

**Signcom Denmark ApS**  
Langebjerg 23A  
4000 Roskilde  
Central Business Registration No  
36037199

## **Annual report 2017**

The Annual General Meeting adopted the annual report on 14.06.2018

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

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Name: Pål Ottar Berg

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## Entity details

### Entity

Signcom Denmark ApS  
Langebjerg 23A  
4000 Roskilde

Central Business Registration No: 36037199  
Registered in: Roskilde  
Financial year: 01.01.2017 - 31.12.2017

### Board of Directors

Pål Ottar Berg, Chairman  
Jan Carl Erik Heintz

### Executive Board

Pål Ottar Berg, Chief Executive Officer

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
P.O. Box 1600  
0900 Copenhagen 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 Signcom Denmark ApS for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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.

Roskilde, 14.06.2018

### Executive Board

Pål Ottar Berg  
Chief Executive Officer

### Board of Directors

Pål Ottar Berg  
Chairman

Jan Carl Erik Heintz

## Independent auditor's reports

### To the shareholder of Signcom Denmark ApS

#### Report on extended review of the financial statements

We have performed an extended review of the financial statements of Signcom Denmark ApS for the financial year 01.01.2017 - 31.12.2017. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, are prepared in accordance with the Danish Financial Statements Act.

#### 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.

#### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. 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.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and 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.

#### Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

#### Emphasis of matter affecting the financial statements

Management has presented the annual report as a going concern. As stated in note 1 it is crucial that the Entity performs as budgeted and that the Entity's present credit facilities are retained.

#### 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.

## Independent auditor's reports

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 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 commentary.

Copenhagen, 14.06.2018

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Max Damborg

State Authorised Public Accountant

Identification number (MNE) mne33772

## Management commentary

### Primary activities

The Entity is a supplier to enterprises working with visual communication by way of signs, display systems, large-sized prints and other related business.

### Development in activities and finances

2017 was a big improvement from earlier years. The reorganization in 2016 gave the intended effect and the Entity made great improvement in terms of contribution margin and costs.

The Entity's equity is negative by DKK 10.330k at the end of the financial year. The Entity expects to re-establish the equity through continued operations.

On this basis, Management has presented the annual report for 2017 on the assumption that the Entity is a going concern.

### 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 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
<b>Gross profit</b>		<b>4.140.464</b>	<b>4.081.679</b>
Staff costs	2	(4.129.338)	(7.356.843)
Depreciation, amortisation and impairment losses		(129.007)	(128.185)
Other operating expenses		<u>0</u>	<u>(31.424)</u>
<b>Operating profit/loss</b>		<b>(117.881)</b>	<b>(3.434.773)</b>
Other financial income		3.117	11.659
Other financial expenses	3	<u>(363.402)</u>	<u>(834.847)</u>
<b>Profit/loss before tax</b>		<b>(478.166)</b>	<b>(4.257.961)</b>
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
<b>Profit/loss for the year</b>		<b>(478.166)</b>	<b>(4.257.961)</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>(478.166)</u>	<u>(4.257.961)</u>
		<b>(478.166)</b>	<b>(4.257.961)</b>

## Balance sheet at 31.12.2017

	<b>Notes</b>	<b>2017 DKK</b>	<b>2016 DKK</b>
Acquired intangible assets		127.136	141.262
<b>Intangible assets</b>	4	<b>127.136</b>	<b>141.262</b>
Other fixtures and fittings, tools and equipment		292.307	168.247
<b>Property, plant and equipment</b>	5	<b>292.307</b>	<b>168.247</b>
Deposits		202.828	53.993
Deferred tax		592.950	592.950
<b>Fixed asset investments</b>	6	<b>795.778</b>	<b>646.943</b>
<b>Fixed assets</b>		<b>1.215.221</b>	<b>956.452</b>
Manufactured goods and goods for resale		4.998.087	4.733.374
<b>Inventories</b>		<b>4.998.087</b>	<b>4.733.374</b>
Trade receivables		2.709.486	3.676.880
Receivables from group enterprises		12.231	121.723
Other receivables		104.881	239.526
<b>Receivables</b>		<b>2.826.598</b>	<b>4.038.129</b>
<b>Current assets</b>		<b>7.824.685</b>	<b>8.771.503</b>
<b>Assets</b>		<b>9.039.906</b>	<b>9.727.955</b>

## Balance sheet at 31.12.2017

	<b>Notes</b>	<b>2017 DKK</b>	<b>2016 DKK</b>
Contributed capital		50.000	50.000
Retained earnings		(10.379.728)	(9.901.562)
<b>Equity</b>		<b>(10.329.728)</b>	<b>(9.851.562)</b>
Bank loans		587.001	786.453
Trade payables		2.463.930	2.477.425
Payables to group enterprises		13.376.970	12.343.668
Other payables		2.941.733	3.971.971
<b>Current liabilities other than provisions</b>		<b>19.369.634</b>	<b>19.579.517</b>
<b>Liabilities other than provisions</b>		<b>19.369.634</b>	<b>19.579.517</b>
<b>Equity and liabilities</b>		<b>9.039.906</b>	<b>9.727.955</b>
Going concern	1		
Unrecognised rental and lease commitments	7		
Mortgages and securities	8		
Group relations	9		

## Statement of changes in equity for 2017

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	50.000	(9.901.562)	(9.851.562)
Profit/loss for the year	0	(478.166)	(478.166)
<b>Equity end of year</b>	<b>50.000</b>	<b>(10.379.728)</b>	<b>(10.329.728)</b>

## Notes

### 1. Going concern

The Entity's equity is negative by DKK 10,330k at the end of the financial year. The Entity expects to reestablish the equity through continued operations. The management has prepared a cash flow budget showing a positive cash flow. This is based on a range of operational premises, which in nature is subject to uncertainty. The Entity has also received a guarantee from external lenders, that they will obtain the credit facilities which were present as of 31 December 2017. Furthermore, the Parent has notified that the Parent will support the Entity financially, if necessary. On this basis, Management has presented the annual report for 2017 on the assumption that the Entity is going concern.

### 2. Staff costs

	<b>2017</b> <b>DKK</b>	<b>2016</b> <b>DKK</b>
Wages and salaries	3.614.253	6.509.321
Pension costs	411.045	678.867
Other social security costs	73.283	138.064
Other staff costs	30.757	30.591
	<b>4.129.338</b>	<b>7.356.843</b>

### 3. Other financial expenses

	<b>2017</b> <b>DKK</b>	<b>2016</b> <b>DKK</b>
Financial expenses from group enterprises	194.066	476.887
Interest expenses	169.336	357.960
	<b>363.402</b>	<b>834.847</b>

### 4. Intangible assets

	<b>Acquired intangible assets DKK</b>
Cost beginning of year	169.514
<b>Cost end of year</b>	<b>169.514</b>
Amortisation and impairment losses beginning of year	(28.252)
Amortisation for the year	(14.126)
<b>Amortisation and impairment losses end of year</b>	<b>(42.378)</b>
<b>Carrying amount end of year</b>	<b>127.136</b>

## Notes

	<b>Other fixtures and fittings, tools and equipment DKK</b>	
<b>5. Property, plant and equipment</b>		
Cost beginning of year		427.233
Additions		238.941
<b>Cost end of year</b>		<b>666.174</b>
Depreciation and impairment losses beginning of the year		(258.986)
Depreciation for the year		(114.881)
<b>Depreciation and impairment losses end of the year</b>		<b>(373.867)</b>
<b>Carrying amount end of year</b>		<b>292.307</b>
	<b>Deposits DKK</b>	<b>Deferred tax DKK</b>
<b>6. Fixed asset investments</b>		
Cost beginning of year	53.993	592.950
Additions	179.910	0
Disposals	(31.075)	0
<b>Cost end of year</b>	<b>202.828</b>	<b>592.950</b>
<b>Carrying amount end of year</b>	<b>202.828</b>	<b>592.950</b>
	<b>2017 DKK</b>	<b>2016 DKK</b>
<b>7. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<b>662.553</b>	<b>918.060</b>

The remaining lease periods are up to five years.

## Notes

### **8. Mortgages and securities**

A company charge secured on inventories and trade receivables amounts to DKK 1,750k.

### **9. Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Igepa group GmbH & Co. KG, Sachensfeld 4, 20097 Hamburg, Germany

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Berg-Andersen AS, Gjerdrums Vei 11, 0484 Oslo, Norway

## 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 enterprises.

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 one 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. Property, plant and equipment, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

### Income statement

#### Gross profit or loss

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

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

## Accounting policies

### Cost of sales

Cost of sales comprises cost of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

### 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 write-downs of receivables recognised in current assets.

### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation 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 intangible assets as well as property, plant and equipment.

### Other operating expenses

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

### Other financial income

Other financial income comprises interest income and net capital gains on payables and transactions in foreign currencies.

### Other financial expenses

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

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with a Danish branch. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

### Balance sheet

#### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

## Accounting policies

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### 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
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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 tax-based value of assets and liabilities, for which the tax-based value of assets 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 of goods for resale, raw materials and consumables consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price, less completion costs and costs incurred to execute sale.

### Receivables

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

## Accounting policies

### Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### Other financial liabilities

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