
TITGEMEYER
SKANDINAVIEN A/S

Lunikvej 32, DK-2670 Greve

**Annual Report for 1 January - 31
December 2019**

CVR No 87 24 82 16

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
27/5 2020

Joachim Heinrich Wilhelm
Sommer
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of TITGEMEYER SKANDINAVIEN A/S 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 financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

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

Greve, 27 May 2020

Executive Board

Steen Oluf Toft Borner
CEO

Board of Directors

Joachim Heinrich Wilhelm
Sommer
Chairman

Dietrich Leifert

Steen Oluf Toft Borner

Independent Auditor's Report

To the Shareholder of TITGEMEYER SKANDINAVIEN A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of TITGEMEYER SKANDINAVIEN A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

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 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.

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

Independent Auditor's Report

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.

Hellerup, 27 May 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Steffen Kaj Pedersen

statsautoriseret revisor

mne34357

Company Information

The Company

TITGEMEYER SKANDINAVIEN A/S
Lunikvej 32
DK-2670 Greve

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CVR No: 87 24 82 16
Financial period: 1 January - 31 December
Municipality of reg. office: Greve

Board of Directors

Joachim Heinrich Wilhelm Sommer, Chairman
Dietrich Leifert
Steen Oluf Toft Borner

Executive Board

Steen Oluf Toft Borner

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Bankers

Danske Bank A/S
Taastrup Hovedgade 54
2630 Taastrup

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		5.091.304	5.443.799
Staff expenses	3	-5.530.144	-5.366.459
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-129.084	-153.500
Profit/loss before financial income and expenses		-567.924	-76.160
Financial income	5	151.837	213.196
Financial expenses	6	-231.790	-366.836
Profit/loss before tax		-647.877	-229.800
Tax on profit/loss for the year	7	-151.000	0
Net profit/loss for the year		-798.877	-229.800

Distribution of profit

Proposed distribution of profit

Retained earnings	-798.877	-229.800
	-798.877	-229.800

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		46.921	131.422
Leasehold improvements		10.916	21.829
Property, plant and equipment	8	57.837	153.251
Other receivables		323.961	321.454
Fixed asset investments	9	323.961	321.454
Fixed assets		381.798	474.705
Finished goods and goods for resale		3.418.826	3.965.119
Goods in transit		206.819	223.986
Inventories		3.625.645	4.189.105
Trade receivables		1.635.208	1.621.878
Receivables from group enterprises		0	108
Other receivables		757	628
Deferred tax asset	11	349.000	500.000
Prepayments		115.645	147.125
Receivables		2.100.610	2.269.739
Cash at bank and in hand		471.878	725.901
Currents assets		6.198.133	7.184.745
Assets		6.579.931	7.659.450

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		1.250.000	1.250.000
Retained earnings		1.001.599	1.763.513
Equity	10	2.251.599	3.013.513
Payables to group enterprises		2.069.599	2.078.143
Other payables		144.907	0
Long-term debt	12	2.214.506	2.078.143
Trade payables		378.160	387.794
Payables to group enterprises	12	389.685	765.635
Other payables	12	1.345.981	1.414.365
Short-term debt		2.113.826	2.567.794
Debt		4.328.332	4.645.937
Liabilities and equity		6.579.931	7.659.450
Subsequent events	1		
Main activity	2		
Contingent assets, liabilities and other financial obligations	13		
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Notes to the Financial Statements

1 Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

At this time, it is not possible to calculate the size of the negative COVID-19 impact. It is managements assessment that the capital resources of the capital together with support from the parent company is sufficient to settle the debt as it becomes due.

2 Main activity

The company's aim is to market components for the transportation industry and for the industry in the Nordic countries

3 Staff expenses

	<u>2019</u> DKK	<u>2018</u> DKK
Wages and salaries	4.472.442	4.076.902
Pensions	416.427	652.944
Other social security expenses	249.880	217.230
Other staff expenses	<u>391.395</u>	<u>419.383</u>
	<u>5.530.144</u>	<u>5.366.459</u>
Average number of employees	<u>8</u>	<u>9</u>

4 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation of property, plant and equipment	<u>129.084</u>	<u>153.500</u>
	<u>129.084</u>	<u>153.500</u>

Notes to the Financial Statements

	2019 DKK	2018 DKK
5 Financial income		
Other financial income	50	250
Exchange adjustments	151.787	212.946
	151.837	213.196
6 Financial expenses		
Interest paid to group enterprises	28.192	28.142
Other financial expenses	187	226
Exchange adjustments, expenses	203.411	338.468
	231.790	366.836
7 Tax on profit/loss for the year		
Current tax for the year	0	0
Deferred tax for the year	151.000	0
	151.000	0
8 Property, plant and equipment		
	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January	1.452.422	880.196
Additions for the year	33.670	0
Cost at 31 December	1.486.092	880.196
Impairment losses and depreciation at 1 January	1.321.000	858.367
Depreciation for the year	118.171	10.913
Impairment losses and depreciation at 31 December	1.439.171	869.280
Carrying amount at 31 December	46.921	10.916

Notes to the Financial Statements

9 Fixed asset investments

	<u>Deposita</u> DKK
Cost at 1 January	321.454
Additions for the year	<u>2.507</u>
Cost at 31 December	<u>323.961</u>
Carrying amount at 31 December	<u>323.961</u>

10 Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	1.250.000	1.763.513	3.013.513
Exchange adjustments	0	36.963	36.963
Net profit/loss for the year	0	-798.877	-798.877
Equity at 31 December	<u>1.250.000</u>	<u>1.001.599</u>	<u>2.251.599</u>

11 Deferred tax asset

The company has a total tax asset of DKK 0,7 million. Whereof management has assessed to recognize DKK 0,3 million.

Notes to the Financial Statements

12 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2019 DKK	2018 DKK
Payables to group enterprises		
Between 1 and 5 years	2.069.599	2.078.143
Long-term part	2.069.599	2.078.143
Other short-term debt to group enterprises	389.685	765.635
	2.459.284	2.843.778
Other payables		
Between 1 and 5 years	144.907	0
Long-term part	144.907	0
Other short-term payables	1.345.981	1.414.365
	1.490.888	1.414.365

13 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The company has entered into operating leases with an annual average lease payment on DKK 270K. The leasing contracts have a remaining maturity of up to 51 months with a total remaining lease payments on DKK 450K .

The company has rent commitments showing an annual rent of DKK 653K. the notice period of the lease is 12 months.

Notes to the Financial Statements

14 Accounting Policies

The Annual Report of TITGEMEYER SKANDINAVIEN A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation and impairment.

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

Assets and liabilities are initially 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 maturity period. Amortised cost is calculated as original cost with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

14 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

14 Accounting Policies (continued)

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5-8 years

Assets costing less than DKK 13,800 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of deposits.

Inventories

There have been written down for slow moving and obsolete items

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Notes to the Financial Statements

14 Accounting Policies (continued)

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Financial debts

Loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.