SIGNCOM DENMARK ApS

Langebjerg 23
DK-4000 Roskilde

CVR no. 36 03 71 99

Annual report 2022

The annual report was presented and approved at the Company´s annual general meeting on

20 June 2023

Uwe Müller

Chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report for SIGNCOM DENMARK ApS for the financial year 1 January - 31 December 2022.

The annual report has been 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 assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Roskilde, 20 June 2023
Executive Board:

Peter Dieter Rühlicke
CEO

Board of Directors:

Uwe Jürgen Michael Möller Chairman	Georg Alexander Kamenz	Karsten Prestien

Independent auditor's report

To the shareholders of SIGNCOM DENMARK ApS

Opinion

We have audited the financial statements of SIGNCOM DENMARK ApS for the financial year 1 January - 31 December 2022, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are 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 assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 audit. We also

- identify and assess the risks of material misstatement of the company 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

Independent auditor's report

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 the Management's review

Management is responsible for the Management's review.

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 20 June 2023
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Michael E. K. Rasmussen
State Authorised Public Accountant
mne41364

Management's review

Company details

SIGNCOM DENMARK ApS
Langebjerg 23
DK-4000 Roskilde

CVR no.:	36 03 71 99
Established:	24 June 2014
Registered office:	Roskilde
Financial year:	1 January - 31 December

Board of Directors

Uwe Jürgen Michael Müller, Chairman
Georg Alexander Kamenz
Karsten Prestien

Executive Board

Peter Dieter Rühlicke, CEO

Auditor

KPMG P/S
Statsautoriseret Revisionspartnerselskab
Fredriksplads 42
DK-8600 Aarhus
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The Company serves as supplier to entities working with visual communication by way of signs, display systems, large-sized prints and other related business.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2022.

Development in activities and financial position

The Company's income statement for 2022 shows a profit of DKK 3,148,012 as against a profit of DKK 1,620,049 in 2021. Equity in the Company's balance sheet at 31 December 2022 stood at DKK 9,067,054 as against DKK 5,919,042 at 31 December 2021.

The financial year was in line with forecast, and results for the year are considered satisfactory.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2022	2021
Gross profit		10,124,268	8,432,451
Staff costs	2	-7,908,188	-6,447,191
Depreciation on property, plant and equipment		-279,292	-192,632
Profit before financial income and expenses		1,936,788	1,792,628
Other financial income		500	0
Other financial expenses	3	-208,703	-172,579
Profit before tax		1,728,585	1,620,049
Tax on profit for the year	4	1,419,427	0
Profit for the year		3,148,012	1,620,049

Proposed profit appropriation

Retained earnings	3,148,012	1,620,049
	3,148,012	1,620,049

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2022	31/12 2021
ASSETS			
Fixed assets			
Property, plant and equipment	5		
Fixtures, fittings, tools and equipment		270,869	479,758
Investments			
Deposits		238,098	238,098
Total fixed assets		508,967	717,856
Current assets			
Inventories			
Finished goods and goods for resale		18,516,768	17,398,112
Receivables			
Trade receivables		5,014,686	6,892,469
Deferred tax assets		2,012,377	592,950
Other receivables		268,756	357,609
		7,295,819	7,843,028
Total current assets		25,812,587	25,241,140
TOTAL ASSETS		26,321,554	25,958,996

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2022	31/12 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50,000	50,000
Retained earnings		9,017,054	5,869,042
Total equity		9,067,054	5,919,042
Liabilities			
Current liabilities			
Debt to credit institutions		2,940,021	2,884,015
Prepayments received from customers		75,000	244,000
Trade payables		3,962,105	6,002,786
Payables to group entities		4,848,146	4,814,375
Other payables, including taxes payable		5,429,228	6,094,778
		17,254,500	20,039,954
Total liabilities		17,254,500	20,039,954
TOTAL EQUITY AND LIABILITIES		26,321,554	25,958,996

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2022	50,000	5,869,042	5,919,042
Transferred over the profit appropriation	0	3,148,012	3,148,012
Equity at 31 December 2022	50,000	9,017,054	9,067,054

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of SIGNCOM DENMARK ApS for 2022 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods, comprising the sale of goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ®2020.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies**

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

Investments

Equity investments in subsidiaries and associates are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Other receivables and deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists. Write-down of goodwill is not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries. Indirect production overheads and borrowing costs are not recognised in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

The liability in relation to frozen holiday funds is measured at net realisable value, including indexation. Indexation adjustments are recognised as interest expense in the income statement.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at amortised cost.

2 Staff costs

DKK	2022	2021
Wages and salaries	6,762,414	5,471,098
Pensions	943,989	829,790
Other social security expenses	201,785	146,303
	7,908,188	6,447,191
Average number of full-time employees	14	13

Financial statements 1 January – 31 December

Notes

3 Other financial expenses

DKK	2022	2021
Interest paid to group entities	183,693	154,148
Other interest expenses	25,010	18,424
Exchange losses	0	7
	208,703	172,579

4 Tax on loss for the year

DKK	2022	2021
Deferred tax adjustment for the year	-1,419,427	0
	-1,419,427	0

5 Property, plant and equipment

DKK	Fixtures, fittings, tools and equipment
Cost at 1 January 2022	1,345,135
Disposals	-12,779
Cost at 31 December 2022	1,332,356
Depreciation and impairment at 1 January 2022	-865,377
Depreciation	-208,889
Depreciation on disposals	12,779
Depreciation and impairment at 31 December 2022	-1,061,487
Carrying amount at 31 December 2022	270,869

6 Contractual obligations, contingencies, etc.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 12-18 months and an average monthly lease payment of DKK 9,135, totalling DKK 762,349.

7 Mortgages and collateral

A company charge of DKK 1,750,000 has been secured on inventories and trade receivables.

Financial statements 1 January – 31 December

Notes

8 Related parties

SIGNCOM DENMARK ApS' related parties comprise the following:

Control

Signcom Denmark ApS is part of the consolidated financial statements of Sign Communication Sweden AB, Vevgatan 5, 504 64, Borås, Sweden, which is the smallest group, in which the Company is included as a subsidiary.
The consolidated financial statements of Sign Communication Sweden AB can be obtained by contacting the Company at the address above.