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BDO Statsautoriseret revisionsaktieselskab  
Havneholmen 29  
DK-1561 København V  
CVR no. 20 22 26 70

**EMCO NORDIC APS**  
**C/O NJORD LAW FIRM, PILESTRÆDE 58, 1112 KØBENHAVN K**  
**ANNUAL REPORT**  
**3 SEPTEMBER 2018 - 31 DECEMBER 2019**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 6 August 2020**

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**Jörg Harbecke**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 39 82 93 20**

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**COMPANY DETAILS**

<b>Company</b>	Emco Nordic ApS c/o NJORD Law Firm, Pilestræde 58 1112 Copenhagen K
	CVR No.: 39 82 93 20 Established: 3 September 2018 Registered Office: Danmark Financial Year: 3 September 2018 - 31 December 2019
<b>Board of Executives</b>	Jörg Harbecke Joachim Holzapfel
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V

## STATEMENT BY BOARD OF EXECUTIVES

*Today the Board of Executives have discussed and approved the Annual Report of Emco Nordic ApS for the financial year 3 September 2018 - 31 December 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 Company's financial position at 31 December 2019 and of the results of the Company's operations for the financial year 3 September 2018 - 31 December 2019.*

*The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.*

*The board of executives remain of the opinion that the conditions for opting out of audit have been fulfilled.*

*We recommend the Annual Report be approved at the Annual General Meeting.*

Tyskland, 5 August 2020

Board of Executives

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Jörg Harbecke

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Joachim Holzapfel

## ENGAGEMENT TO COMPILE FINANCIAL INFORMATION

*To the Shareholder of Emco Nordic ApS*

*We have compiled the Financial Statements of Emco Nordic ApS for the financial year 3 September 2018 - 31 December 2019 based on the Company's accounting records and other information provided by Management.*

*The Financial Statements comprise a summary of income statement, balance sheet, notes and significant accounting policies.*

*We performed this compilation engagement in accordance with the International Standard, Compilation Engagements.*

*We have applied our professional expertise to assist Management in the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant statutory provisions of the Danish Audit Act, the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark.*

*The Financial Statements and the accuracy and completeness of the information used to compile the Financial Statements are Management's responsibility.*

*Since an engagement to compile financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by Management to us to compile the Financial Statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the Financial Statements are prepared in accordance with the Danish Financial Statements Act.*

Copenhagen, 5 August 2020

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Brian Olsen Halling  
State Authorised Public Accountant  
MNE no. mne32094

## MANAGEMENT'S REVIEW

### **Principal activities**

*The principal activities comprise to flooring and wall lining.*

### **Development in activities and financial position**

*The company have a loss in the year.*

*The company have lost more than 50 % of the share capital. The management expect that this will be reestablished in the next coming years.*

### **Significant events after the end of the financial year**

*No events have occurred after the end of the financial year of material importance for the company's financial position.*

### **Future expectations**

*Since January 2020, the so-called coronavirus, Covid-19, has been spreading worldwide. This may result in losses that will generally have an impact on the Company's net assets, financial position and results of operations in 2020. The specific impact on the net assets, financial position and results of operations in 2020 cannot be predicted with sufficient reliability at this time either.*

## INCOME STATEMENT 3 SEPTEMBER - 31 DECEMBER

	Note	2018/19 DKK
<b>GROSS LOSS</b> .....		<b>-258.530</b>
Staff costs.....	1	-918.327
Other operating expenses.....		-117.544
<b>OPERATING LOSS</b> .....		<b>-1.294.401</b>
Other financial income.....		755
Other financial expenses.....	2	-42.695
<b>LOSS BEFORE TAX</b> .....		<b>-1.336.341</b>
Tax on profit/loss for the year.....		0
<b>LOSS FOR THE YEAR</b> .....		<b>-1.336.341</b>
<b>PROPOSED DISTRIBUTION OF DIVIDEND</b>		
Retained earnings.....		-1.336.341
<b>TOTAL</b> .....		<b>-1.336.341</b>

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2019 DKK
Trade receivables.....		123.595
Receivables from group enterprises.....		76.504
Other receivables.....		7.287
Prepayments and accrued income.....		5.700
<b>Receivables.....</b>		<b>213.086</b>
Cash and cash equivalents.....		122.729
<b>CURRENT ASSETS.....</b>		<b>335.815</b>
<b>ASSETS.....</b>		<b>335.815</b>



## BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2019 DKK
Share capital.....		50.000
Retained earnings.....		-1.336.341
<b>EQUITY.....</b>	<b>3</b>	<b>-1.286.341</b>
Other liabilities.....		31.644
<b>Long-term liabilities.....</b>	<b>4</b>	<b>31.644</b>
Debt to group enterprises.....		1.541.336
Other liabilities.....		49.176
<b>Current liabilities.....</b>		<b>1.590.512</b>
<b>LIABILITIES.....</b>		<b>1.622.156</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>335.815</b>
 Contingencies etc.	 5	

## NOTES

	2018/19 DKK	Note
<b>Staff costs</b>		<b>1</b>
Average number of employees 1		
Wages and salaries.....	915.676	
Pensions.....	2.651	
	<b>918.327</b>	
 <b>Other financial expenses</b>		<b>2</b>
Group enterprises.....	23.002	
Other interest expenses.....	19.693	
	<b>42.695</b>	

NOTES

	<b>Note</b>																
<b>Equity</b>	<b>3</b>																
<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 15%;">Share capital</th> <th style="text-align: right; width: 15%;">Retained earnings</th> <th style="text-align: right; width: 10%;">Total</th> </tr> </thead> <tbody> <tr> <td>Equity at 3 September 2018.....</td> <td style="text-align: right;">50.000</td> <td style="text-align: right;">0</td> <td style="text-align: right;">50.000</td> </tr> <tr> <td>Proposed distribution of profit.....</td> <td></td> <td style="text-align: right;">-1.336.341</td> <td style="text-align: right;">-1.336.341</td> </tr> <tr> <td><b>Equity at 31 December 2019.....</b></td> <td style="text-align: right;"><b>50.000</b></td> <td style="text-align: right;"><b>-1.336.341</b></td> <td style="text-align: right;"><b>-1.286.341</b></td> </tr> </tbody> </table>		Share capital	Retained earnings	Total	Equity at 3 September 2018.....	50.000	0	50.000	Proposed distribution of profit.....		-1.336.341	-1.336.341	<b>Equity at 31 December 2019.....</b>	<b>50.000</b>	<b>-1.336.341</b>	<b>-1.286.341</b>	
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Other liabilities.....	31.644	0	0														
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<b>Contingencies etc.</b>	<b>5</b>																
<b>Contingent liabilities</b>																	
None.																	

## ACCOUNTING POLICIES

*The Annual Report of Emco Nordic ApS for 2018/19 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.*

*The Annual Report is prepared with the following accounting principles.*

### INCOME STATEMENT

#### **Net revenue**

*Net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.*

*Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.*

#### **Other operating expenses**

*Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.*

#### **Cost of sales**

*Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.*

#### **Other external expenses**

*Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.*

#### **Staff costs**

*Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.*

#### **Financial income and expenses**

*Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.*

#### **Tax**

*The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.*

### BALANCE SHEET

#### **Receivables**

*Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.*

## ACCOUNTING POLICIES

### **Accruals, assets**

*Accruals recognised as assets include costs incurred relating to the subsequent financial year.*

### **Tax payable and deferred tax**

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

*Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.*

*Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.*

*Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.*

### **Liabilities**

*Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.*

*Amortised cost for short-term liabilities usually corresponds to the nominal value.*