

**Gorm Larsen Nordic Holding
A/S**
Lyngbyvej 417, 1
2820 Gentofte
Central Business Registration No
20951109

Annual report 2016

The Annual General Meeting adopted the annual report on 08.05.2017

Chairman of the General Meeting

Name: Jens Brinck

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Entity details

Entity

Gorm Larsen Nordic Holding A/S
Lyngbyvej 417, 1
2820 Gentofte

Central Business Registration No: 20951109
Registered in: Gentofte
Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Carsten Schmidt, Chairman
Jens Brinck
Per Christian Skak Lystrup
Martin Pedersen

Executive Board

Jens Brinck, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Gorm Larsen Nordic Holding A/S for the financial year 01.01.2016 - 31.12.2016.

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 Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Gentofte, 08.05.2017

Executive Board

Jens Brinck
Chief Executive Officer

Board of Directors

Carsten Schmidt
Chairman

Jens Brinck

Per Christian Skak Lystrup

Martin Pedersen

Independent auditor's report

To the shareholders of Gorm Larsen Nordic Holding A/S

Opinion

We have audited the financial statements of Gorm Larsen Nordic Holding A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 audit. We also:

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial statements Act.

Independent auditor's report

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

København, 08.05.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Claus Jorch Andersen

State Authorised Public Accountant

Management commentary

Primary activities

The Company's main activity is to function as holding company. Consequently, the Company's only activity is to hold shares in the independent subsidiaries of Gorm Larsen Nordic Holding A/S.

The Group comprises seven independent companies: Gorm Larsen Nordic ApS, SaleMate Europe ApS, Gorm Larsen Nordic Norge AS, Gorm Larsen Nordic Sverige AB, Gorm Larsen Nordic Sales Sverige AB, SaleMate Europe AB and Gorm Larsen Nordic Oy.

Development in activities and finances

Profit for the year amounts to DKK 2,021 thousand against a profit of DKK 2,202 thousand in 2015. Profit for the year is considered satisfactory.

The Company's ambition is to maintain long-lasting customer relations with a wide range of national and international customers.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Gross loss		(56.250)	(62.500)
Income from investments in group enterprises		2.100.251	2.352.666
Other financial expenses	1	<u>(65.545)</u>	<u>(125.214)</u>
Profit/loss before tax		1.978.456	2.164.952
Tax on profit/loss for the year	2	<u>42.058</u>	<u>36.688</u>
Profit/loss for the year		<u>2.020.514</u>	<u>2.201.640</u>
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		1.300.000	1.400.000
Transferred to reserve for net revaluation according to the equity method		700.252	1.382.508
Retained earnings		<u>20.262</u>	<u>(580.868)</u>
		<u>2.020.514</u>	<u>2.201.640</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Investments in group enterprises		3.650.632	2.964.638
Fixed asset investments	3	<u>3.650.632</u>	<u>2.964.638</u>
Fixed assets		<u>3.650.632</u>	<u>2.964.638</u>
Receivables from group enterprises		6.155.659	3.814.425
Deferred tax		327.740	462.000
Joint taxation contribution receivable		26.795	0
Receivables		<u>6.510.194</u>	<u>4.276.425</u>
Cash		<u>0</u>	<u>33.907</u>
Current assets		<u>6.510.194</u>	<u>4.310.332</u>
Assets		<u>10.160.826</u>	<u>7.274.970</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		500.000	500.000
Reserve for net revaluation according to the equity method		2.946.903	2.260.909
Retained earnings		137.536	117.274
Proposed dividend		1.300.000	1.400.000
Equity		<u>4.884.439</u>	<u>4.278.183</u>
Bank loans		20.573	0
Payables to group enterprises		5.205.814	2.946.787
Other payables		50.000	50.000
Current liabilities other than provisions		<u>5.276.387</u>	<u>2.996.787</u>
Liabilities other than provisions		<u>5.276.387</u>	<u>2.996.787</u>
Equity and liabilities		<u>10.160.826</u>	<u>7.274.970</u>
Contingent liabilities	4		
Mortgages and securities	5		
Related parties with controlling interest	6		

Statement of changes in equity for 2016

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend DKK
Equity beginning of year	500.000	2.260.909	117.274	1.400.000
Ordinary dividend paid	0	0	0	(1.400.000)
Exchange rate adjustments	0	(14.258)	0	0
Profit/loss for the year	0	700.252	20.262	1.300.000
Equity end of year	500.000	2.946.903	137.536	1.300.000
				Total DKK
Equity beginning of year				4.278.183
Ordinary dividend paid				(1.400.000)
Exchange rate adjustments				(14.258)
Profit/loss for the year				2.020.514
Equity end of year				4.884.439

Notes

	2016	2015
	DKK	DKK
1. Other financial expenses		
Financial expenses from group enterprises	246	79
Interest expenses	45.412	23.531
Exchange rate adjustments	19.887	101.604
	65.545	125.214
	2016	2015
	DKK	DKK
2. Tax on profit/loss for the year		
Tax on current year taxable income	(26.795)	0
Change in deferred tax for the year	134.260	(36.688)
Adjustment concerning previous years	(15.263)	0
Refund in joint taxation arrangement	(134.260)	0
	(42.058)	(36.688)
		Investments
		in group
		enterprises
		DKK
3. Fixed asset investments		
Cost beginning of year		703.729
Cost end of year		703.729
Revaluations beginning of year		2.260.909
Exchange rate adjustments		(14.258)
Share of profit/loss for the year		1.963.110
Adjustment of intra-group profits		137.142
Dividend		(1.400.000)
Revaluations end of year		2.946.903
Carrying amount end of year		3.650.632

Unrealised internal profits of DKK 666,666 (inclusive of tax) are included in the carrying amount.

Notes

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
Investments in group enterprises comprise:			
Gorm Larsen Nordic ApS	Danmark	ApS	100,0
SaleMate Europe ApS	Danmark	ApS	100,0
Gorm Larsen Nordic Norge AS	Norge	AS	100,0
Gorm Larsen Nordic Sverige AB	Sverige	AB	100,0
SaleMate Europe AB	Sverige	AB	100,0
Gorm Larsen Nordic Oy	Finland	Oy	100,0

Notes

4. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Jens Brinck Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

5. Mortgages and securities

The Company has undertaken joint and several guarantee of payment for the agreement entered into by the Group maximising bank dept of DKK 1 million.

The Parent's commitment with the primary bank of the Group is secured by the Company's shares in Gorm Larsen Nordic ApS.

6. Related parties with controlling interest

The Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Jens Brinck Holding ApS, Lindenborgvej 8, 2720 Vanløse, Denmark
Lystrup Holding AB, Blekingegatan 31 B, SE-118 56 Stockholm, Sweden.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Accounting policies

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish subsidiaries and the Parent. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally 10 years due to the strategic character of the current goodwill related to reorganisation of the Company in 2010.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Accounting policies

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.