

Annual report for 2020

Anticimex Innovation Center A/S

Skovgårdsvej 23E, 3200 Helsingør

CVR no. 30 35 07 66

(14th Financial year)

Adopted at the annual general meeting on 5
July 2021

Nicolai Grube Rosen
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Financial highlights	6
Management's review	7
Financial statements	
Accounting policies	10
Income statement 1 January - 31 December	16
Balance sheet 31 December	17
Statement of changes in equity	19
Notes to the annual report	20

Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Anticimex Innovation Center A/S for the financial year 1 January - 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

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

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

Helsingør, 5 July 2021

Executive board

Nicolai Grube Rosen
Managing Director

Supervisory board

Tomas Mikael Björksiöö
Chairman

Ulf Göran Eripe

Nicolai Grube Rosen

Independent auditor's report

To the shareholder of Anticimex Innovation Center A/S

Opinion

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of Anticimex Innovation Center A/S for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes ('the financial statements').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the company 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, 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 management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review 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 management's review.

Independent auditor's report

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 the 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company 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 statements 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:

- 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report

- 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 company'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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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.

Hellerup, 5 July 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Kaare von Cappeln
State Authorised Public Accountant
MNE no. mne11629

Company details

Anticimex Innovation Center A/S
Skovgårdsvej 23E
3200 Helsingør

Telephone: 48799378

CVR-no. 30 35 07 66

Financial year: 1 January - 31 December 2020

Incorporated: 7. March 2007

Financial year: 14th financial year

Domicile: Gribskov

Supervisory Board

Tomas Mikael Björksiö, Chairman

Ulf Göran Eripe

Nicolai Grube Rosen

Executive Board

Nicolai Grube Rosen

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44

2900 Hellerup

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2020	2019	2018	2017	2016
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Gross profit/loss	31,396	32,558	33,093	42,879	47,997
Profit/loss before net financials	-2,342	4,857	10,702	22,411	20,748
Net financials	-1,857	-517	-115	-11	-176
Profit/loss for the year	-1,181	3,383	8,256	18,357	16,033
Balance sheet					
Balance sheet total	113,830	76,919	55,625	39,382	44,384
Investment in property, plant and equipment	2,247	2,280	2,341	2,101	1,127
Equity	36,345	37,526	34,143	25,888	27,684
Financial ratios					
Solvency ratio	31.9%	48.8%	61.4%	65.7%	62.4%
Return on equity	-3.2%	9.0%	24.2%	70.9%	57.9%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Management's review

Business review

The company's activities consist of development and production of intelligent digital pestcontrol solutions.

Anticimex Innovation Center A/S is part of the core of business in the Anticimex Group. The company produces the intelligent pest control solution SMART and develops new solutions and enhances existing concepts by focusing on advanced technology and knowledge about pest control.

Financial review

The company's income statement for the year ended 31 December 2020 shows a loss of DKK 1,180,806, and the balance sheet at 31 December 2020 shows equity of DKK 36,345,224.

The company achieved a satisfactory operating profit during the financial year 2020 due to revenue growth at 20%. But due to a product re-call the net profit of the year 2020 is less satisfactory.

In October 2020 we discovered a power-related issue with one of our SMART devices in the United States that caused the device to overcharge and the battery to fail. All installations have been replaced with the version we provide to our commercial customers, which has been in operation for several years and continue to function normally. The company is liable to cover costs related hereto, therefore a provision of DKK 9,260,177 has been recognised as at 31 December 2020.

Capital resources

As a result of the events described above and mentioned in note 2 in the Financial Statements, the Company has received a strong and unlimited declaration of support from the Company's parent company, which is valid at least until 30 June 2022.

On the basis of the below, the Company is expected to be going concern. Reference is also made to note 1 in the Financial Statements regarding capital resources.

Management's review

Significant events occurring after the end of the financial year

The Company has in the beginning of 2021 discovered that a delimited batch of Li-Ion batteries are challenged from moisture and rough handling. Management has initiated a root cause analysis and risk assessment in order to determine the reason. As a result of the issue, it is Management's preliminary assessment that the Company may decide to replace certain batteries over a 4-year period. Due to the early stage of the discovery it is not possible to estimate the financial effect hereof.

On 18 June 2021 the Company's leased properties including inventories and production facilities was destroyed by fire. Management assess that it is too early to estimate the financial effects of the fire e.g. expenses in order to re-establish production facilities etc. However, it is Management's preliminary assessment that the reimbursement from the insurance company is sufficient to cover property damage as well as business interruption loss.

Management expects production and assembly facilities are fully commissioned within 16 weeks from the incident, thus quickly being able to supply Group companies with products in order to minimize idle hours and business losses.

Management considers the incidents as subsequent events occurred after the balance sheet date (31 December 2020), and therefore will not have any effect on the Financial Statements for 2020 (a non-adjusting event).

Expected development

The company's initial expectations was a positive development in the activity level in 2021 with an estimated profit before tax of DKK 5 million. Due to the fire in June 2021 the management has reassessed their initial expectations and expect a negative result between DKK 0 and DKK -5 million.

The company will continue to add new products to the Anticimex portfolio of Intelligent SMART Solutions.

Knowledge resources

In relation to the Company's operating risk, it is important to maintain our marked leading position. This is ensured by attracting the right employees, ensure continuously training and education and knowledge sharing.

Environmental conditions

The company is environmentally conscious and continuously work to improve its environmental impact; both internally as well as in collaboration with partners and suppliers

Management's review

Research & Development activities

The company has through its research and development gained considerable knowledge in modern intelligent pest control. The company's investment in research and development, since its establishment in 2007, has resulted in the development of several products marketed since 2014 by Anticimex under the name Anticimex SMART. The company has taken patents on several key areas and techniques in the developed products. The company's continuing development activities are expected to provide new digital products and technologies that will secure Anticimex' s position as a market leader in digital pest control.

In relation to the company's operating risk, it is important to maintain our marked leading position. This is ensured by attracting the right employees, ensure continuously training and education and knowledge sharing.

Special risk

The company's most significant business risk is linked to the ability to enter the market with new digital products and services in a timely manner and ensure high product quality.

Accounting policies

The annual report of Anticimex Innovation Center A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

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

The annual report for 2020 is presented in DKK.

Cash flow statement

No cash flow statement has been prepared for the parent company, as the parent company's cash flows are included in the consolidated cash flow statement, see section 86(4) of the Danish Financial Statements Act.

We refer to the Consolidated Financial Statements of Anticimex New TopHolding AB.

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 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 recognized 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.

Raw materials and consumables

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

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

Other external expenses

Other external expenses 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.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

Accounting policies

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

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.

Balance sheet

Intangible assets

Development projects, patents and licences

Developments projects that are defined and identifiable, and where the technical utilization rate, sufficient resources and a potential future market or development opportunities in the company can be demonstrated and the intention is to manufacture, market the use of the product or process, are recognized as intangible fixed assets.

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

Tangible assets

Items of other fixtures and fittings, tools and equipment, and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0 %
Leasehold improvements	5 years	0 %

Accounting policies

The useful life and residual value are reassessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Impairment of fixed assets

The carrying amount of intangible assets and items of property, plant and equipment is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

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 cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production.

The net realisable value of stocks is calculated as the expected selling price less direct 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.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Reserve for development costs

An amount corresponding to capitalised development costs is recognised in the reserve. The reserve is reduced as development costs are amortised.

Accounting policies

Provisions

Provisions comprise expected expenses relating to guarantee commitments. Provisions are recognized when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at the value in use.

Warranty commitments include expenses for remedial action within the warranty period of 1-5 years. Provisions for warranty commitments are measured and recognised based on experience gained from guarantee work. Provisions with an expected maturity of more than one year from the balance sheet date are discounted using a rate that reflects the risk and maturity of the liability.

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 is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

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.

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.

Accounting policies

Financial highlights

Definitions of financial ratios.

Equity ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Equity}}$

Income statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Gross profit		31,396,387	32,557,522
Staff costs	4	<u>-23,991,870</u>	<u>-23,561,069</u>
Profit/loss before amortisation/depreciation and impairment losses		7,404,517	8,996,453
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	5	-9,496,929	-4,139,476
Other operating costs		<u>-250,000</u>	<u>0</u>
Profit/loss before net financials		-2,342,412	4,856,977
Financial income	6	180,886	258,429
Financial costs	7	<u>-2,038,364</u>	<u>-775,068</u>
Profit/loss before tax		-4,199,890	4,340,338
Tax on profit/loss for the year	8	<u>3,019,084</u>	<u>-957,374</u>
Profit/loss for the year		<u>-1,180,806</u>	<u>3,382,964</u>
Distribution of profit	9		

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Assets			
Completed development projects		24,885,820	17,057,692
Software		304,292	714,340
Development projects in progress		<u>42,985,977</u>	<u>27,587,503</u>
Intangible assets	10	<u>68,176,089</u>	<u>45,359,535</u>
Other fixtures and fittings, tools and equipment		3,840,302	3,226,339
Leasehold improvements		<u>1,162,865</u>	<u>1,454,300</u>
Tangible assets	11	<u>5,003,167</u>	<u>4,680,639</u>
Deposits		<u>419,530</u>	<u>420,530</u>
Fixed asset investments		<u>419,530</u>	<u>420,530</u>
Total non-current assets		<u>73,598,786</u>	<u>50,460,704</u>
Raw materials and consumables		8,249,031	4,247,381
Work in progress		1,089,835	1,031,748
Finished goods and goods for resale		<u>10,172,578</u>	<u>2,733,791</u>
Stocks		<u>19,511,444</u>	<u>8,012,920</u>
Trade receivables		809,260	123,282
Receivables from subsidiaries		12,593,542	15,288,564
Other receivables		3,279,606	2,709,535
Corporation tax		3,831,101	0
Prepayments		<u>201,924</u>	<u>319,232</u>
Receivables		<u>20,715,433</u>	<u>18,440,613</u>
Cash at bank and in hand		<u>4,390</u>	<u>4,390</u>
Total current assets		<u>40,231,267</u>	<u>26,457,923</u>
Total assets		<u><u>113,830,053</u></u>	<u><u>76,918,627</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Equity and liabilities			
Share capital		1,398,916	1,398,916
Share premium account		855,000	855,000
Reserve for development expenditure		52,939,998	22,511,483
Retained earnings		-18,848,690	12,760,631
Equity		<u>36,345,224</u>	<u>37,526,030</u>
Provision for deferred tax		8,924,830	4,095,005
Other provisions	12	<u>11,766,966</u>	<u>200,000</u>
Total provisions		<u>20,691,796</u>	<u>4,295,005</u>
Other payables		<u>1,945,328</u>	<u>692,506</u>
Total non-current liabilities	13	<u>1,945,328</u>	<u>692,506</u>
Trade payables		19,249,979	14,631,594
Payables to subsidiaries		31,591,879	16,856,345
Other payables		<u>4,005,847</u>	<u>2,917,147</u>
Total current liabilities		<u>54,847,705</u>	<u>34,405,086</u>
Total liabilities		<u>56,793,033</u>	<u>35,097,592</u>
Total equity and liabilities		<u><u>113,830,053</u></u>	<u><u>76,918,627</u></u>
Capital resources	1		
Subsequent events	2		
Special items	3		
Rent and lease liabilities	14		
Contingent liabilities	15		
Related parties and ownership structure	16		

Statement of changes in equity

	Share premium account	Reserve for development expenditure	Retained earnings	Total	
	<u>Share capital</u>				
Equity at 1 January 2020	1,398,916	855,000	22,511,483	12,760,631	37,526,030
Transfers, reserves	0	0	30,428,515	-30,428,515	0
Net profit/loss for the year	0	0	0	-1,180,806	-1,180,806
Equity at 31 December 2020	<u>1,398,916</u>	<u>855,000</u>	<u>52,939,998</u>	<u>-18,848,690</u>	<u>36,345,224</u>

Notes

1 Capital resources

The Company has received an unlimited declaration of support from the parent company Anticimex International AB whereby they confirm to make financing available for the company if necessary until 30 June 2022. The parent company has further stated its intention to extend the declaration of support, to include subsequent periods if necessary.

2 Subsequent events

The Company has in 2021 discovered that a delimited batch of Li-Ion batteries are challenged from moisture and rough handling. Management has initiated a root cause analysis and risk assessment in order to determine the reason. As a result of the issue, it is Management's preliminary assessment that the Company may decide to replace certain batteries over a 4-year period. Due to the early stage of the discovery it is not possible to estimate the financial effect hereof.

On 18 June 2021 the Company's leased properties including inventories and production facilities was destroyed by fire. Management assess that it is too early to estimate the financial effects of the fire e.g. reimbursement from the insurance company as well as expenses in order to re-establish production facilities etc.

3 Special items

Due to the fact that a product was recalled from the American market a provision of DKK 9,260,177 has been made to reflect the expected value of the recalled products sold as well as internal staff cost in relation hereto. The provision is booked with DKK 648,000 as staff costs and DKK as 8,612,177 as other other external costs within the gross profit.

Also a further extra cost of DKK 2,759,210 (USD 419,971) has been spend due to the business with the recalled product. These additional cost are booked with DKK 418,949 (USD 63,767) as staff costs and DKK 2,340,260 (USD 356,204) as other external costs within the gross profit.

Notes

	2020 DKK	2019 DKK
4 Staff costs		
Wages and salaries	20,118,598	19,519,019
Pensions	3,284,924	3,315,638
Other social security costs	588,348	726,412
	<u>23,991,870</u>	<u>23,561,069</u>
Average number of employees	<u>53</u>	<u>51</u>
According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the executive board has not been disclosed. The Supervisory Board does not receive any remuneration.		
5 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation intangible assets	7,572,597	3,197,112
Depreciation tangible assets	1,924,332	942,364
	<u>9,496,929</u>	<u>4,139,476</u>
6 Financial income		
Other financial income	14,465	579
Exchange gains	166,421	257,850
	<u>180,886</u>	<u>258,429</u>
7 Financial costs		
Other financial costs	1,122,548	453,758
Exchange loss	915,816	321,310
	<u>2,038,364</u>	<u>775,068</u>

Notes

	2020 DKK	2019 DKK
8 Tax on profit/loss for the year		
Current tax for the year	-3,831,639	0
Deferred tax for the year	4,829,825	957,374
Adjustment of tax concerning previous years	-4,017,270	0
	<u>-3,019,084</u>	<u>957,374</u>

9 Distribution of profit		
Retained earnings	-1,180,806	3,382,964
	<u>-1,180,806</u>	<u>3,382,964</u>

10 Intangible assets

	Completed development projects	Software	Development projects in progress
Cost at 1 January 2020	20,253,817	1,289,217	27,587,503
Additions for the year	8,692,924	0	21,696,227
Transfers for the year	6,297,753	0	-6,297,753
Cost at 31 December 2020	<u>35,244,494</u>	<u>1,289,217</u>	<u>42,985,977</u>
Impairment losses and amortisation at 1 January 2020	3,196,125	574,877	0
Amortisation for the year	7,162,549	410,048	0
Impairment losses and amortisation at 31 December 2020	<u>10,358,674</u>	<u>984,925</u>	<u>0</u>
Carrying amount at 31 December 2020	<u>24,885,820</u>	<u>304,292</u>	<u>42,985,977</u>

The Company has developed a number of different products within the Anticimex product portfolio which has are all launched and continuously being sold on relevant markets. As for developments projects on progress management has high expectations for the products and has no indication of impairment in relative to the carrying amount.

Notes

11 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2020	13,393,006	2,284,815
Additions for the year	2,096,594	150,267
Cost at 31 December 2020	<u>15,489,600</u>	<u>2,435,082</u>
Impairment losses and depreciation at 1 January 2020	10,166,667	830,516
Depreciation for the year	1,482,631	441,701
Impairment losses and depreciation at 31 December 2020	<u>11,649,298</u>	<u>1,272,217</u>
Carrying amount at 31 December 2020	<u>3,840,302</u>	<u>1,162,865</u>

	2020 DKK	2019 DKK
12 Other provisions		
The provision made is mainly due to estimated costs to recalling a product from the American market		
Balance at beginning of year	200,000	200,000
Provision in year	11,566,966	0
Balance at end of year	<u>11,766,966</u>	<u>200,000</u>

13 Long term debt

Other payables		
Between 1 and 5 years	1,945,328	692,506
Non-current portion	1,945,328	692,506
Other short-term other debt	4,005,847	2,917,147
Current portion	4,005,847	2,917,147
	<u>5,951,175</u>	<u>3,609,653</u>

Notes

	<u>2020</u> DKK	<u>2019</u> DKK
14 Rent and lease liabilities		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	1,913,847	2,157,608
Between 1 and 5 years	9,469,564	7,980,393
After 5 years	<u>5,094,393</u>	<u>9,700,000</u>
	<u>16,477,804</u>	<u>19,838,001</u>

15 Contingent liabilities

The company has a commitment to purchase components etc. corresponding to DKK 61.9 million (2019: DKK 38.2 million).

The company is jointly taxed with Anticimex A/S (administrative company), and jointly and severally liable with other jointly taxed entities for payment of taxed income etc. onwards as well as for Danish withholding taxes by way of dividend tax, tax on royalty etc.

Notes

16 Related parties and ownership structure

Controlling interest

Anticimex International AB - controlling shareholder

Other related parties

Other related parties consist of companies within the Anticimex Group as well as members of the board of directors and management

Transactions

The company has chosen only to disclose transactions which have not been made on arm's length basis in accordance with section 98 (c) (7) of the Danish Financial Statements Act.

Consolidated financial statements

The company is included in the consolidated financial statements of Anticimex New TopHolding AB

The group report of can be obtained at the following address:

Anticimex New TopHolding AB
Lövhölmavägen 61
SE-117 65 Stockholm