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Gorm Larsen Nordic ApS
Central Business Registration No 28481136
Finsensvej 78, 2
2000 Frederiksberg

Annual report 2015

The Annual General Meeting adopted the annual report on 30.03.2016

Chairman of the General Meeting

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Name: Jens Brinck

Contents

Entity details

Entity

Gorm Larsen Nordic ApS
Finsensvej 78, 2
2000 Frederiksberg

Central Business Registration No: 28481136
Registered in: Frederiksberg
Financial year: 01.01.2015 - 31.12.2015

Phone: 88338200
Internet: www.glnordic.com
E-mail: jens@glnordic.com

Executive Board

Jens Brinck, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
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Postboks 1600
0900 København C

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Gorm Larsen Nordic ApS for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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

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

Frederiksberg, 30.03.2016

Executive Board

Jens Brinck
Chief Executive Officer

Independent auditor's reports

To the owner of Gorm Larsen Nordic ApS

Report on the financial statements

We have audited the financial statements of Gorm Larsen Nordic ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 30.03.2016

Deloitte
Statsautoriseret Revisionspartnerselskab

Claus Jorch Andersen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The Company's main activities are promotion and demonstration to dealers and customers with focus on knowledge-based projects.

Development in activities and finances

Profit for the year amounts to DKK 601 thousand against a profit in 2014 of DKK 660 thousand. Profit for the year is considered satisfactory.

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.

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.

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 revenue, changes in inventories of finished goods and work in progress, cost of raw materials and consumables and external expenses.

Accounting policies

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 costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

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.

Staff costs

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing 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 dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as 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 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.

Income taxes

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.

Accounting policies

The Entity is jointly taxed with the Danish 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

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is ten years, due to the strategic character of the current goodwill related to reorganisation of the company in 2010.

Goodwill is written down to the lower of recoverable amount and carrying amount.

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.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is three years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects 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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Accounting policies

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.

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.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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.

Income tax receivable or payable

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.

Income statement for 2015

	Notes	2015 DKK	2014 DKK
Gross profit		**9.539.627**	**8.126.933**
Staff costs	1	(8.235.811)	(6.843.479)
Depreciation, amortisation and impairment losses	2	(400.256)	(349.632)
Operating profit/loss		**903.560**	**933.822**
Other financial income		2.276	3.427
Other financial expenses		(127.967)	(72.925)
Profit/loss from ordinary activities before tax		**777.869**	**864.324**
Tax on profit/loss from ordinary activities	3	(177.043)	(204.000)
Profit/loss for the year		**600.826**	**660.324**

Proposed distribution of profit/loss			
Dividend for the financial year		600.000	100.000
Retained earnings		826	560.324
		600.826	**660.324**

Balance sheet at 31.12.2015

	Notes	2015 DKK	2014 DKK
Completed development projects		163.126	363.382
Goodwill		866.668	1.066.667
Intangible assets		**1.029.794**	**1.430.049**
Other receivables		134.459	104.434
Fixed asset investments		**134.459**	**104.434**
Fixed assets		**1.164.253**	**1.534.483**
Trade receivables		3.372.212	3.557.132
Receivables from group enterprises		31.316	0
Other short-term receivables		342.867	1.179.942
Prepayments		12.955	20.096
Receivables		**3.759.350**	**4.757.170**
Cash		**19.561**	**17.861**
Current assets		**3.778.911**	**4.775.031**
Assets		**4.943.164**	**6.309.514**

Balance sheet at 31.12.2015

	Notes	2015 DKK	2014 DKK
Contributed capital		125.000	125.000
Retained earnings		142.445	141.619
Proposed dividend		600.000	100.000
Equity		**867.445**	**366.619**
Provisions for deferred tax		157.000	95.000
Provisions		**157.000**	**95.000**
Bank loans		666.190	803.627
Prepayments received from customers		341.403	1.691.405
Trade payables		290.217	730.238
Debt to group enterprises		1.628.171	2.127.694
Income tax payable		115.043	0
Other payables		877.695	494.931
Current liabilities other than provisions		**3.918.719**	**5.847.895**
Liabilities other than provisions		**3.918.719**	**5.847.895**
Equity and liabilities		**4.943.164**	**6.309.514**
Unrecognised rental and lease commitments	4		
Contingent liabilities	5		

Statement of changes in equity for 2015

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	125.000	141.619	100.000	366.619
Ordinary dividend paid	0	0	(100.000)	(100.000)
Profit/loss for the year	0	826	600.000	600.826
Equity end of year	**125.000**	**142.445**	**600.000**	**867.445**

Notes

1. Staff costs

	2015 DKK	2014 DKK
Wages and salaries	7.508.515	6.318.628
Pension costs	618.174	416.821
Other social security costs	109.122	108.030
	8.235.811	**6.843.479**

2. Depreciation, amortisation and impairment losses

	2015 DKK	2014 DKK
Amortisation of intangible assets	400.256	349.632
	400.256	**349.632**

3. Tax on ordinary profit/loss for the year

	2015 DKK	2014 DKK
Current tax	115.043	0
Change in deferred tax for the year	62.000	204.000
	177.043	**204.000**

4. Unrecognised rental and lease commitments

	2015 DKK	2014 DKK
Commitments under rental agreements or leases until expiry	**104.434**	**115.234**

5. Contingent liabilities

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

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.