

Rothenberger Scandinavia A/S

Smedevænget 8

9560 Hadsund

CVR No. 78865415

Annual Report 2018

33. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 24 May 2019

Christian Peter Heine
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Rothenberger Scandinavia A/S for the financial year 1 January 2018 - 31 December 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 assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hadsund, 24 May 2019

Executive Board

Thomas Lars Drue
Manager

Supervisory Board

Christian Peter Heine
Chairman

Falk Hülkenberg

Philipp Kannengiesser

Management's Review

The Company's principal activities

The Company's principal activities consist of trading with plumbing tools and machines.

Capital Resources

The Company has a negative equity of DKK 2.796.801 per the 31st of December 2018.

The shareholder has signed a letter of comfort.

The company expects to begin the closing of the company in 2019.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2018 - 31 December 2018 shows a result of DKK 176.369 and the Balance Sheet at 31 December 2018 a balance sheet total of DKK 360.092 and an equity of DKK -2.796.801.

Accounting Policies

Reporting Class

The Annual Report of Rothenberger Scandinavia A/S for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit contains revenue, raw materials and consumables, and other external expenses.

Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Raw materials and consumables

Costs for raw materials and consumables comprise purchase of goods and services for resale.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible assets

Amortisation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

| | Useful life | Residual value |
|--|--------------------|-----------------------|
| Other fixtures and fittings, tools and equipment | 3-6 years | 0% |

Profit or loss resulting from the sale of tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding debt and foreign currency transactions, as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Accounting Policies

Balance Sheet

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

An impairment test of tangible assets is performed in the event of indications of a decrease in value. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

Other financial investments

Other financial investments are measured at amortised cost price.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Prepaid expenses

Prepaid expenses recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Payables

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

Income Statement

| | Note | 2018 kr. | 2017 kr. |
|--|------|------------------|-------------------|
| Gross profit | | 2.477.529 | 1.105.265 |
| Employee benefits expense | 1 | -2.482.844 | -2.583.861 |
| Depreciation, amortisation expense and impairment losses of property, plant and equipment recognised in profit or loss | | 0 | -608 |
| Profit from ordinary operating activities | | -5.315 | -1.479.204 |
| Other finance income | | 212.180 | 139.512 |
| Finance expences | | -30.496 | -42.875 |
| Profit from ordinary activities before tax | | 176.369 | -1.382.567 |
| Tax expense on ordinary activities | | 0 | 0 |
| Profit | | 176.369 | -1.382.567 |
| Proposed distribution of results | | | |
| Retained earnings | | 176.369 | -1.382.567 |
| Distribution of profit | | 176.369 | -1.382.567 |

Rothenberger Scandinavia A/S

Balance Sheet as of 31 December

| | Note | 2018 kr. | 2017 kr. |
|---|------|----------------|----------------|
| Assets | | | |
| Fixtures, fittings, tools and equipment | | 0 | 0 |
| Property, plant and equipment | | 0 | 0 |
| Deposits, investments | | 19.375 | 19.375 |
| Investments | | 19.375 | 19.375 |
| Fixed assets | | 19.375 | 19.375 |
| Short-term trade receivables | | 51.320 | 52.161 |
| Other short-term receivables | | 39.693 | 96.490 |
| Prepaid expenses | | 11.992 | 35.360 |
| Receivables | | 103.005 | 184.011 |
| Cash and cash equivalents | | 237.712 | 132.131 |
| Current assets | | 340.717 | 316.142 |
| Assets | | 360.092 | 335.517 |

Rothenberger Scandinavia A/S

Balance Sheet as of 31 December

| | Note | 2018 kr. | 2017 kr. |
|--|------|-------------------|-------------------|
| Liabilities and equity | | | |
| Contributed capital | | 2.500.000 | 2.500.000 |
| Retained earnings | | -5.296.801 | -5.473.169 |
| Equity | | -2.796.801 | -2.973.169 |
| Trade payables | | 117.308 | 113.112 |
| Payables to group enterprises | | 2.560.555 | 2.623.714 |
| Other payables | | 479.030 | 571.860 |
| Short-term liabilities other than provisions | | 3.156.893 | 3.308.686 |
| Liabilities other than provisions within the business | | 3.156.893 | 3.308.686 |
| Liabilities and equity | | 360.092 | 335.517 |
| Capital Resources | 2 | | |
| Contingent liabilities | 3 | | |

Notes

| | 2018 | 2017 |
|-------------------------------------|------------------|------------------|
| 1. Employee benefits expense | | |
| Wages and salaries | 2.419.397 | 2.411.660 |
| Post-employment benefit expense | 36.785 | 138.860 |
| Social security contributions | 26.662 | 33.341 |
| | <u>2.482.844</u> | <u>2.583.861</u> |
| | | |
| Average number of employees | <u>4</u> | <u>5</u> |

2. Capital Resources

The Company has a negative equity of DKK 2.796.801 per the 31st of December 2018.

The shareholder has signed a letter of comfort.

The company expects to begin the closing of the company in 2019.

3. Contingent liabilities

The company has contracted operating lease arrangements for 1 car. The liability for lease payments are DKK 53.850.

The company has an office rent agreement with 3 months notice. The liability for payments are DKK 11.436.