



Gorm Larsen Nordic ApS

Toldbodgade 18
1253 København K
CVR No. 28481136

Annual report 2020

The Annual General Meeting adopted the
annual report on 29.04.2021

Jens Brinck

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	4
Management commentary	6
Income statement for 2020	7
Balance sheet at 31.12.2020	8
Statement of changes in equity for 2020	10
Notes	11
Accounting policies	13

Entity details

Entity

Gorm Larsen Nordic ApS

Toldbodgade 18

1253 København K

CVR No.: 28481136

Registered office: København

Financial year: 01.01.2020 - 31.12.2020

Executive Board

Jens Brinck

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors have today considered and approved the annual report of Gorm Larsen Nordic ApS for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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.

København, 29.04.2021

Executive Board

Jens Brinck

Independent auditor's extended review report

To the shareholders of Gorm Larsen Nordic ApS

Conclusion

We have performed an extended review of the financial statements of Gorm Larsen Nordic ApS for the financial year 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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.

København, 29.04.2021

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.

Development in activities and finances

Loss for the year amounts to DKK 806 thousand against a profit on DKK 906 thousand in 2019. Profit for the year is as expected and is related to the spread of the coronavirus disease (COVID-19) and the lock down of large parts of society in for 2020.

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 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss	1	4,029,937	9,734,047
Staff costs	2	(4,568,971)	(8,289,855)
Depreciation, amortisation and impairment losses	3	(644,260)	(277,600)
Operating profit/loss		(1,183,294)	1,166,592
Other financial income		30,735	11,957
Other financial expenses		(12,953)	(16,295)
Profit/loss before tax		(1,165,512)	1,162,254
Tax on profit/loss for the year	4	359,950	(256,056)
Profit/loss for the year		(805,562)	906,198
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		0	200,000
Retained earnings		(805,562)	706,198
Proposed distribution of profit and loss		(805,562)	906,198

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	6	1,071,444	1,607,160
Acquired intangible assets		83,760	125,640
Goodwill		0	66,664
Intangible assets	5	1,155,204	1,799,464
Deposits		67,103	98,820
Financial assets		67,103	98,820
Fixed assets		1,222,307	1,898,284
Trade receivables		2,250,926	1,786,435
Receivables from group enterprises		954,021	0
Joint taxation contribution receivable		0	15,944
Prepayments		14,000	79,769
Receivables		3,218,947	1,882,148
Cash		12,736	294,288
Current assets		3,231,683	2,176,436
Assets		4,453,990	4,074,720

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		125,000	125,000
Reserve for development expenditure		835,726	1,253,584
Retained earnings		(363,513)	24,191
Proposed dividend		0	200,000
Equity		597,213	1,602,775
Deferred tax		41,000	396,000
Provisions		41,000	396,000
Other payables		319,635	176,315
Non-current liabilities other than provisions		319,635	176,315
Bank loans		139,463	106,939
Prepayments received from customers		1,850,281	268,960
Trade payables		236,934	754,818
Payables to group enterprises		0	18,969
Other payables		1,269,464	749,944
Current liabilities other than provisions		3,496,142	1,899,630
Liabilities other than provisions		3,815,777	2,075,945
Equity and liabilities		4,453,990	4,074,720
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		

Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	125,000	1,253,584	24,191	200,000	1,602,775
Ordinary dividend paid	0	0	0	(200,000)	(200,000)
Dissolution of reserves	0	(417,858)	417,858	0	0
Profit/loss for the year	0	0	(805,562)	0	(805,562)
Equity end of year	125,000	835,726	(363,513)	0	597,213

Notes

1 Gross profit/loss

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

2 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	4,024,993	7,568,079
Pension costs	476,319	576,653
Other social security costs	67,659	145,123
	4,568,971	8,289,855
Average number of full-time employees	9	18

3 Depreciation, amortisation and impairment losses

	2020 DKK	2019 DKK
Amortisation of intangible assets	644,260	277,600
	644,260	277,600

4 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	0	(15,944)
Change in deferred tax	(355,000)	272,000
Adjustment concerning previous years	(4,950)	0
	(359,950)	256,056

5 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Goodwill DKK
Cost beginning of year	2,279,370	209,400	2,000,000
Cost end of year	2,279,370	209,400	2,000,000
Amortisation and impairment losses beginning of year	(672,210)	(83,760)	(1,933,336)
Amortisation for the year	(535,716)	(41,880)	(66,664)
Amortisation and impairment losses end of year	(1,207,926)	(125,640)	(2,000,000)
Carrying amount end of year	1,071,444	83,760	0

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 Unrecognised rental and lease commitments

	2020	2019
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	105,000	798,000

8 Contingent liabilities

The Company has undertaken joint and several guarantee of payment for the agreement entered into by the Group maximising bank debt 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 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 certain 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, cost of sales and consumables and 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).

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**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. 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.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. 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 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.

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.