Ergoline Danmark ApS

Store Kongensgade 36, 3. th., 39589206 København K

Annual report for 2019

CVR no. 39 58 92 06

Adopted at the annual general meeting on 5 October 2020

chairman: Ioannis Minos Karageorgakis

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Ergoline Danmark ApS for the financial year 1 January - 31 December 2019.

The annual report is 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 financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 5 October 2020

Executive board

Ioannis Karolos Bampakos   Ioannis Minos Karageorgakis

Independent auditor's report

To the shareholder of Ergoline Danmark ApS

Auditors' Report on the Financial Statements

Opinion

We have audited the financial statements of Ergoline Danmark ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 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 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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 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.

Independent auditor's report

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 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 management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Independent auditor's report

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 management's review.

Report on other legal and regulatory requirements

Violation of the provisions of the Danish Tax at Source Act regarding salary tax

As the Company has not reported salary tax correctly in due time, Management may incur liability in this respect.

Violation of the capital loss provisions of the Danish Companies Act

The Company has lost more than half its share capital. Management has not taken steps to convene and hold a general meeting within the deadlines stipulated by the Danish Companies Act, not given the shareholders an account of the Company's financial position and not proposed any measures to be taken in that regard. Management may incur liability in this respect.

Ringsted, 5 October 2020

Ecovis Danmark
statsautoriseret revisionsinteressentskab
CVR no. 28 93 95 23

Kurt Bülow
Statsautoriseret revisor
MNE no. mne3112

Company details

The company	Ergoline Danmark ApS Store Kongensgade 36, 3. th. 39589206 København K	
	CVR no.:	39 58 92 06
	Reporting period:	1 January - 31 December 2019
	Domicile:	Copenhagen
Executive board	Ioannis Karolos Bampakos Ioannis Minos Karageorgakis	
Auditors	Ecovis Danmark statsautoriseret revisionsinteressentskab Nørregade 6B 4100 Ringsted	

Management's review

Business review

The main activity is contracting business and activities in relation hereof.

Unusual matters

The company's financial position at 31 December 2019 and the results of its operations for the financial year ended 31 December 2019 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 December 2019 shows a loss of DKK 112.736, and the balance sheet at 31 December 2019 shows negative equity of DKK 71.109.

The main reason for the income statement shows a loss is that work in progress is valuated at cost and profit is recognized only when the project is completed. The largest project that is part of the work in progress for third parties has been completed in March 2020, why the profit is not recognized before 2020. Because of this, 2020 is expected to show a positive result, as well as positive equity.

Income statement
1 January - 31 December

	Note	2019 DKK	2018 DKK
Profit/loss before net financials		**0**	**0**
Financial income		2.786	464
Financial costs		-127.528	-8.837
Profit/loss before tax		**-124.742**	**-8.373**
Tax on profit/loss for the year	2	12.006	0
Profit/loss for the year		**-112.736**	**-8.373**

	2019 DKK	2018 DKK
Retained earnings	-112.736	-8.373
	-112.736	**-8.373**

Balance sheet 31 December

	Note	2019 DKK	2018 DKK
Assets			
Deposits		564.550	539.175
Fixed asset investments		**564.550**	**539.175**
Total non-current assets		**564.550**	**539.175**
Work in progress		83.073.510	13.969.491
Stocks		**83.073.510**	**13.969.491**
Trade receivables		3.860.230	1.083.744
Receivables from affiliated companies		33.443	421.959
Other receivables		264.071	159.672
Deferred tax asset		12.006	0
Prepayments		320.587	98.217
Receivables		**4.490.337**	**1.763.592**
Cash at bank and in hand		**8.572.791**	**12.043.038**
Total current assets		**96.136.638**	**27.776.121**
Total assets		**96.701.188**	**28.315.296**

Balance sheet 31 December

	Note	2019 DKK	2018 DKK
Equity and liabilities			
Share capital		50.000	50.000
Retained earnings		-121.109	-8.373
Equity		**-71.109**	**41.627**
Other payables		14.064	0
Total non-current liabilities		**14.064**	**0**
Trade payables		2.827.791	2.293.841
Payables to affiliated entities		807.790	878.648
Other payables		1.442.213	2.723.795
Deferred income		91.680.439	22.377.385
Total current liabilities		**96.758.233**	**28.273.669**
Total liabilities		**96.772.297**	**28.273.669**
Total equity and liabilities		**96.701.188**	**28.315.296**
Rent and lease liabilities	3		

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January 2019	50.000	-8.373	41.627
Net profit/loss for the year	0	-112.736	-112.736
Equity at 31 December 2019	**50.000**	**-121.109**	**-71.109**

	Share capital	Retained earnings	Total
Equity 1. januar 2018	50.000	0	50.000
Net profit/loss for the year	0	-8.373	-8.373
Equity 31. december 2018	**50.000**	**-8.373**	**41.627**

Notes

		2019 DKK	2018 DKK
1	**Staff costs**		
	Wages and salaries	6.841.718	1.126.790
	Pensions	304.237	44.506
	Other social security costs	55.983	12.055
	Other staff costs	1.568.963	1.745.578
		8.770.901	**2.928.929**
	Transfer to work in progress	-8.770.901	-2.928.929
	Average number of employees	24	5

2	**Tax on profit/loss for the year**		
	Deferred tax for the year	-12.006	0
		-12.006	**0**
	Tax on profit/loss for the year is calculated as follows:		
	Calculated 22% tax on profit/loss for the year before tax	-27.443	-1.842
	Tax effect of:		
	Tax on non-deductible expenses and non-taxable income	17.234	45
	Non-capitalised deferred tax	0	1.797
	Adjustment of tax concerning previous years	-1.797	0
		-12.006	**0**

Notes

		2019	2018
		DKK	DKK
3	**Rent and lease liabilities**		
	Rent and lease liabilities		
	Operating lease liabilities. Total future lease payments:		
	Within 1 year	12.997	0
		12.997	**0**
	Rental obligations, non-cancellation period 1-6 months	330.000	300.000

Accounting policies

The annual report of Ergoline Danmark ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Revenue

Revenue is recognized according to the delivery method so that sales are only recognized in the income statement at the time when final delivery takes place, ie. that all benefits and risks are passed on to the buyer. The income is thus only recognized at the time of delivery, when the total contract amount is recognized as income.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Accounting policies

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Leases

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

Accounting policies

Contract work in progress

Work in progress is calculated according to the delivery method so that sales are only recognized in the income statement at the time when final delivery takes place, ie. that all benefits and risks are passed on to the buyer. The income is thus only recognized at the time of delivery, when the total contract amount is recognized as income. Costs for contracts are capitalized at cost under inventories and are recognized in the income statement at the time of delivery. On-account invoicing and on-account payments on a contract according to the delivery method are recognized in the balance sheet until the time when delivery takes place. The delivery method therefore means that revenue is recognized at a later date than according to the production method.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Accounting policies

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under ‘Equity’.