



Dr. Schutz Scandinavia A/S

A.P. Møllers Allé 39 A
2791 Dragør
CVR No. 36024453

Annual report 2019

The Annual General Meeting adopted the
annual report on 29.05.2020

Brian Mortensen

Chairman of the General Meeting

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Entity details

Entity

Dr. Schutz Scandinavia A/S

A.P. Møllers Allé 39 A

2791 Dragør

CVR No.: 36024453

Registered office: Dragør

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Kristine Wollenberg Schubert Gasseholm, chairman

Lothar Karl Heinz Schutz

Søster-Helle Mortensen

Brian Mortensen

Executive Board

Brian Mortensen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Dr. Schutz Scandinavia 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.

Dragør, 29.05.2020

Executive Board

Brian Mortensen
CEO

Board of Directors

Kristine Wollenberg Schubert Gasseholm
chairman



Lothar Karl Heinz Schutz

Søster-Helle Mortensen

Brian Mortensen

Independent auditor's extended review report

To the shareholders of Dr. Schutz Scandinavia A/S

Conclusion

We have performed an extended review of the financial statements of Dr. Schutz Scandinavia 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.

København, 29.05.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Carøe Andersen

State Authorised Public Accountant
Identification No (MNE) mne34499

Management commentary

Primary activities

The Entity's activities consist in trading in chemicals and execution of flooring contracts.

Development in activities and finances

The Entity has realised a loss of DKK 227 thousand which Management considers unsatisfactory.

The company has undergone a turnaround in its infrastructure, in order to optimize the business for the future. This turnaround has influenced the company's earnings.

Management expects a positive performance for the financial year 2020.

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. The outbreak and the spreading of the COVID-19 disease in early 2020 have not had and are not expected to have any material impact on the Entity's financial position and developments as the Entity's revenue primarily comes from public and well-consolidated customers.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		4,970,226	4,670,614
Staff costs	1	(4,657,984)	(6,695,328)
Depreciation, amortisation and impairment losses	2	(340,757)	(391,475)
Operating profit/loss		(28,515)	(2,416,189)
Other financial income		700	14,483
Other financial expenses	3	(155,047)	(33,052)
Profit/loss before tax		(182,862)	(2,434,758)
Tax on profit/loss for the year	4	(43,729)	453,153
Profit/loss for the year		(226,591)	(1,981,605)
Proposed distribution of profit and loss			
Retained earnings		(226,591)	(1,981,605)
Proposed distribution of profit and loss		(226,591)	(1,981,605)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Goodwill		0	0
Intangible assets	5	0	0
Other fixtures and fittings, tools and equipment		141,074	316,164
Leasehold improvements		325,159	388,826
Property, plant and equipment	6	466,233	704,990
Deposits		465,820	455,625
Deferred tax		207,000	409,000
Other financial assets	7	672,820	864,625
Fixed assets		1,139,053	1,569,615
Raw materials and consumables		3,088,289	1,359,376
Inventories		3,088,289	1,359,376
Trade receivables		3,267,300	3,612,094
Contract work in progress		265,100	0
Receivables from group enterprises		537,451	372,161
Other receivables		101,740	27,195
Joint taxation contribution receivable		72,759	0
Prepayments		528,520	371,824
Receivables		4,772,870	4,383,274
Cash		2,944	26,515
Current assets		7,864,103	5,769,165
Assets		9,003,156	7,338,780

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		500,000	500,000
Retained earnings		1,516,264	1,742,855
Equity		2,016,264	2,242,855
Other payables		151,970	0
Non-current liabilities other than provisions		151,970	0
Bank loans		1,939,552	1,033,149
Trade payables		2,912,957	1,985,894
Payables to group enterprises		562,188	57,912
Payables to shareholders and management		325,340	322,580
Other payables		1,094,885	1,696,390
Current liabilities other than provisions		6,834,922	5,095,925
Liabilities other than provisions		6,986,892	5,095,925
Equity and liabilities		9,003,156	7,338,780
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	Total DKK
Equity beginning of year	500,000	1,742,855	2,242,855
Profit/loss for the year	0	(226,591)	(226,591)
Equity end of year	500,000	1,516,264	2,016,264

Notes

1 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	3,837,964	5,586,409
Pension costs	366,300	544,269
Other social security costs	98,499	104,495
Other staff costs	355,221	460,155
	4,657,984	6,695,328
Average number of full-time employees	11	10

2 Depreciation, amortisation and impairment losses

	2019	2018
	DKK	DKK
Amortisation of intangible assets	0	100,000
Depreciation of property, plant and equipment	240,481	307,578
Profit/loss from sale of intangible assets and property, plant and equipment	100,276	(16,103)
	340,757	391,475

3 Other financial expenses

	2019	2018
	DKK	DKK
Financial expenses from group enterprises	9,163	0
Other interest expenses	124,329	33,027
Exchange rate adjustments	4,453	25
Other financial expenses	17,102	0
	155,047	33,052

4 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Change in deferred tax	202,000	(453,153)
Refund in joint taxation arrangement	(158,271)	0
	43,729	(453,153)

5 Intangible assets

	Goodwill DKK
Cost beginning of year	500,000
Cost end of year	500,000
Amortisation and impairment losses beginning of year	(500,000)
Amortisation and impairment losses end of year	(500,000)
Carrying amount end of year	0

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	840,836	736,832
Additions	0	102,000
Disposals	(99,013)	(38,586)
Cost end of year	741,823	800,246
Depreciation and impairment losses beginning of year	(524,672)	(348,006)
Depreciation for the year	(111,471)	(129,010)
Reversal regarding disposals	35,394	1,929
Depreciation and impairment losses end of year	(600,749)	(475,087)
Carrying amount end of year	141,074	325,159

7 Financial assets

	Deposits DKK	Deferred tax DKK
Cost beginning of year	455,625	409,000
Additions	10,195	0
Disposals	0	(202,000)
Cost end of year	465,820	207,000
Carrying amount end of year	465,820	207,000

8 Unrecognised rental and lease commitments

	2019	2018
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	2,077,586	2,653,697

9 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Polar Holding ApS 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

Bank debt of DKK 1,940 thousand at 31.12.2019 is secured by way of a deposited company charge of DKK 1,200 thousand on trade receivables, operating equipment, inventories, intangible assets and machinery and equipment.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of sales and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

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.

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 interest income on receivables and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, payables 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.

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, which is fixed based on the experience gained by Management for each business area. The amortisation periods used are 5 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.

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	5 years
Leasehold improvements	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.

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.

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.

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.

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.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for 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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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