



## Duo-Med Scandinavia ApS

Lejrvej 25  
3500 Værløse  
CVR No. 38584111

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 03.09.2020

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**Reinier van der List**

Chairman of the General Meeting

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# Entity details

## Entity

Duo-Med Scandinavia ApS

Lejrvej 25

3500 Værløse

CVR No.: 38584111

Registered office: Furesø

Financial year: 01.01.2019 - 31.12.2019

## Board of Directors

Laurent Gerard Ganem, chairman

Wouter Pauwels

Martin Laub

Dirk de Cuyper

Reinier van der List

## Executive Board

Reinier van der List

## 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 Duo-Med Scandinavia ApS 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.

Værløse, 03.09.2020

## Executive Board

**Reinier van der List**

## Board of Directors

**Laurent Gerard Ganem**  
chairman

**Wouter Pauwels**

**Martin Laub**

**Dirk de Cuyper**

**Reinier van der List**

# Independent auditor's report

## To the shareholders of Duo-Med Scandinavia ApS

### Opinion

We have audited the financial statements of Duo-Med Scandinavia ApS 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.

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 opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter regarding circumstances in the financial statements

Without qualifying our opinion we refer to managements description in note 1 of uncertainty relating to recognition and measurement of goodwill.

### 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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 audit of the financial statements

Our objectives are to obtain reasonable assurance about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken 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 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.
- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 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 audit 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 audit 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, 03.09.2020

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Jan Larsen**

State Authorised Public Accountant  
Identification No (MNE) mne16541

# Management commentary

## Primary activities

The Company's purpose is to hold shares and other securities as well as other activities which the board of directors deem related.

## Development in activities and finances

The loss for the year amounts to DKK 24.733k, which Management views as dissatisfactory.

The management expects to generate a more positive result in 2020 than 2019 due to Covid-19 which leads to higher sales of the Personal Protection Equipment within the product range of Braun Scandinavia A/S.

## Uncertainty relating to recognition and measurement

Management refers to note 1 describing uncertainty relating to recognition and measurement of goodwill. It is Management's best assessment that goodwill relating to acquisition of Braun Scandinavia A/S in 2017 is recognized responsibly in the annual report and reflects Management's valuation of activities in Braun Scandinavia A/S. The supporting valuation is based on Braun Scandinavia A/S' fulfillment of budgets and management stress that there may be uncertainties related to the book value of goodwill if Braun Scandinavia A/S do not realize current budgets.

Management does not find any further uncertainties relating to recognition and measurement in the annual report.

## 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 2019

	Notes	2019 DKK	2018 DKK
<b>Gross profit/loss</b>		<b>3,032,632</b>	<b>(749,883)</b>
Staff costs	2	(3,408,425)	0
<b>Operating profit/loss</b>		<b>(375,793)</b>	<b>(749,883)</b>
Income from investments in group enterprises		(15,263,898)	(3,539,838)
Other financial income	3	43,606	0
Other financial expenses	4	(11,525,516)	(11,883,303)
<b>Profit/loss before tax</b>		<b>(27,121,601)</b>	<b>(16,173,024)</b>
Tax on profit/loss for the year	5	2,388,254	2,779,301
<b>Profit/loss for the year</b>		<b>(24,733,347)</b>	<b>(13,393,723)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(24,733,347)	(13,393,723)
<b>Proposed distribution of profit and loss</b>		<b>(24,733,347)</b>	<b>(13,393,723)</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK	2018 DKK
Investments in group enterprises		185,567,488	200,831,387
<b>Other financial assets</b>	6	<b>185,567,488</b>	<b>200,831,387</b>
<b>Fixed assets</b>		<b>185,567,488</b>	<b>200,831,387</b>
Receivables from group enterprises		2,741,765	2,326,056
Deferred tax		1,458,850	0
Other receivables		0	34,042
Joint taxation contribution receivable		1,150,333	3,072,657
<b>Receivables</b>		<b>5,350,948</b>	<b>5,432,755</b>
<b>Cash</b>		<b>300,000</b>	<b>0</b>
<b>Current assets</b>		<b>5,650,948</b>	<b>5,432,755</b>
<b>Assets</b>		<b>191,218,436</b>	<b>206,264,142</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK</b>	<b>2018 DKK</b>
Contributed capital		7,436,600	7,436,600
Retained earnings		(2,764,592)	21,968,755
<b>Equity</b>		<b>4,672,008</b>	<b>29,405,355</b>
Payables to group enterprises		156,211,235	156,209,841
Payables to shareholders and management		14,270,874	13,306,176
<b>Non-current liabilities other than provisions</b>		<b>170,482,109</b>	<b>169,516,017</b>
Trade payables		0	30,540
Payables to group enterprises		15,847,837	5,287,019
Income tax payable		0	2,025,211
Other payables		216,482	0
<b>Current liabilities other than provisions</b>		<b>16,064,319</b>	<b>7,342,770</b>
<b>Liabilities other than provisions</b>		<b>186,546,428</b>	<b>176,858,787</b>
<b>Equity and liabilities</b>		<b>191,218,436</b>	<b>206,264,142</b>
Uncertainty relating to recognition and measurement	1		
Contingent liabilities	7		

# Statement of changes in equity for 2019

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	7,436,600	21,968,755	29,405,355
Profit/loss for the year	0	(24,733,347)	(24,733,347)
<b>Equity end of year</b>	<b>7,436,600</b>	<b>(2,764,592)</b>	<b>4,672,008</b>

# Notes

## 1 Uncertainty relating to recognition and measurement

In 2017 the company acquired the Danish subsidiary Braun Scandinavia A/S. Through the acquisition the company recognized a goodwill of DKK 193m. The book value of goodwill comprises 143m as per 31 December 2019.

To support the recorded goodwill management has calculated an enterprise value adjusted for net debt exceeding the book value of participating interests by DKK 40m.

The calculated enterprise value is performed by extracting the estimated cash flows from the approved budgets and projections for the budget years 2020 – 2023. In addition to these estimates, Management has calculated a terminal period by projecting the final budget year using expected macroeconomics growth rates.

Management has highlighted key figures and volatilities below.

Volatility	Applied Rate	(change in value / change in rate)	
		+ 1 point k DKK	- 1 point k DKK
Key figure	%		
WACC	10,39	(19.519)	24.459
Growth in terminal period	1,40	17.693	(18.576)
EBITDA-margin in terminal period	24,7	5.657	(6.258)

The primary uncertainties in the enterprise value calculation relate to budget fulfillment. Other uncertainties relate to cost of capital (WACC) as well as growth and profit rates in the terminal period.

The applied assumptions are based on Management's best estimate of the growth and earnings. It is Management's expectations, that the long term growth rate does not exceed the market rate as a whole. Management notes, that should the expectations not be met, there is a significant risk, that goodwill would be impaired.

## 2 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	3,408,425	0
	<b>3,408,425</b>	<b>0</b>
Average number of full-time employees	<b>3</b>	<b>2</b>

### 3 Other financial income

	2019 DKK	2018 DKK
Exchange rate adjustments	43,606	0
	<b>43,606</b>	<b>0</b>

### 4 Other financial expenses

	2019 DKK	2018 DKK
Financial expenses from group enterprises	10,560,818	10,369,102
Other interest expenses	964,698	1,407,616
Exchange rate adjustments	0	106,585
	<b>11,525,516</b>	<b>11,883,303</b>

### 5 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Change in deferred tax	(1,458,850)	0
Adjustment concerning previous years	220,929	0
Refund in joint taxation arrangement	(1,150,333)	(2,779,301)
	<b>(2,388,254)</b>	<b>(2,779,301)</b>

### 6 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	209,672,570
<b>Cost end of year</b>	<b>209,672,570</b>
Revaluations beginning of year	(8,841,183)
Amortisation of goodwill	(19,342,518)
Share of profit/loss for the year	4,078,619
<b>Revaluations end of year</b>	<b>(24,105,082)</b>
<b>Carrying amount end of year</b>	<b>185,567,488</b>

	Registered in	Corporate form	Equity interest %
<b>Investments in subsidiaries</b>			
Braun Scandinavia A/S	Furesø	A/S	100,0

**7 Contingent liabilities**

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 these entities.

# 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.

## Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Income statement

### Gross profit or loss

Gross profit or loss comprises external expenses.

### Other operating income

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

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including administrative expenses etc.

### Staff costs

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

### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on payables and transactions in foreign currencies and tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, 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

### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is the positive difference between cost of investments 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. Useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### Receivables

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

### 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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

### 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.

### 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.

### Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.