

Zinc Denmark ApS
Maglebjergvej 4, 2800 Kongens Lyngby

Annual report
2020

Company reg. no. 40 16 75 01

The annual report was submitted and approved by the general meeting on the 20 May 2021.

Søren Langhoff
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

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Management's report

Today, the board of directors and the managing director have presented the annual report of Zinc Denmark ApS for the financial year 2020.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January - 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Kongens Lyngby, 20 May 2021

Managing Director

Søren Langhoff

Board of directors

Ralf Dickopf

Roland Heinz Weigelt

Independent auditor's report

To the shareholder of Zinc Denmark ApS

Opinion

We have audited the financial statements of Zinc Denmark ApS for the financial year 1 January - 31 December 2020, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Kolding, 20 May 2021

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Andy Philipp Gøttig

State Authorised Public Accountant
mne36186

Company information

The company	Zinc Denmark ApS Maglebjergvej 4 2800 Kongens Lyngby
	Company reg. no. 40 16 75 01 Financial year: 1 January - 31 December 2nd financial year
Board of directors	Ralf Dickopf Roland Heinz Weigelt
Managing Director	Søren Langhoff
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Jupitervej 4 6000 Kolding
Parent company	Zinc Europe Holding B.V.

Management commentary

The principal activities of the company

The main activity of the company consists of marketing services and related products for major international companies. The main areas for Zinc Denmark are Marketing Supply Chain. In addition, Promotional Marketing, Entertainment Marketing and Relationship Marketing.

Development in activities and financial matters

The gross profit for the year amounts to DKK 2.299.574 against DKK 2.000.626 last year. The ordinary result after tax amounts to DKK 673.023 against DKK 30.202 last year. The management considers the result for the year to be satisfactory.

Events occurring after the end of the financial year

The outbreak of Coronavirus (COVID-19) means new challenges and risks for the company. Measures have been taken to ensure the health and well-being of employees. In connection with the health risks, the virus outbreak has meant uncertainty and instability both politically / socially and for the company.

Income statement

All amounts in DKK.

<u>Note</u>	<u>1/1 - 31/12 2020</u>	<u>10/1 - 31/12 2019</u>
Gross profit	2.216.914	2.000.626
1 Staff costs	-1.104.769	-1.702.832
Operating profit	1.112.145	297.794
Other financial income	168.619	36.965
2 Other financial costs	-500.321	-294.459
Pre-tax net profit or loss	780.443	40.300
Tax on net profit or loss for the year	-171.886	-10.098
Net profit or loss for the year	608.557	30.202
Proposed appropriation of net profit:		
Transferred to retained earnings	608.557	30.202
Total allocations and transfers	608.557	30.202

Statement of financial position at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2020</u>	<u>2019</u>
Current assets		
Manufactured goods and trade goods	6.999.796	2.314.682
Prepayments for goods	440.108	730.203
Total inventories	<u>7.439.904</u>	<u>3.044.885</u>
Trade debtors	1.611.579	2.030.714
Other receivables	164.159	414.157
Total receivables	<u>1.775.738</u>	<u>2.444.871</u>
Available funds	905.217	527.674
Total current assets	<u>10.120.859</u>	<u>6.017.430</u>
Total assets	<u>10.120.859</u>	<u>6.017.430</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2020</u>	<u>2019</u>
Equity		
Contributed capital	50.000	50.000
Results brought forward	638.759	30.202
Total equity	688.759	80.202
Liabilities other than provisions		
Other payables	58.995	0
Total long term liabilities other than provisions	58.995	0
Bank loans	61.252	13.272
Prepayments received from customers	526.087	0
Trade payables	2.883.788	1.418.204
Payables to group enterprises	0	4.247.636
Income tax payable	171.886	0
Tax payables to group enterprises	0	10.098
Other payables	5.730.092	248.018
Total short term liabilities other than provisions	9.373.105	5.937.228
Total liabilities other than provisions	9.432.100	5.937.228
Total equity and liabilities	10.120.859	6.017.430

3 Charges and security

4 Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 10 January 2019	50.000	0	50.000
Profit or loss for the year brought forward	0	30.202	30.202
Equity 1 January 2020	50.000	30.202	80.202
Profit or loss for the year brought forward	0	608.557	608.557
	50.000	638.759	688.759

Notes

All amounts in DKK.

	1/1 - 31/12 2020	10/1 - 31/12 2019
	<u> </u>	<u> </u>
1. Staff costs		
Salaries and wages	1.027.653	1.585.726
Pension costs	68.997	111.256
Other costs for social security	8.119	5.850
	<u>1.104.769</u>	<u>1.702.832</u>
Average number of employees	<u>2</u>	<u>4</u>
2. Other financial costs		
Financial costs, group enterprises	0	235.080
Other financial costs	500.321	59.379
	<u>500.321</u>	<u>294.459</u>

3. Charges and security

As security for debt to banks, the company has deposited DKK 50 thousand on a hedge account. The amount is recognized under cash and cash equivalents.

4. Contingencies

Joint taxation

Until 30/6-2020, the company is included in the national joint taxation with Langhoff Holding ApS, CVR no. 18477548 as a management company and is liable indefinitely and jointly and severally with the other jointly taxed companies for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for Zinc Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Zinc Denmark ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.