



Gran Living ApS

Polensgade 15
8000 Aarhus C
CVR No. 27615244

Annual report 2019

The Annual General Meeting adopted the
annual report on 26.08.2020

Kathrine Gran Hartvigsen

Chairman of the General Meeting

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Entity details

Entity

Gran Living ApS

Polensgade 15

8000 Aarhus C

CVR No.: 27615244

Registered office: Aarhus

Financial year: 01.01.2019 - 31.12.2019

Executive Board

Kathrine Gran Hartvigsen

Per Gran Hartvigsen

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 Gran Living ApS for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 26.08.2020

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 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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" section. 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.

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, 26.08.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 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 1.206k which is considered unsatisfactory.

Events after the balance sheet date

The outbreak and spreading of COVID-19 at the beginning of 2020 have resulted in a considerable reduction in the Company's revenue in the period from January to April 2020 compared to expectations at the beginning of the year.

This reduction is partly due to the inability to meet customer demand due to challenges with the supply of components from subcontractors, and partly to customers' liquidity and situation. The Company has been able to moderately reduce this revenue reduction through staff cuts as the majority of the Company's employees are salaried employees.

Based on an assumption that the effect of COVID-19 will diminish during Q2 2020, the Company's Management has assessed that there is no need for further write-down of the Company's trade receivables or its inventories. At present, however, it is not possible to make a reliable estimate of when the impact of COVID-19 will diminish and the Company's revenue and operations will be normalised. Depending on the time frame for the normalisation of the Company's revenue and how the Company's revenue and costs will be affected until then, a subsequent indication of impairment may arise, which may be significant.

Apart from this, no events have occurred after the balance sheet date which would affect the evaluation of the annual report.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		12,466,253	12,497,037
Staff costs	1	(11,761,823)	(12,162,947)
Depreciation, amortisation and impairment losses		(1,107,601)	(1,076,153)
Operating profit/loss		(403,171)	(742,063)
Other financial income	2	1,045,243	711,007
Other financial expenses	3	(1,847,853)	(1,965,738)
Profit/loss before tax		(1,205,781)	(1,996,794)
Tax on profit/loss for the year	4	0	376,383
Profit/loss for the year		(1,205,781)	(1,620,411)
Proposed distribution of profit and loss			
Retained earnings		(1,205,781)	(1,620,411)
Proposed distribution of profit and loss		(1,205,781)	(1,620,411)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Acquired intangible assets		550,412	692,801
Intangible assets	5	550,412	692,801
Other fixtures and fittings, tools and equipment		2,131,823	2,566,385
Property, plant and equipment	6	2,131,823	2,566,385
Deposits		337,950	337,950
Other financial assets		337,950	337,950
Fixed assets		3,020,185	3,597,136
Manufactured goods and goods for resale		35,804,935	38,935,781
Prepayments for goods		1,331,303	1,525,178
Inventories		37,136,238	40,460,959
Trade receivables		6,727,504	10,256,345
Receivables from group enterprises		5,108,425	1,187,986
Deferred tax		329,524	255,000
Other receivables		580,846	1,082,618
Prepayments		1,035,346	1,004,085
Receivables		13,781,645	13,786,034
Cash		85,523	23,481
Current assets		51,003,406	54,270,474
Assets		54,023,591	57,867,610

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		600,000	600,000
Retained earnings		(2,420,252)	(950,249)
Equity		(1,820,252)	(350,249)
Subordinate loan capital		10,200,000	10,200,000
Debt to other credit institutions		4,470,245	4,857,940
Other payables		7,957,217	6,492,384
Non-current liabilities other than provisions	7	22,627,462	21,550,324
Current portion of non-current liabilities other than provisions	7	387,695	0
Bank loans		22,841,155	22,202,273
Prepayments received from customers		393,176	0
Trade payables		7,323,436	9,950,307
Payables to group enterprises		0	79,537
Payables to shareholders and management		22,738	0
Other payables		2,248,181	4,435,418
Current liabilities other than provisions		33,216,381	36,667,535
Liabilities other than provisions		55,843,843	58,217,859
Equity and liabilities		54,023,591	57,867,610
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Assets charged and collateral	10		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	600,000	(950,249)	(350,249)
Other entries on equity	0	(338,746)	(338,746)
Tax of entries on equity	0	74,524	74,524
Profit/loss for the year	0	(1,205,781)	(1,205,781)
Equity end of year	600,000	(2,420,252)	(1,820,252)

Notes

1 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	9,932,367	10,285,804
Pension costs	1,086,271	1,034,840
Other social security costs	201,871	189,057
Other staff costs	541,314	653,246
	11,761,823	12,162,947
Average number of full-time employees	25	27

2 Other financial income

	2019 DKK	2018 DKK
Exchange rate adjustments	1,045,243	711,007
	1,045,243	711,007

3 Other financial expenses

	2019 DKK	2018 DKK
Other interest expenses	1,847,853	1,965,738
	1,847,853	1,965,738

4 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Change in deferred tax	0	(376,383)
	0	(376,383)

5 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	897,143
Additions	40,472
Cost end of year	937,615
Amortisation and impairment losses beginning of year	(204,342)
Amortisation for the year	(182,861)
Amortisation and impairment losses end of year	(387,203)
Carrying amount end of year	550,412

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	6,250,845
Additions	490,178
Cost end of year	6,741,023
Depreciation and impairment losses beginning of year	(3,684,460)
Depreciation for the year	(924,740)
Depreciation and impairment losses end of year	(4,609,200)
Carrying amount end of year	2,131,823

7 Non-current liabilities other than provisions

	Due within 12 months 2019 DKK	Due after more than 12 months 2019 DKK	Outstanding after 5 years 2019 DKK
Subordinate loan capital	0	10,200,000	10,200,000
Debt to other credit institutions	387,695	4,470,245	548,141
Other payables	0	7,957,217	7,957,217
	387,695	22,627,462	18,705,358

8 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	804,964	999,433

9 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Hartvigsen 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 jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Oversættes:

Selskabet har en verserende sag, hvor selskabet kræver erstatning for krænkelse af design vedrørende egenudviklede produkter, der vurderes være blevet kopieret. Det er ledelsens vurdering, at man vil få medhold i sin sag, hvorfor der er indregnet et tilgodehavende på 200 t.kr. pr. 31.12.19.

Dette er ligeledes årsagen til, at der ikke er indregnet en forpligtelse i forbindelse med denne sag pr. 31.12.2019.

10 Assets charged and collateral

Bank debt totalling DKK 22,830k 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.

Debt to Vækstfonden totalling DKK 4,858k is secured by a floating charge of DKK 5,000k. 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 6,728k.

The carrying amount of inventories amounts to DKK 37,136k.

The carrying amount of intangible assets amounts to DKK 550k.

The carrying amount of property, plant and equipment amounts to DKK 2,132k.

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.

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, 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 payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, 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 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 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.

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:

Other fixtures and fittings, tools and equipment	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.

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.

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.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.