Deloitte.

Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Weidekampsgade 6
PO Box 1600
0900 Copenhagen C

Telefon 36 10 20 30
Telefax 36 10 20 40
www.deloitte.dk

Gorm Larsen Nordic ApS
Lyngbyvej 417, 1
2820 Gentofte
Central Business Registration No
28481136

Annual report 2017

The Annual General Meeting adopted the annual report on 04.04.2018

Chairman of the General Meeting

Jens Brinck

Name: Jens Brinck

Contents

Entity details

Entity

Gorm Larsen Nordic ApS
Lyngbyvej 417, 1
2820 Gentofte

Central Business Registration No: 28481136
Registered in: Gentofte
Financial year: 01.01.2017 - 31.12.2017

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

Executive Board

Jens Brinck, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
PO Box 1600
0900 Copenhagen 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 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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.

Gentofte, 04.04.2018

Executive Board

Jens Brinck
Chief Executive Officer

Independent auditor's report

To the owner of Gorm Larsen Nordic ApS

Opinion

We have audited the financial statements of Gorm Larsen Nordic ApS for the financial year 01.01.2017 - 31.12.2017, 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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 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 statementss 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.

Copenhagen, 04.04.2018

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Claus Jorch Andersen
State Authorised Public Accountant
Identification number (MNE) mne33712

Management commentary

Primary activities

The Company's main activities are promotion and demonstration activities aimed at distributors and end customers focusing on knowledge-based projects.

Development in activities and finances

Profit for the year amounts to DKK 544 thousand against a profit of DKK 365 thousand in 2016. 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.

Income statement for 2017

	Notes	2017 DKK	2016 DKK
Gross profit		**8.172.703**	**7.584.705**
Staff costs	1	(7.253.514)	(6.714.314)
Depreciation, amortisation and impairment losses	2	(200.004)	(363.126)
Operating profit/loss		**719.185**	**507.265**
Other financial income		2.386	0
Other financial expenses		(25.018)	(38.364)
Profit/loss before tax		**696.553**	**468.901**
Tax on profit/loss for the year	3	(152.833)	(103.497)
Profit/loss for the year		**543.720**	**365.404**
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		500.000	0
Retained earnings		43.720	365.404
		543.720	**365.404**

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Completed development projects		0	0
Acquired intangible assets		209.400	0
Goodwill		466.664	666.668
Development projects in progress		178.600	0
Intangible assets	4	**854.664**	**666.668**
Other receivables		98.820	0
Fixed asset investments		**98.820**	**0**
Fixed assets		**953.484**	**666.668**
Trade receivables		991.683	1.458.016
Receivables from group enterprises		1.264.949	1.410.023
Other receivables		240.000	262.743
Prepayments		7.016	66.561
Receivables		**2.503.648**	**3.197.343**
Cash		**55.775**	**16.581**
Current assets		**2.559.423**	**3.213.924**
Assets		**3.512.907**	**3.880.592**

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Contributed capital		125.000	125.000
Reserve for development expenditure		139.308	0
Retained earnings		412.261	507.849
Proposed dividend		500.000	0
Equity		**1.176.569**	**632.849**
Deferred tax		184.000	141.845
Provisions		**184.000**	**141.845**
Bank loans		399.521	740.955
Prepayments received from customers		633.559	575.569
Trade payables		456.241	1.021.692
Income tax payable		110.678	118.652
Other payables		552.339	649.030
Current liabilities other than provisions		**2.152.338**	**3.105.898**
Liabilities other than provisions		**2.152.338**	**3.105.898**
Equity and liabilities		**3.512.907**	**3.880.592**
Unrecognised rental and lease commitments	5		
Contingent liabilities	6		

Statement of changes in equity for 2017

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK
Equity beginning of year	125.000	0	507.849	0
Profit/loss for the year	0	139.308	(95.588)	500.000
Equity end of year	**125.000**	**139.308**	**412.261**	**500.000**

	Total DKK
Equity beginning of year	632.849
Profit/loss for the year	543.720
Equity end of year	**1.176.569**

Notes

1. Staff costs	2017 DKK	2016 DKK
Wages and salaries	6.639.566	6.150.080
Pension costs	505.888	507.188
Other social security costs	108.060	57.046
	7.253.514	**6.714.314**
Average number of employees	**14**	**11**

2. Depreciation, amortisation and impairment losses	2017 DKK	2016 DKK
Amortisation of intangible assets	200.004	363.126
	200.004	**363.126**

3. Tax on profit/loss for the year	2017 DKK	2016 DKK
Tax on current year taxable income	110.678	118.652
Change in deferred tax for the year	42.155	(15.155)
	152.833	**103.497**

Notes

	Completed development projects DKK	Acquired intangible assets DKK	Goodwill DKK	Development projects in progress DKK
4. Intangible assets				
Cost beginning of year	600.770	0	2.000.000	0
Additions	0	209.400	0	178.600
Cost end of year	**600.770**	**209.400**	**2.000.000**	**178.600**
Amortisation and impairment losses beginning of year	(600.770)	0	(1.333.332)	0
Amortisation for the year	0	0	(200.004)	0
Amortisation and impairment losses end of year	**(600.770)**	**0**	**(1.533.336)**	**0**
Carrying amount end of year	**0**	**209.400**	**466.664**	**178.600**

Development projects in progress

Development projects comprise digital development of a sales portal that the Company will use in its operations. Customers and staff will be able to use this system. The project is expected to be completed in 2018.

	2017 DKK	2016 DKK
5. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	**1.046.000**	**1.244.000**

6. 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. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

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, cost of sales and consumables and 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 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.

Depreciation, amortisation 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.

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 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).

Accounting policies

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.

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 agreement, but over no more than 20 years.

Intellectual property rights etc 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.