



WaveCrest Denmark ApS

Toldbodgade 18
1253 København K
CVR No. 28481136

Annual report 2021

The Annual General Meeting adopted the
annual report on 05.07.2022

Jens Brinck

Chairman of the General Meeting

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Entity details

Entity

WaveCrest Denmark ApS

Toldbodgade 18

1253 København K

Business Registration No.: 28481136

Registered office: København

Financial year: 01.01.2021 - 31.12.2021

Executive Board

Jens Brinck

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of WaveCrest Denmark 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 my 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.

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

I recommend to the Annual General Meeting that the financial statements for the next financial year not be audited.

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

Copenhagen, 05.07.2022

Executive Board

Jens Brinck

Independent auditor's extended review report

To the shareholders of WaveCrest Denmark ApS

Conclusion

We have performed an extended review of the financial statements of WaveCrest Denmark 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 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 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' 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 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 conclusion 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.

Copenhagen, 05.07.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant
Identification No (MNE) mne33712

Management commentary

Primary activities

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

In November 2020 the company, together with the sister company SaleMate Europe ApS, merged its activities with Brandiators ApS to strengthen its Nordic position and to materialize synergies both on client management and cost structures. From 2022 Gorm Larsen Nordic ApS will be the continuing company, under new name WaveCrest Denmark ApS.

Profit for the year amounts to DKK 700 thousand against a loss on DKK 806 thousand in 2020. Profit for the year is as expected.

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	1	5,296,717	4,029,941
Staff costs	2	(3,876,993)	(4,568,971)
Depreciation, amortisation and impairment losses	3	(577,596)	(644,260)
Operating profit/loss		842,128	(1,183,290)
Other financial income		12,394	30,735
Other financial expenses		(55,010)	(12,957)
Profit/loss before tax		799,512	(1,165,512)
Tax on profit/loss for the year	4	(99,855)	359,950
Profit/loss for the year		699,657	(805,562)
Proposed distribution of profit and loss			
Retained earnings		699,657	(805,562)
Proposed distribution of profit and loss		699,657	(805,562)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	6	1,310,728	1,071,444
Acquired intangible assets		41,880	83,760
Intangible assets	5	1,352,608	1,155,204
Deposits		0	67,103
Financial assets		0	67,103
Fixed assets		1,352,608	1,222,307
Trade receivables		2,702,753	2,250,926
Receivables from group enterprises		1,079,145	954,021
Prepayments		0	14,000
Receivables		3,781,898	3,218,947
Cash		1,200,007	12,736
Current assets		4,981,905	3,231,683
Assets		6,334,513	4,453,990

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		125,000	125,000
Reserve for development expenditure		1,022,368	835,726
Retained earnings		149,502	(363,513)
Equity		1,296,870	597,213
Deferred tax		220,000	41,000
Provisions		220,000	41,000
Other payables	7	424,835	319,635
Non-current liabilities other than provisions		424,835	319,635
Bank loans		102,449	139,463
Prepayments received from customers		1,989,597	1,850,281
Trade payables		1,401,328	236,934
Payables to group enterprises		325,057	0
Other payables		574,377	1,269,464
Current liabilities other than provisions		4,392,808	3,496,142
Liabilities other than provisions		4,817,643	3,815,777
Equity and liabilities		6,334,513	4,453,990
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		

Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125,000	835,726	(363,513)	597,213
Dissolution of reserves	0	186,642	(186,642)	0
Profit/loss for the year	0	0	699,657	699,657
Equity end of year	125,000	1,022,368	149,502	1,296,870

Notes

1 Gross profit/loss

Gross profit includes other operating income related to the COVID-19 crisis comprising cost compensation of DKK 94 thousand (2020: 195 thousand).

2 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	2,521,258	4,024,993
Pension costs	522,143	476,319
Other social security costs	58,592	67,659
	3,101,993	4,568,971
Staff costs classified as assets	775,000	0
	3,876,993	4,568,971
Average number of full-time employees	7	9

3 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Amortisation of intangible assets	577,596	644,260
	577,596	644,260

4 Tax on profit/loss for the year

	2021	2020
	DKK	DKK
Change in deferred tax	179,000	(355,000)
Adjustment concerning previous years	(79,145)	(4,950)
	99,855	(359,950)

5 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK
Cost beginning of year	2,279,370	209,400
Additions	775,000	0
Cost end of year	3,054,370	209,400
Amortisation and impairment losses beginning of year	(1,207,926)	(125,640)
Amortisation for the year	(535,716)	(41,880)
Amortisation and impairment losses end of year	(1,743,642)	(167,520)
Carrying amount end of year	1,310,728	41,880

6 Development projects

Completed development projects comprise digital development of a sales portal that the Company uses in its operations. Customers and staff are able to use this system.

7 Other payables

	2021 DKK	2020 DKK
Holiday pay obligation	424,835	319,635
	424,835	319,635

Other payables include the Company's frozen holiday allowance and other costs payable. The holiday pay obligation falls due as employees leave the labour market. Consequently, the outstanding debt after five years has been estimated based on when the Company's employees are expected to leave the labour market considering their retirement age

8 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	48,000	105,000

9 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 SEN Group Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and also 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 with addition of a few provisions for reporting class C.

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

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of sales and other external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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 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 interest income, including interest income on receivables from group enterprises etc. 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 transactions in foreign currencies 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).

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.

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. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

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 their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation.

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 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.

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 or the planned settlement of each liability

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.