



Forsco ApS

Balticagade 15, 2.
8000 Aarhus C
CVR No. 25611799

Annual report 2021

The Annual General Meeting adopted the
annual report on 29.06.2022

Christian Frismodt

Chairman of the General Meeting

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Entity details

Entity

Forsco ApS

Balticagade 15, 2.

8000 Aarhus C

Business Registration No.: 25611799

Registered office: Aarhus

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Christian Frismodt, chairman

Jeffrey David Steed

Aaron David Womack

Executive Board

Claus Gade Løvgreen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Forsco ApS for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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.

Aarhus, 29.06.2022

Executive Board

Claus Gade Løvgreen

Board of Directors

Christian Frismodt
chairman

Jeffrey David Steed

Aaron David Womack

Independent auditor's report

To the shareholders of Forsco ApS

Opinion

We have audited the financial statements of Forsco ApS for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 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 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:

- 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.

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.

Aarhus, 29.06.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Vedel

State Authorised Public Accountant
Identification No (MNE) mne10052

Søren Marquart Alsen

State Authorised Public Accountant
Identification No (MNE) mne40040

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Gross profit/loss	37,149	31,872	42,606	27,537	11,041
Operating profit/loss	23,295	20,585	24,449	10,616	9,307
Net financials	1,696	(1,840)	801	(805)	(805)
Profit/loss for the year	19,491	14,491	20,004	7,615	7,494
Total assets	78,091	63,181	65,749	46,170	21,280
Investments in property, plant and equipment	95	276	116	448	27
Investment in intangible assets	299	243	228	0	0
Equity	22,847	3,317	29,265	18,761	4,004
Ratios					
Return on equity (%)	150.16	88.95	83.30	66.90	86.17
Equity ratio (%)	29.26	5.25	44.51	40.63	18.82

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

The activity of the company is to operate in trade and in related business and consultancy business.

Development in activities and finances

The company realized a profit of DKK 19.491.182 for the financial year 2021. This is an increase from last year's result of DKK 14.491.355. Management considers profit for the year satisfactory.

Profit/loss for the year in relation to expected developments

The COVID-19 pandemic has affected revenue and profit for the year negatively compared to the expectations for the year.

Outlook

Management expects an increase in the activity level for the coming financial year, primarily driven by more sales to existing customers, and sales to new customers. The profit is expected to increase by up to 20% in 2022.

We do not have any significant investments planned for the year of 2022.

Regarding future performance, the development of the USD exchange rate must be taken into account as all trading is done in USD. We do not use future exchange contracts. Exchanges are done when the exchange rate is favorable.

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 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		37,148,983	31,872,067
Staff costs	2	(13,357,988)	(10,900,661)
Depreciation, amortisation and impairment losses	3	(496,290)	(386,514)
Operating profit/loss		23,294,705	20,584,892
Other financial income	4	1,809,171	1,988,526
Other financial expenses	5	(113,177)	(3,828,244)
Profit/loss before tax		24,990,699	18,745,174
Tax on profit/loss for the year	6	(5,499,517)	(4,253,819)
Profit/loss for the year	7	19,491,182	14,491,355

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Acquired intangible assets		394,121	382,080
Intangible assets	8	394,121	382,080
Other fixtures and fittings, tools and equipment		454,753	569,043
Property, plant and equipment	9	454,753	569,043
Investments in group enterprises		1,895,800	1,856,800
Receivables from associates		0	317,850
Deposits		261,688	251,563
Financial assets	10	2,157,488	2,426,213
Fixed assets		3,006,362	3,377,336
Trade receivables		43,886,717	30,753,865
Receivables from group enterprises		86,244	32,498
Other receivables		0	71,226
Prepayments	11	150,436	175,450
Receivables		44,123,397	31,033,039
Cash		30,961,564	28,770,407
Current assets		75,084,961	59,803,446
Assets		78,091,323	63,180,782

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		125,000	125,000
Retained earnings		22,722,335	3,192,153
Equity		22,847,335	3,317,153
Deferred tax	12	42,848	40,194
Provisions		42,848	40,194
Bank loans		0	78,204
Trade payables		44,227,570	22,309,491
Payables to group enterprises		0	21,629,180
Payables to associates		5,675,440	0
Tax payable		3,496,863	4,223,625
Other payables		1,801,267	11,582,935
Current liabilities other than provisions		55,201,140	59,823,435
Liabilities other than provisions		55,201,140	59,823,435
Equity and liabilities		78,091,323	63,180,782
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		
Group relations	16		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125,000	3,192,153	3,317,153
Exchange rate adjustments	0	39,000	39,000
Profit/loss for the year	0	19,491,182	19,491,182
Equity end of year	125,000	22,722,335	22,847,335

Notes

1 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.

2 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	12,886,617	10,714,083
Pension costs	225,417	0
Other social security costs	93,898	74,214
Other staff costs	152,056	112,364
	13,357,988	10,900,661
Average number of full-time employees	14	10

3 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Amortisation of intangible assets	287,157	72,999
Depreciation of property, plant and equipment	209,133	167,403
Profit/loss from sale of intangible assets and property, plant and equipment	0	146,112
	496,290	386,514

4 Other financial income

	2021	2020
	DKK	DKK
Other interest income	0	104,568
Exchange rate adjustments	1,809,171	1,883,958
	1,809,171	1,988,526

5 Other financial expenses

	2021	2020
	DKK	DKK
Financial expenses from associates	86,951	0
Other interest expenses	26,226	215,255
Exchange rate adjustments	0	3,612,989
	113,177	3,828,244

6 Tax on profit/loss for the year

	2021	2020
	DKK	DKK
Current tax	5,496,863	4,223,625
Change in deferred tax	2,654	30,194
	5,499,517	4,253,819

7 Proposed distribution of profit and loss

	2021	2020
	DKK	DKK
Extraordinary dividend distributed in the financial year	0	40,400,000
Retained earnings	19,491,182	(25,908,645)
	19,491,182	14,491,355

8 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	682,301
Additions	299,198
Cost end of year	981,499
Amortisation and impairment losses beginning of year	(300,221)
Amortisation for the year	(287,157)
Amortisation and impairment losses end of year	(587,378)
Carrying amount end of year	394,121

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	987,068
Additions	94,843
Cost end of year	1,081,911
Depreciation and impairment losses beginning of year	(418,025)
Depreciation for the year	(209,133)
Depreciation and impairment losses end of year	(627,158)
Carrying amount end of year	454,753

10 Financial assets

	Investments in group enterprises DKK	Receivables from associates DKK	Deposits DKK
Cost beginning of year	1,856,800	317,850	251,563
Exchange rate adjustments	39,000	90	0
Additions	0	0	10,125
Disposals	0	(317,940)	0
Cost end of year	1,895,800	0	261,688
Carrying amount end of year	1,895,800	0	261,688

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Shanghai EverRest Furniture Limited Company	China	Company	100

11 Prepayments

Prepayments contains insurances and rent.

12 Deferred tax

Changes during the year	2021 DKK	2020 DKK
Beginning of year	40,194	10,000
Change in deferred tax	2,654	30,194
End of year	42,848	40,194

Deferred tax relates to intangible and tangible assets.

13 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements with associates until maturity	259,120	741,600

14 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which M Dansk Logistical Holdings ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

15 Assets charged and collateral

As security for bank commitments the company has provided a floating charge of DKK 1 million.

16 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
M Dansk Logistical Holdings ApS, Aarhus

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
M Dansk Logistical Holdings ApS, Aarhus

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

Consolidated financial statements

Referring to section 112 of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The consolidated financial statement is to be found in Frismodt Holding ApS.

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 rate 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. Property, plant and equipment, intangible assets, inventories and other nonmonetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, other operating income, cost of raw materials and consumables and external expenses. Referring to section 32 of the Danish Financial Statements Act, no Revenue or Cost of sales are shown.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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 writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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 group enterprises. 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**Intellectual property rights etc**

Intellectual property rights etc comprise acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

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

Receivables

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

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

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. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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.

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.

Other financial liabilities

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

Tax receivable or payable

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

Cash flow statement

Referring to section 86 paragraph 4 of the Danish Financial Statements Act, no cash flow statement have been prepared. The cash flow statement is prepared in the financial statement of the parent company.