Puori ApS

Amaliegade 22, 2., 1256 København K

Company reg. no. 32 56 67 31

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 6 August 2020.

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Oliver Amdrup-Chamby
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the executive board have today presented the annual report of Puori ApS for the financial year 1 January to 31 December 2019.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion, the consolidated annual accounts and the annual accounts provide a true and fair view of the assets, the liabilities and the financial position, consolidated and for the company respectively at 31 December 2019, and of the results of the activities, consolidated and of the company respectively in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

København K, 6 August 2020

Executive board

Oliver Amdrup-Chamby   Hans-Julius Heslet

Board of directors

Kasper Struve   Oliver Amdrup-Chamby   John David Shulman

Hans-Julius Heslet   Alexander William Deegan

Independent auditor's report

To the shareholders of Puori ApS

Opinion

We have audited the consolidated annual accounts and the annual accounts of Puori ApS for the financial year 1 January to 31 December 2019, which comprise accounting policies, profit and loss account, balance sheet, statement of changes in equity and notes, consolidated and for the company respectively. The consolidated annual accounts and the annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated annual accounts and the annual accounts give a true and fair view of the assets, liabilities and financial position, consolidated and for the company respectively at 31 December 2019 and of the results of the company's operations, consolidated and for the company respectively for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section “Auditor’s responsibilities for the audit of the consolidated annual accounts and the annual accounts”. We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the consolidated annual accounts and the annual accounts

The management is responsible for the preparation of consolidated annual accounts and annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of consolidated annual accounts and annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts and the annual accounts, the management is responsible for evaluating the group’s and the company’s ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the consolidated annual accounts and the annual accounts, unless the management either intends to liquidate the group or the company or to cease operations, or if it has no realistic alternative but to do so.

Independent auditor's report

Auditor’s responsibilities for the audit of the consolidated annual accounts and the annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts and the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the consolidated annual accounts and the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated annual accounts and the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 group’s and the company’s internal control.

- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management’s preparation of the consolidated annual accounts and the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the group’s and 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 consolidated annual accounts and the annual accounts 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 group and the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated annual accounts and the annual accounts, including the disclosures in the notes, and whether the consolidated annual accounts and the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the business activities within the group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the consolidated annual accounts and the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the consolidated annual accounts and the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the consolidated annual accounts or the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that the management's review is in accordance with the consolidated annual accounts and the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 6 August 2020

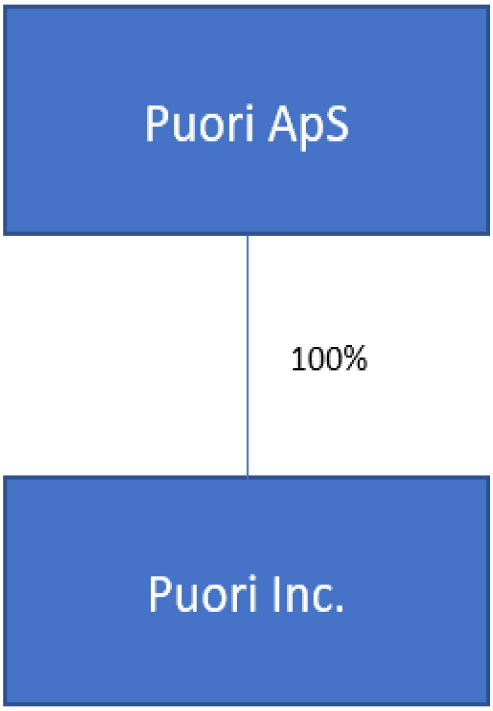
Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Claus Koskelin
State Authorised Public Accountant
mne30140

Company information

The company	Puori ApS Amaliegade 22, 2. 1256 København K	
	Company reg. no.	32 56 67 31
	Established:	12 November 2009
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December
Board of directors	Kasper Struve Oliver Amdrup-Chamby John David Shulman Hans-Julius Heslet Alexander William Deegan	
Executive board	Oliver Amdrup-Chamby Hans-Julius Heslet	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Subsidiary	Puori Inc., California	

Group chart



Management commentary

The principal activities of the group

Puori is specialized in nutritional supplements on the basis of a core of scientific research and 3rd party testing. Our production is a unique implementation of technology, innovation and sustainability to create Clean & Superior products and our range is designed to improve health and athletic performance.

The Puori group consists of two entities, Puori ApS in Denmark and the wholly owned subsidiary Puori Inc., a registered Delaware company, located in California, USA.

Development in activities and financial matters

The development in 2019, has been according to the plan. The company has sufficient capital to support the future growth of the company.

The expected development

The management expect the result in 2020 to be negative but turn positive in 2021, the focus is to continue to investing in growth activities to further grow the brand awareness, develop the transparency project and expanding sales channels, which will continue during the year.

The company has secured sufficient liquidity for the financial year 2020.

Events subsequent to the financial year

After the end of the financial year, the outbreak of Coronavirus / COVID-19 occurred and it is estimated that all the company’s markets are affected by the outbreak. Even though it is still at an early stage – and thus, difficult to predict its effect – it is the Management’s opinion that the outbreak may result in significant financial consequences for coming financial years, however without being a direct threat towards the company’s existence.

Accounting policies

The annual report for Puori ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the group is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the group is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Accounting policies

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

Currency adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in the equity. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised in the equity.

The consolidated annual accounts

The consolidated annual accounts comprise the parent company Puori ApS and those group enterprises of which Puori ApS directly or indirectly owns more than 50 % of the voting rights or in other ways has controlling interest. As it appears from the group chart, enterprises of which the group owns between 20 and 50 % of the voting rights and exercises considerable, but not controlling interest are considered associated enterprises.

By the consolidation, elimination of intercompany income and costs, shareholding, intercompany balances and dividends and realised and unrealised gains and losses from transactions among the consolidated enterprises takes place.

Equity interests in group enterprises are settled by the proportional share of the group enterprises' trade value of net assets and liabilities at the date of acquisition.

Newly acquired or newly established enterprises are recognised in the consolidated annual accounts as of the date of acquisition. Disposed or terminated enterprises are recognised in the consolidated annual accounts until the date of disposal. In relation to newly acquired, disposed or terminated enterprises, comparative figures are not adjusted.

Accounting policies

In connection with the acquisition of new enterprises, the acquisition method is applied, by which the acquirees' identifiable assets and liabilities are measured at fair value at the time of acquisition. Costs for restructuring which are recognised in the acquiree before the acquisition date and which have not been agreed upon as part of the acquisition, are recognised in the pre-acquisition balance sheet and thereby forms part of the measurement of goodwill. Restructuring decided by the acquiree is recognised in the profit and loss account. The tax effect of the revaluations carried out is taken into consideration.

Goodwill and negative goodwill from acquirees may be adjusted until 12 months after the acquisition.

Gains or losses from the disposal or termination of group enterprises or associated enterprises are recognised as the difference between the sales price or the termination sum and the book value of the net assets at the sales date and expected costs of sale or termination.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Other operating costs

Other operating costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise.

Accounting policies

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement of the parent as a proportional share of the group enterprises' post-tax profit or loss.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs comprise e.g. salaries, wages, and amortisation which directly refer to the development activities.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Development costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown.

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 5 years.

Purchased rights

Purchased rights is measured at cost with deduction of accumulated amortisation. Purchased rights is amortised on a straight-line basis over the estimated financial life which is 5 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

Accounting policies

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Other plants, operating assets, fixtures and furniture	*3-5 years*

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Financial fixed assets

Equity in group enterprises

Equity in group enterprises recognised in the statement of financial position as a proportional share of the enterprise’s equity value. This is calculated on the basis of the accounting policies of the parent less/plus unrealised intercompany profits and losses, and less/plus residual value of positive or negative goodwill measured by applying the purchase method.

Group enterprises with negative equity are recognised at no value and, to the extent they are considered irrevocable, amounts owed by these companies are made subject to impairment by the parent’s share of the equity. If the negative equity exceeds the receivables, the residual amount is recognised under liability provisions to the extent that the parent has a legal or actual liability to cover the negative equity of these subsidiaries.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Accounting policies

Profit or loss in connection with the disposal of group enterprises are measured as the difference between the sales amount and the carrying amount of net assets at the time of sale, inclusive of remaining consolidated goodwill and expected costs of sale or liquidation. Profit and loss are recognised in the income statement under net financials.

For the acquisition of new group enterprises, the purchase method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for pre-determined restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of revaluations is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises and are amortised over their estimated useful economic life. The useful life is determined on the basis of management's experience in the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a longterm earnings potential. The carrying amount of goodwill is subject to impairment tests on a continuing basis and written down in the income statement in those cases when the carrying amount exceeds the expected future net income from the enterprise or the activity to which the goodwill is attached.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Accounting policies

Available funds

Available funds comprise cash at bank and in hand.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities. The reserve cannot be used as dividends or for covering losses. The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

Note		Group 2019	Group 2018	Parent 2019	Parent 2018
	Gross profit	**-2.242.003**	**3.036.961**	**444.556**	**2.454.133**
2	Staff costs	-12.712.912	-10.465.513	-12.114.710	-9.395.729
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-1.085.480	-1.016.472	-1.085.480	-1.016.472
	Other operating costs	-529.373	0	-529.373	0
	Operating profit	**-16.569.768**	**-8.445.024**	**-13.285.007**	**-7.958.068**
	Income from equity investments in group enterprises	0	0	-3.301.820	-483.503
	Other financial income	154.045	7.464	150.878	377.650
	Other financial costs	-779.085	-592.287	-764.583	-969.937
	Pre-tax net profit or loss	**-17.194.808**	**-9.029.847**	**-17.200.532**	**-9.033.858**
	Tax on ordinary results	-5.727	-4.009	0	0
	Net profit or loss for the year	**-17.200.535**	**-9.033.856**	**-17.200.532**	**-9.033.858**
	Proposed appropriation of net profit:				
	Allocated from retained earnings			-17.200.532	-9.033.858
	Total allocations and transfers			**-17.200.532**	**-9.033.858**

Statement of financial position at 31 December

All amounts in DKK.

Assets

Note		Group 2019	Group 2018	Parent 2019	Parent 2018
	Non-current assets				
3	Completed development projects, including patents and similar rights arising from development projects	1.065.469	1.838.574	1.065.469	1.838.574
	Acquired concessions, patents, licenses, trademarks and similar rights	843.964	308.215	843.964	308.215
4	Development projects in progress and prepayments for intangible fixed assets	351.441	429.272	351.441	429.272
	Total intangible assets	2.260.874	2.576.061	2.260.874	2.576.061
	Other plants, operating assets, and fixtures and furniture	1.889	28.992	1.889	28.992
	Total property, plant, and equipment	1.889	28.992	1.889	28.992
	Equity investments in group enterprises	0	0	0	0
	Deposits	403.966	477.216	380.000	404.916
	Total investments	403.966	477.216	380.000	404.916
	Total non-current assets	**2.666.729**	**3.082.269**	**2.642.763**	**3.009.969**

Statement of financial position 31 December

All amounts in DKK.

Assets

Note		Group 2019	Group 2018	Parent 2019	Parent 2018
	Current assets				
	Raw materials and consumables	5.458.949	2.549.554	5.458.949	2.549.554
	Manufactured goods and trade goods	2.063.940	3.554.005	2.063.940	3.554.005
	Total inventories	7.522.889	6.103.559	7.522.889	6.103.559
	Trade debtors	6.863.903	4.275.787	6.185.144	3.844.561
	Amounts owed by group enterprises	0	0	2.639.236	2.202.226
	Deferred tax assets	976.210	953.325	0	0
	Other debtors	423.813	185.579	0	80.134
	Accrued income and deferred expenses	58.602	267.625	58.603	267.625
	Total receivables	8.322.528	5.682.316	8.882.983	6.394.546
	Available funds	3.837.491	18.457.391	2.416.525	17.386.866
	Total current assets	**19.682.908**	**30.243.266**	**18.822.397**	**29.884.971**
	Total assets	**22.349.637**	**33.325.535**	**21.465.160**	**32.894.940**

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities

		Group		Parent	
Note		2019	2018	2019	2018
	Equity				
	Contributed capital	254.196	253.996	254.196	253.996
	Reserve for development expenditure	0	0	725.284	1.070.177
	Results brought forward	3.115.509	20.460.199	2.390.228	19.390.022
	Total equity	**3.369.705**	**20.714.195**	**3.369.708**	**20.714.195**
	Liabilities other than provisions				
5	Convertible and profit-sharing debt instruments	17.500	17.500	17.500	17.500
6	Other debts	6.037.601	5.629.093	6.037.601	5.629.093
	Total long term liabilities other than provisions	6.055.101	5.646.593	6.055.101	5.646.593
	Short-term part of long-term liabilities	849.374	1.402.172	849.374	1.402.172
	Bank debts	4.380.832	111.166	4.372.207	102.472
	Trade creditors	4.153.590	3.580.537	3.574.923	3.225.790
	Corporate tax	0	5.216	0	0
	Other debts	3.541.035	1.865.656	3.243.847	1.803.718
	Total short term liabilities other than provisions	12.924.831	6.964.747	12.040.351	6.534.152
	Total liabilities other than provisions	**18.979.932**	**12.611.340**	**18.095.452**	**12.180.745**
	Total equity and liabilities	**22.349.637**	**33.325.535**	**21.465.160**	**32.894.940**

1 Special items

7 Mortgage and securities

8 Contingencies

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital not paid	Reserve for development costs	Retained earnings	Total
Equity 1 January 2018	190.712	0	-2.682.278	-2.491.566
Cash capital increase	63.284	0	0	63.284
Profit or loss for the year brought forward	0	0	-9.033.858	-9.033.858
Currency adjustment	0	0	-331.127	-331.127
Share premium account	0	0	34.070.530	34.070.530
Transaction costs	0	0	-1.563.068	-1.563.068
Equity 1 2019	253.996	0	20.460.199	20.714.195
Cash capital increase	200	0	0	200
Profit or loss for the year brought forward	0	0	-17.200.535	-17.200.535
Currency adjustment	0	0	-211.356	-211.356
Share premium account	0	0	67.201	67.201
	254.196	**0**	**3.115.509**	**3.369.705**

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 January 2018	190.712	1.676.533	-4.358.811	-2.491.566
Cash capital increase	63.284	0	0	63.284
Profit or loss for the year brought forward	0	0	-9.033.858	-9.033.858
Allocated result for development expenditure	0	-606.356	0	-606.356
Currency adjustment	0	0	-331.127	-331.127
Share premium account	0	0	34.070.530	34.070.530
Transaction costs	0	0	-1.563.068	-1.563.068
Transfered from development expenditure	0	0	606.356	606.356
Equity 1 January 2019	253.996	1.070.177	19.390.022	20.714.195
Cash capital increase	200	0	0	200
Profit or loss for the year brought forward	0	0	-17.200.532	-17.200.532
Allocated result for development expenditure	0	-344.893	0	-344.893
Currency adjustment	0	0	-211.356	-211.356
Share premium account	0	0	67.201	67.201
Transfered from development expenditure	0	0	344.893	344.893
	254.196	**725.284**	**2.390.228**	**3.369.708**

Notes

All amounts in DKK.

1. Special items

Special items for the year are specified below, showing where these are recognised in the income profit and loss account. Amounts below are showed in tDKK

	Group		Parent	
	2019	2018	2019	2018
Costs:				
Writedown of inventories due to increased intern quality assurance	0	369	0	134
Loss on foreign distributor	0	625	0	625
Legal expenses	0	383	0	0
Writedown on activated product development due to intern quality assurance	0	154	0	154
Repackaging Costs	0	0	312	0
Investment Systems	0	0	72	0
	0	1.531	384	913
Special items are recognised in the following items in the annual accounts:				
Gross profit	0	-1.377	-384	-759
Depreciation, amortisation and writedown relating to tangible and intangible fixed assts	0	-154	0	-154
Results of special items, net	**0**	**-1.531**	**-384**	**-913**

Notes

All amounts in DKK.

	Group 2019	Group 2018	Parent 2019	Parent 2018
2. Staff costs				
Salaries and wages	11.980.908	10.246.560	11.382.706	9.176.776
Pension costs	597.702	88.124	597.702	88.124
Other costs for social security	134.302	130.829	134.302	130.829
	12.712.912	**10.465.513**	**12.114.710**	**9.395.729**
Average number of employees	21	17	20	16

3. Completed development projects, including patents and similar rights arising from development projects

Completed development projects

Completed development projects comprise the development of nutritional supplements based on a core of scientific research. The total product portfolio consists of 7 products of which all products are launched. The products are depreciated over a period of 5 years.

The completed development projects are essential for maintenance of the turnover.

The management has not identified indication of impairment in proportion to the book value.

Notes

All amounts in DKK.

4. Development projects in progress and prepayments for intangible fixed assets

In-progress development projects comprise development of nutritional supplements based on a core of scientific research. Costs are in all material aspects comprising internal costs in the shape of wages and salaries registered in the enterprise´s bookkeeping.

The book value as of 31 December 2019 is tDKK 351. The development of the nutritional supplements is expected to be completed and launched in 2020 and 2021 and then marketing and sale can be commenced if desired by the mangement. Puori has made market analyzes before start of development that showed good results.

The new nutritional supplements is expected to entail considerable advantages and thereby also a significant increase in the level of activity and the upcoming results for the enterprise.

	Group		Parent	
	31/12 2019	31/12 2018	31/12 2019	31/12 2018
5. Convertible and profit-sharing debt instruments				
Convertible and profit-sharing debt instruments in total	17.500	17.500	17.500	17.500
Share of amount due within 1 year	0	0	0	0
Convertible and profit-sharing debt instruments in total	**17.500**	**17.500**	**17.500**	**17.500**
6. Other debts				
Other debts in total	6.886.975	7.031.265	6.886.975	7.031.265
Share of amount due within 1 year	-849.374	-1.402.172	-849.374	-1.402.172
Other debts in total	**6.037.601**	**5.629.093**	**6.037.601**	**5.629.093**

Notes

All amounts in DKK.

7. Mortgage and securities

For bank debts, tDKK 4.372 and other debts tDKK 6.499, the company has provided security in company assets representing a nominal value of tDKK 7.500. This security comprises the below assets, stating the book values:

Intagible fixed assets	tDKK 2.261
Inventories	tDKK 7.523
Trade debtors	tDKK 6.185
Tangible fixed assts	tDKK 2

8. Contingencies

Contingent assets

The company has an unrecognized deferred tax asset of tDKK 6.089.