

Kukko Nordic ApS

**Ørestads Boulevard 73
København**

CVR no. 29 82 10 38

Annual report for 2019

Prepared without audit or review

Adopted at the annual general meeting on 28 October 2020

Michael Kleinbongartz
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Kukko Nordic ApS for the financial year 1 January - 31 December 2019.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 28 October 2020

Executive board

Michael Kleinbongartz

Auditor's report on compilation of the financial statements

To the shareholder of Kukko Nordic ApS

We have compiled the financial statements of Kukko Nordic ApS for the financial year 1 January - 31 December 2019 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises income statement, balance sheet, notes and summary of significant accounting policies

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and Audit Firms and FSR - Danish Auditors' Code of Ethics for Professional Accountants, including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the enterprise's responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by enterprise for our compilation of the financial statements. Accordingly, we do not express an audit or a review conclusion on whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 28 October 2020

Henckel & Witt

Statsautoriseret Revisionsaktieselskab
CVR no. 39 18 86 78

Claus D. Bishaw-Witt
Statsautoriseret revisor
MNE no. mne10028

Company details

The company

Kukko Nordic ApS
Ørestads Boulevard 73
København

CVR no.: 29 82 10 38

Reporting period: 1 January - 31 December 2019

Domicile: Copenhagen

Executive board

Michael Kleinbongartz

Auditors

Henckel & Witt
Statsautoriseret Revisionsaktieselskab
Winghouse Ørestads Boulevard 73
2300 København S

General meeting

The annual general meeting is held on 27 October 2020.

Management's review

Business review

The purpose of the company is to trade in tools, safety equipment and related articles

Financial review

The company's income statement for the year ended 31. december 2019 shows a loss of DKK 1.125.242, and the balance sheet at 31 December 2019 shows negative equity of DKK 1.391.735.

As per 31 December the equity is negative with DK -1.391.735. Consequently the shareholder has decided to raise share capital by DK 10.000 and a premium capital of DK 1.590.000 with a total contribution of DK 1.600.000, by conversion of liabilities against the parent company.

Based on this capital injection and based on the interim report for 2020 which shows a profit, management has decided to prepare the annual accounts for 2019 on a going concern basis.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Kukko Nordic ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Accounting policies

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Expenses for raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Finansielle poster

Financial income and financial costs are related to interests and exchange rate differences.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Fixed asset investments

Rental deposit

Rental deposit is measured at cost.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Gross profit		693.374	965.947
Staff costs	1	<u>-1.808.507</u>	<u>-1.648.839</u>
Profit/loss before net financials		-1.115.133	-682.892
Financial income		15.493	55
Financial costs		<u>-25.602</u>	<u>-1.403</u>
Profit/loss before tax		-1.125.242	-684.240
Tax on profit/loss for the year	2	<u>0</u>	<u>-689</u>
Profit/loss for the year		<u>-1.125.242</u>	<u>-684.929</u>
Retained earnings		<u>-1.125.242</u>	<u>-684.929</u>
		<u>-1.125.242</u>	<u>-684.929</u>

Balance sheet 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Assets			
Rental deposit		<u>15.000</u>	<u>15.000</u>
Fixed asset investments		<u>15.000</u>	<u>15.000</u>
Total non-current assets		<u>15.000</u>	<u>15.000</u>
Finished goods and goods for resale		<u>97.190</u>	<u>209.865</u>
Stocks		<u>97.190</u>	<u>209.865</u>
Trade receivables		489.128	687.102
Other receivables		0	33.659
Prepayments		<u>14.934</u>	<u>10.091</u>
Receivables		<u>504.062</u>	<u>730.852</u>
Cash at bank and in hand		<u>830.652</u>	<u>87.001</u>
Total current assets		<u>1.431.904</u>	<u>1.027.718</u>
Total assets		<u><u>1.446.904</u></u>	<u><u>1.042.718</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Equity and liabilities			
Share capital		140.000	140.000
Retained earnings		<u>-1.531.735</u>	<u>-406.493</u>
Equity	3	<u>-1.391.735</u>	<u>-266.493</u>
Trade payables		2.010.005	709.707
Other payables		<u>828.634</u>	<u>599.504</u>
Total current liabilities		<u>2.838.639</u>	<u>1.309.211</u>
Total liabilities		<u>2.838.639</u>	<u>1.309.211</u>
Total equity and liabilities		<u>1.446.904</u>	<u>1.042.718</u>
Uncertainty about the continued operation (going concern)	4		
Contingent liabilities	5		

Notes

	<u>2019</u> DKK	<u>2018</u> DKK	
1 Staff costs			
Wages and salaries	1.792.043	1.628.126	
Other social security costs	12.618	11.610	
Other staff costs	<u>3.846</u>	<u>9.103</u>	
	<u>1.808.507</u>	<u>1.648.839</u>	
Average number of employees	<u>2</u>	<u>2</u>	
2 Tax on profit/loss for the year			
Current tax for the year	0	-943	
Deferred tax for the year	<u>0</u>	<u>1.632</u>	
	<u>0</u>	<u>689</u>	
3 Equity			
	<u>Share capital</u>	<u>Retained ear-</u> <u>nings</u>	<u>Total</u>
Equity at 1 January 2019	140.000	-406.493	-266.493
Net profit/loss for the year	<u>0</u>	<u>-1.125.242</u>	<u>-1.125.242</u>
Equity at 31 December 2019	<u>140.000</u>	<u>-1.531.735</u>	<u>-1.391.735</u>

The share capital consists of 140 shares of a nominal value of DKK 1.000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Notes

4 Uncertainty about the continued operation (going concern)

As per 31 December the equity is negative with DK -1.391.735. Consequently the shareholder has decided to raise share capital by DK 10.000 and a premium capital of DK 1.590.000 with a total contribution of DK 1.600.000, by conversion of liabilities against the parent company.

Based on this capital injection and based on the interim report for 2020 which shows a profit, management has decided to prepare the annual accounts for 2019 on a going concern basis.

5 Contingent liabilities

The company has issued a corporate mortgage with a mortgage on the company's debtors and inventories. The mortgage amounts to DKK 300,000.