <u>2017<br/>DKK</u> |
|--|--------------|---------------------|---------------------|
| Other fixtures and fittings, tools and equipment |              | 497.429             | 27.539              |
| <b>Property, plant and equipment</b>             | 2            | <u>497.429</u>      | <u>27.539</u>       |
| <b>Fixed assets</b>                              |              | <u>497.429</u>      | <u>27.539</u>       |
| Manufactured goods and goods for resale          |              | 6.067.131           | 0                   |
| Prepayments for goods                            |              | 557.327             | 0                   |
| <b>Inventories</b>                               |              | <u>6.624.458</u>    | <u>0</u>            |
| Trade receivables                                |              | 1.152.364           | 356.615             |
| Other receivables                                |              | 644.586             | 13.138              |
| Prepayments                                      |              | 0                   | 7.933               |
| <b>Receivables</b>                               |              | <u>1.796.950</u>    | <u>377.686</u>      |
| <b>Cash</b>                                      |              | <u>930.483</u>      | <u>83.366</u>       |
| <b>Current assets</b>                            |              | <u>9.351.891</u>    | <u>461.052</u>      |
| <b>Assets</b>                                    |              | <u>9.849.320</u>    | <u>488.591</u>      |

## Balance sheet at 31.12.2018

|  | <u>Notes</u> | <u>2018<br/>DKK</u>      | <u>2017<br/>DKK</u>     |
|--|--------------|--------------------------|-------------------------|
| Contributed capital                              |              | 500.000                  | 1.000.000               |
| Retained earnings                                |              | <u>(1.194.876)</u>       | <u>(1.287.970)</u>      |
| <b>Equity</b>                                    |              | <b><u>(694.876)</u></b>  | <b><u>(287.970)</u></b> |
| Other provisions                                 |              | <u>0</u>                 | <u>14.751</u>           |
| <b>Provisions</b>                                |              | <b><u>0</u></b>          | <b><u>14.751</u></b>    |
| Bank loans                                       |              | 395                      | 0                       |
| Trade payables                                   |              | 6.403.465                | 78.259                  |
| Payables to group enterprises                    |              | 2.681.336                | 500.018                 |
| Other payables                                   |              | <u>1.459.000</u>         | <u>183.533</u>          |
| <b>Current liabilities other than provisions</b> |              | <b><u>10.544.196</u></b> | <b><u>761.810</u></b>   |
| <b>Liabilities other than provisions</b>         |              | <b><u>10.544.196</u></b> | <b><u>761.810</u></b>   |
| <b>Equity and liabilities</b>                    |              | <b><u>9.849.320</u></b>  | <b><u>488.591</u></b>   |
| Contingent liabilities                           | 3            |                          |                         |
| Assets charged and collateral                    | 4            |                          |                         |

## Statement of changes in equity for 2018

|                           | <b>Contributed<br/>capital<br/>DKK</b> | <b>Retained<br/>earnings<br/>DKK</b> | <b>Total<br/>DKK</b> |
|---------------------------|--|--------------------------------------|----------------------|
| Equity beginning of year  | 1.000.000                              | (1.287.970)                          | (287.970)            |
| Increase of capital       | 500.000                                | 0                                    | 500.000              |
| Decrease of capital       | (1.000.000)                            | 1.000.000                            | 0                    |
| Group contributions etc   | 0                                      | 501.627                              | 501.627              |
| Profit/loss for the year  | 0                                      | (1.408.533)                          | (1.408.533)          |
| <b>Equity end of year</b> | <b>500.000</b>                         | <b>(1.194.876)</b>                   | <b>(694.876)</b>     |

## Notes

|  | <b>2018</b>   | <b>2017</b>   |
|--|---------------|---|
|  | <b>DKK</b>    | <b>DKK</b>  |
| <b>1. Depreciation, amortisation and impairment losses</b>                   |               |   |
| Depreciation of property, plant and equipment                                | 5.856         | 35.123  |
| Profit/loss from sale of intangible assets and property, plant and equipment | 21.683        | 0   |
|  | <b>27.539</b> | <b>35.123</b>   |
|  |               | <b>Other<br/>fixtures and<br/>fittings,<br/>tools and<br/>equipment<br/>DKK</b> |
| <b>2. Property, plant and equipment</b>                                      |               |   |
| Cost beginning of year   |               | 97.820  |
| Additions  |               | 497.429   |
| Disposals  |               | (97.820)  |
| <b>Cost end of year</b>  |               | <b>497.429</b>  |
| Depreciation and impairment losses beginning of year                         |               | (70.281)  |
| Depreciation for the year  |               | (5.856)   |
| Reversal regarding disposals   |               | 76.137  |
| <b>Depreciation and impairment losses end of year</b>                        |               | <b>0</b>  |
| <b>Carrying amount end of year</b>   |               | <b>497.429</b>  |

## 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 but with some reclassifications.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, 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.

#### Other operating income

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

#### Cost of sales

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

#### Other external expenses

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

#### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

#### Other financial income

Other financial income comprises payables and transactions in foreign currencies etc.

#### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises etc.

## Accounting policies

### Balance sheet

#### Property, plant and equipment

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.

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

|  |           |
|--|-----------|
| Other fixtures and fittings, tools and equipment | 3-5 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.

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 bank deposits.

#### Other provisions

Other provisions comprise anticipated returns etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

## Accounting policies

### **Other financial liabilities**

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