

Gran Living ApS
Polensgade 15
8000 Aarhus C
Business Registration No
27615244

Annual report 2018

The Annual General Meeting adopted the annual report on 21.05.2019

Chairman of the General Meeting

Name: Kathrine Gran Hartvigsen

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Entity details

Entity

Gran Living ApS
Polensgade 15
8000 Aarhus C

Central Business Registration No (CVR): 27615244

Registered in: Aarhus

Financial year: 01.01.2018 - 31.12.2018

Executive Board

Kathrine Gran Hartvigsen
Per Gran Hartvigsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus 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 Gran Living ApS for the financial year 01.01.2018 - 31.12.2018.

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 Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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, 21.05.2019

Executive Board

Kathrine Gran Hartvigsen

Per Gran Hartvigsen

Independent auditor's extended review report

To the shareholders of Gran Living ApS

Conclusion

We have performed an extended review of the financial statements of Gran Living ApS for the financial year 01.01.2018 - 31.12.2018, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

Independent auditor's extended review report

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

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 extended review 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 extended review 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 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, 21.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Klaus Tvede-Jensen

State Authorised Public Accountant

Identification No (MNE) mne23304

Management commentary

Primary activities

The Company's primary activities consist of trading activities, design business and related business.

Development in activities and finances

The loss after tax for the year amounted to DKK 1.620k which is considered unsatisfactory.

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 2018

	Note s	2018 DKK	2017 DKK
Gross profit		12.497.037	14.245.882
Staff costs	1	(12.162.947)	(9.406.045)
Depreciation, amortisation and impairment losses	2	<u>(1.076.153)</u>	<u>(749.041)</u>
Operating profit/loss		(742.063)	4.090.796
Other financial income	3	711.006	12.218
Other financial expenses	4	<u>(1.965.737)</u>	<u>(1.713.159)</u>
Profit/loss before tax		(1.996.794)	2.389.855
Tax on profit/loss for the year	5	<u>376.383</u>	<u>(566.000)</u>
Profit/loss for the year		<u>(1.620.411)</u>	<u>1.823.855</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(1.620.411)</u>	<u>1.823.855</u>
		<u>(1.620.411)</u>	<u>1.823.855</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Acquired intangible assets		<u>692.801</u>	<u>262.309</u>
Intangible assets	6	<u>692.801</u>	<u>262.309</u>
Other fixtures and fittings, tools and equipment		<u>2.566.385</u>	<u>3.072.937</u>
Property, plant and equipment	7	<u>2.566.385</u>	<u>3.072.937</u>
Deposits		<u>337.950</u>	<u>337.950</u>
Fixed asset investments		<u>337.950</u>	<u>337.950</u>
Fixed assets		<u>3.597.136</u>	<u>3.673.196</u>
Manufactured goods and goods for resale		38.935.781	25.013.449
Prepayments for goods		<u>1.525.178</u>	<u>2.024.913</u>
Inventories		<u>40.460.959</u>	<u>27.038.362</u>
Trade receivables		10.256.345	6.818.627
Receivables from group enterprises		1.187.986	1.088.219
Deferred tax		255.000	0
Other receivables		1.082.618	1.229.418
Prepayments		<u>1.004.085</u>	<u>779.462</u>
Receivables		<u>13.786.034</u>	<u>9.915.726</u>
Cash		<u>23.481</u>	<u>106.187</u>
Current assets		<u>54.270.474</u>	<u>37.060.275</u>
Assets		<u>57.867.610</u>	<u>40.733.471</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		600.000	600.000
Retained earnings		(950.249)	285.206
Equity		(350.249)	885.206
Deferred tax		0	12.806
Provisions		0	12.806
Subordinate loan capital		10.200.000	10.200.000
Debt to other credit institutions		4.857.940	0
Other payables		6.492.384	2.000.000
Non-current liabilities other than provisions		21.550.324	12.200.000
Bank loans		22.202.273	17.282.916
Trade payables		9.950.307	4.266.514
Payables to group enterprises		79.537	87.037
Other payables		4.435.418	5.998.992
Current liabilities other than provisions		36.667.535	27.635.459
Liabilities other than provisions		58.217.859	39.835.459
Equity and liabilities		57.867.610	40.733.471
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Assets charged and collateral	10		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	600.000	285.206	885.206
Other entries on equity	0	493.533	493.533
Tax of entries on equity	0	(108.577)	(108.577)
Profit/loss for the year	0	(1.620.411)	(1.620.411)
Equity end of year	600.000	(950.249)	(350.249)

Notes

	2018	2017
	DKK	DKK
1. Staff costs		
Wages and salaries	10.285.804	7.635.821
Pension costs	1.034.840	759.584
Other social security costs	189.057	161.477
Other staff costs	653.246	849.163
	12.162.947	9.406.045
 Average number of employees	 27	 22
	2018	2017
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	136.712	56.955
Depreciation of property, plant and equipment	939.441	692.086
	1.076.153	749.041
	2018	2017
	DKK	DKK
3. Other financial income		
Exchange rate adjustments	711.006	12.218
	711.006	12.218
	2018	2017
	DKK	DKK
4. Other financial expenses		
Other interest expenses	1.965.737	1.713.159
	1.965.737	1.713.159
	2018	2017
	DKK	DKK
5. Tax on profit/loss for the year		
Change in deferred tax	(376.383)	566.000
	(376.383)	566.000

Notes

	Acquired intangible assets DKK
6. Intangible assets	
Cost beginning of year	329.939
Additions	567.204
Cost end of year	<u>897.143</u>
Amortisation and impairment losses beginning of year	(67.630)
Amortisation for the year	<u>(136.712)</u>
Amortisation and impairment losses end of year	<u>(204.342)</u>
Carrying amount end of year	<u>692.801</u>

	Other fixtures and fittings, tools and equipment DKK
7. Property, plant and equipment	
Cost beginning of year	5.817.956
Additions	432.889
Cost end of year	<u>6.250.845</u>
Depreciation and impairment losses beginning of year	(2.745.019)
Depreciation for the year	<u>(939.441)</u>
Depreciation and impairment losses end of year	<u>(3.684.460)</u>
Carrying amount end of year	<u>2.566.385</u>

	2018 DKK	2017 DKK
8. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	<u>997.433</u>	<u>1.483</u>

9. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income

Notes

taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

10. Assets charged and collateral

Bank debt totalling DKK 22.202k is secured by a floating charge of DKK 18,000k. The floating charge comprises unsecured claims, inventories, intangible assets, property, plant and equipment, fixtures and fittings, tools and equipment.

The carrying amount of trade receivables amounts to DKK 10,289k

The carrying amount of inventories amounts to DKK 40,414k

The carrying amount of intangible assets amounts to DKK 693k

The carrying amount of property, plant and equipment amounts to DKK 2,566k

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 to 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 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 non-monetary 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, production costs and other external expenses.

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.

Accounting policies

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.

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Staff costs

Staff costs comprise salaries and wages as well as 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, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to subordinate loan capital, 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.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the equivalent to 5 years.

Accounting policies

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

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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.

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:

Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

Deferred tax

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

Accounting policies

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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