

SIGNCOM DENMARK ApS

Langebjerg 23 A, 1.
4000 Roskilde
Business Registration No
36037199

Annual report 2018

The Annual General Meeting adopted the annual report on 03.06.2019

Chairman of the General Meeting

Name: Eiliv Hagen

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Entity details

Entity

SIGNCOM DENMARK ApS

Langebjerg 23 A, 1.

4000 Roskilde

Central Business Registration No (CVR): 36037199

Registered in: Roskilde

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Elmar Walter Schätzlein, chairman

Karsten Prestien

Georg Alexander Kamenz

Executive Board

Eiliv Hagen

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 01.01.2018 - 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.

Roskilde, 03.06.2019

Executive Board

Eiliv Hagen

Board of Directors

Elmar Walter Schätzlein
chairman

Karsten Prestien

Georg Alexander Kamenz

Independent auditor's extended review report

To the shareholders of SIGNCOM DENMARK ApS

Conclusion

We have performed an extended review of the financial statements of SIGNCOM DENMARK ApS 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.

København, 03.06.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

René Carøe Andersen

State Authorised Public Accountant

Identification No (MNE) mne34499

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

The Entity continued its growth during 2018, also increasing margins and profitability.

During 2018, both a new Board of Directors and a new Managing Director was introduced.

Based on the shareholders' strong belief in the Entity's current and future success, a significant part of previously granted loans was converted to equity by the end of 2018, bringing the equity ratio up to positive 35 % (compared to negative 114 % in 2017).

On this basis, the Management has presented the annual report for 2018 on the assumption that the Company 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 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Gross profit		4.031.319	4.140.464
Staff costs	1	(3.720.051)	(4.129.338)
Depreciation, amortisation and impairment losses		<u>(104.440)</u>	<u>(129.007)</u>
Operating profit/loss		206.828	(117.881)
Other financial income		140	3.117
Other financial expenses	2	<u>(807.871)</u>	<u>(363.402)</u>
Profit/loss before tax		(600.903)	(478.166)
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Profit/loss for the year		<u>(600.903)</u>	<u>(478.166)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(600.903)</u>	<u>(478.166)</u>
		<u>(600.903)</u>	<u>(478.166)</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Acquired intangible assets		113.010	127.136
Intangible assets	3	113.010	127.136
Other fixtures and fittings, tools and equipment		201.993	292.307
Property, plant and equipment	4	201.993	292.307
Deposits		209.044	202.828
Deferred tax		592.950	592.950
Fixed asset investments	5	801.994	795.778
Fixed assets		1.116.997	1.215.221
Manufactured goods and goods for resale		5.802.413	4.998.087
Inventories		5.802.413	4.998.087
Trade receivables		3.551.262	2.709.486
Receivables from group enterprises		0	12.231
Other receivables		115.578	104.881
Receivables		3.666.840	2.826.598
Current assets		9.469.253	7.824.685
Assets		10.586.250	9.039.906

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		50.000	50.000
Retained earnings		<u>3.655.369</u>	<u>(10.379.728)</u>
Equity		<u>3.705.369</u>	<u>(10.329.728)</u>
Bank loans		517.083	587.001
Prepayments received from customers		103.900	0
Trade payables		3.254.728	2.463.930
Payables to group enterprises		901.597	13.376.970
Other payables		<u>2.103.573</u>	<u>2.941.733</u>
Current liabilities other than provisions		<u>6.880.881</u>	<u>19.369.634</u>
Liabilities other than provisions		<u>6.880.881</u>	<u>19.369.634</u>
Equity and liabilities		<u>10.586.250</u>	<u>9.039.906</u>
Unrecognised rental and lease commitments	6		
Assets charged and collateral	7		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50.000	(10.379.728)	(10.329.728)
Group contributions etc	0	14.636.000	14.636.000
Profit/loss for the year	0	(600.903)	(600.903)
Equity end of year	50.000	3.655.369	3.705.369

Notes

	2018	2017
	DKK	DKK
1. Staff costs		
Wages and salaries	3.231.605	3.614.253
Pension costs	365.612	411.045
Other social security costs	92.736	73.283
Other staff costs	30.098	30.757
	3.720.051	4.129.338
 Number of employees at balance sheet date	 7	 7
	2018	2017
	DKK	DKK
2. Other financial expenses		
Financial expenses from group enterprises	701.260	194.066
Other interest expenses	106.611	169.336
	807.871	363.402
		Acquired intangible assets DKK
3. Intangible assets		
Cost beginning of year		169.514
Cost end of year		169.514
 Amortisation and impairment losses beginning of year		(42.378)
Amortisation for the year		(14.126)
Amortisation and impairment losses end of year		(56.504)
 Carrying amount end of year		 113.010

Notes

	Other fixtures and fittings, tools and equipment DKK	
4. Property, plant and equipment		
Cost beginning of year	666.174	
Cost end of year	666.174	
Depreciation and impairment losses beginning of year	(373.867)	
Depreciation for the year	(90.314)	
Depreciation and impairment losses end of year	(464.181)	
Carrying amount end of year	201.993	
	Deposits DKK	Deferred tax DKK
5. Fixed asset investments		
Cost beginning of year	202.828	592.950
Additions	6.216	0
Cost end of year	209.044	592.950
Carrying amount end of year	209.044	592.950
	2018 DKK	2017 DKK
6. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	374.353	662.553

The remaining lease periods are up to five years.

Notes

7. Assets charged and collateral

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

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 report-ing class C.

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 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.

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.

Accounting policies

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.

Operating leases

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

Accounting policies

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.