

CEWE DANMARK ApS

Søren Frichs Vej 38 K, 2. sal.
8230 Åbyhøj

CVR no. 33 80 85 18

Annual report 2020

The annual report was presented and approved at
the Company's annual general meeting on

15 May 2021



chairman

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CEWE DANMARK ApS

Annual report 2020

CVR no. 33 80 85 18

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of CEWE DANMARK ApS for the financial year 1 January – 31 December 2020.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

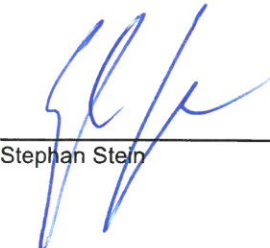
In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Åbyhøj, 15 May 2021

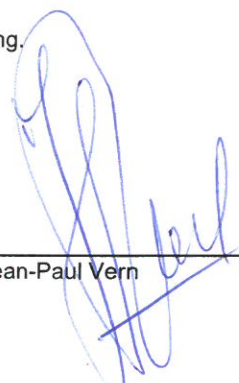
Executive Board:



Stephan Stein



Patrick Lucien Pierre Yves
Berkhouwer



Jean-Paul Vern



Independent auditor's report

To the shareholders of CEWE DANMARK ApS

Opinion

We have audited the financial statements of CEWE DANMARK ApS for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.



Independent auditor's report

- 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 15 May 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Michael E. K. Rasmussen
State Authorised
Public Accountant
mne41364

CEWE DANMARK ApS

Annual report 2020
CVR no. 33 80 85 18

Management's review

Company details

CEWE DANMARK ApS
Søren Frichs Vej 38 K, 2. sal.
8230 Åbyhøj

Telephone: +45 86 99 14 22
Website: www.cewefotobog.dk

CVR no.: 33 80 85 18
Registered office: Åbyhøj
Financial year: 1 January – 31 December

Executive Board

Stephan Stein
Patrick Lucien Pierre Yves Berkhouwer
Jean-Paul Vern

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V

Bank

Danske Bank
Åboulevarden 69
8000 Aarhus C

Management's review

Operating review

Principal activities

The Company sells and supplies digital photo solutions including related services.

Development in activities and financial position

The Company's income statement for 2020 shows a profit of DKK 4,693,604 as against a profit of DKK 955,241 in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 48,040,166 as against DKK 43,346,562 at 31 December 2019.

Events after the balance sheet date

No events have occurred after the balance sheet date that may influence the financial statements for 2020.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2020	2019
Gross profit		19,266,009	16,600,003
Staff costs	2	-13,818,077	-15,254,366
Depreciation, amortisation and impairment losses		-470,140	-499,857
Profit before financial income and expenses		4,977,792	845,780
Other financial income	3	1,062,855	718,764
Other financial expenses		-45,105	-314,751
Profit before tax		5,995,542	1,249,793
Tax on profit for the year		-1,301,938	-294,552
Profit for the year		4,693,604	955,241
Proposed profit appropriation			
Retained earnings		4,693,604	955,241

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2020	31/12 2019
ASSETS			
Fixed assets			
Intangible assets	4		
Software		<u>0</u>	<u>0</u>
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		<u>1,192,980</u>	<u>1,147,879</u>
Investments	6		
Equity investments in group entities		357,953	357,953
Deposits		<u>622,115</u>	<u>616,346</u>
		<u>980,068</u>	<u>974,299</u>
Total fixed assets		<u>2,173,048</u>	<u>2,122,178</u>
Current assets			
Inventories			
Finished goods and goods for resale		<u>311,437</u>	<u>249,110</u>
Receivables			
Trade receivables		5,453,528	6,017,507
Receivables from group entities		76,165,621	56,387,106
Other receivables		762,926	737,403
Deferred tax asset		<u>60,779</u>	<u>68,675</u>
		<u>82,442,854</u>	<u>63,210,691</u>
Cash at bank and in hand		<u>84,214</u>	<u>235,940</u>
Total current assets		<u>82,838,505</u>	<u>63,695,741</u>
TOTAL ASSETS		<u><u>85,011,553</u></u>	<u><u>65,817,919</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2020	31/12 2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		6,000,000	6,000,000
Retained earnings		<u>42,040,166</u>	<u>37,346,562</u>
Total equity		<u>48,040,166</u>	<u>43,346,562</u>
Liabilities			
Current liabilities			
Trade payables		9,778,068	8,722,301
Payables to group entities		12,412,037	7,073,869
Corporation tax		1,210,185	302,752
Other payables		<u>13,571,097</u>	<u>6,372,435</u>
		<u>36,971,387</u>	<u>22,471,357</u>
Total liabilities		<u>36,971,387</u>	<u>22,471,357</u>
TOTAL EQUITY AND LIABILITIES		<u>85,011,553</u>	<u>65,817,919</u>

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2020	6,000,000	37,346,562	43,346,562
Transferred over the profit appropriation	0	4,693,604	4,693,604
Equity at 31 December 2020	6,000,000	42,040,166	48,040,166

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of CEWE DANMARK ApS for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of consolidated financial statements

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in group entities are recognised in the income statement in the financial year in which dividend is declared. To the extent that the distributed dividend exceeds accumulated earnings at the acquisition date, the dividend is recognised as write-down of the cost of the equity investment.

Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Software is measured at cost less accumulated amortisation and impairment losses. Software is amortised on a straight-line basis over the remaining life of the software. Useful life for software is 3 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

The depreciable amount, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Equity investments in group entities

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Investments

Deposits is recognised at amortised cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable is used as discount rate.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

DKK	2020	2019
2 Staff costs		
Wages and salaries	12,924,282	13,835,658
Pensions	713,152	1,148,650
Other social security costs	180,643	270,058
	<u>13,818,077</u>	<u>15,254,366</u>
Average number of full-time employees	<u>30</u>	<u>34</u>
3 Other financial income		
Interest income from group entities	747,887	718,764
Exchange gains	314,968	0
	<u>1,062,855</u>	<u>718,764</u>

Financial statements 1 January – 31 December

Notes

4 Intangible assets

DKK	Software
Cost at 1 January 2020	<u>4,507,149</u>
Cost at 31 December 2020	<u>4,507,149</u>
Amortisation and impairment losses at 1 January 2020	<u>-4,507,149</u>
Amortisation and impairment losses at 31 December 2020	<u>-4,507,149</u>
Carrying amount at 31 December 2020	<u><u>0</u></u>

5 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment
Cost at 1 January 2020	6,600,057
Additions for the year	541,058
Disposals for the year	<u>-88,126</u>
Cost at 31 December 2020	<u>7,052,989</u>
Depreciation and impairment losses at 1 January 2020	-5,452,178
Depreciation for the year	-470,138
Reversed depreciation and impairment losses on assets sold	<u>62,307</u>
Depreciation and impairment losses at 31 December 2020	<u>-5,860,009</u>
Carrying amount at 31 December 2020	<u><u>1,192,980</u></u>

6 Investments

DKK	Equity investments in group entities
Cost at 1 January 2020	<u>357,953</u>
Cost at 31 December 2020	<u>357,953</u>
Carrying amount at 31 December 2020	<u><u>357,953</u></u>

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit/loss for the year
Subsidiaries:			DKK	DKK
CEWE-PRINT Nordic A/S	Åbyhøj	100%	<u>1,010</u>	<u>-4,057</u>
			<u>1,010</u>	<u>-4,057</u>

Financial statements 1 January – 31 December

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7 Contractual obligations, contingencies, etc.

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. The jointly taxed entities' total net liability to SKAT amounted to DKK # at 31 December 2020. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc. may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 1,496 thousand within one year (2019: DKK 2,671 thousand).

8 Related party disclosures

CEWE Danmark ApS is part of the consolidated financial statements of CeWe Stiftung & Co. KGaA, Oldenburg, Germany, which is the smallest group in which the Company is included as a subsidiary.