SOURZING

# Sourzing A/S

Sdr. Ringvej 42, 6000 Kolding

CVR no. 33 05 97 87

## Annual report 2019

Approved at the Company's annual general meeting on 20 February 2020

Chairman:

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Michael Holm Hynkemejer

## Contents

## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Sourzing A/S for the financial year 1 January - 31 December 2019.

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 financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Kolding, 20 February 2020
Executive Board:

Michael Holm Hynkemejer

Board of Directors:

| | | |
|---|---|---|
| Søren Kavin<br>Chairman | René Rafn Hansen | Ole Mikkelsen |
| Michael Holm Hynkemejer | Mikael Alcain Poulsen | Sebastian Stock |

## Independent auditor's report

### To the shareholders of Sourzing A/S

### Opinion

We have audited the financial statements of Sourzing A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 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 (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

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 rules and requirements.

### 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 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 as to 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 the 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.

## Independent auditor's report

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

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aabenraa, 20 February 2020
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jon Midtgaard
State Authorised Public Accountant
mne28657

## Management's review

### Company details

| | |
|---|---|
| Name | Sourzing A/S |
| Address, Postal code, City | Sdr. Ringvej 42, 6000 Kolding |
| CVR no. | 33 05 97 87 |
| Established | 1 July 2010 |
| Registered office | Kolding |
| Financial year | 1 January - 31 December |
| Website | Sourzing.com |
| Telephone | +45 53 73 77 00 |
| Board of Directors | Søren Kavin, Chairman<br>René Rafn Hansen<br>Ole Mikkelsen<br>Michael Holm Hynkemejer<br>Mikael Alcain Poulsen<br>Sebastian Stock |
| Executive Board | Michael Holm Hynkemejer |
| Auditors | Ernst & Young Godkendt Revisionspartnerselskab<br>Skibbroen 16, 6200 Aabenraa, Denmark |
| Bankers | Sydbank A/S |

## Management's review

### Business review

The company's main activities consist of designing, developing and producing packaging and retail display solutions for brand customers.

### Financial review

The income statement for 2019 shows a profit of DKK 6,339,652 against a profit of DKK 9,625,471 last year, and the balance sheet at 31 December 2019 shows equity of DKK 13,833,682.

The results for the year is in line with expectations. For financial year 2020 a positive result is expected as well.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

## Financial statements 1 January - 31 December

### Income statement

| Note | DKK | 2019 | 2018 |
|---|---|---|---|
| | **Gross profit** | 6,206,187 | 6,286,031 |
| 2 | Staff costs | -4,867,120 | -3,594,598 |
| | Amortisation/depreciation and impairment of intangible assets and property, plant and equipment | -272,905 | -223,433 |
| | **Profit before net financials** | 1,066,162 | 2,468,000 |
| | Income from investments in group entities | 5,572,079 | 7,670,208 |
| 3 | Financial income | 227,863 | 252,196 |
| 4 | Financial expenses | -292,244 | -189,874 |
| | **Profit before tax** | 6,573,860 | 10,200,530 |
| 5 | Tax for the year | -234,208 | -575,059 |
| | **Profit for the year** | 6,339,652 | 9,625,471 |

| | | |
|---|---|---|
| **Recommended appropriation of profit** | | |
| Proposed dividend recognised under equity | 6,000,000 | 10,000,000 |
| Net revaluation reserve according to the equity method | -615,851 | -1,232,227 |
| Retained earnings | 955,503 | 857,698 |
| | 6,339,652 | 9,625,471 |

# Financial statements 1 January - 31 December

## Balance sheet

| Note | DKK | 2019 | 2018 |
|---|---|---|---|
| | **ASSETS** | | |
| | **Fixed assets** | | |
| 6 | **Intangible assets** | | |
| | Acquired intangible assets | 192,105 | 302,121 |
| | | 192,105 | 302,121 |
| 7 | **Property, plant and equipment** | | |
| | Other fixtures and fittings, tools and equipment | 225,945 | 226,056 |
| | Leasehold improvements | 81,211 | 89,234 |
| | | 307,156 | 315,290 |
| 8 | **Investments** | | |
| | Investments in group entities | 7,804,619 | 11,301,400 |
| | | 7,804,619 | 11,301,400 |
| | **Total fixed assets** | 8,303,880 | 11,918,811 |
| | **Non-fixed assets** | | |
| | **Inventories** | | |
| | Finished goods and goods for resale | 204,050 | 695,602 |
| | | 204,050 | 695,602 |
| | **Receivables** | | |
| | Trade receivables | 1,515,513 | 2,526,865 |
| | Receivables from group entities | 3,694,872 | 3,758,891 |
| | Income taxes receivable | 116,008 | 108,154 |
| 9 | Other receivables | 4,023,868 | 4,325,726 |
| | Prepayments | 118,623 | 89,039 |
| | | 9,468,884 | 10,808,675 |
| | **Cash** | 291,230 | 3,244,506 |
| | **Total non-fixed assets** | 9,964,164 | 14,748,783 |
| | **TOTAL ASSETS** | 18,268,044 | 26,667,594 |

# Financial statements 1 January - 31 December

## Balance sheet

| Note | DKK | 2019 | 2018 |
|---|---|---|---|
| | **EQUITY AND LIABILITIES** | | |
| | **Equity** | | |
| 10 | Share capital | 500,000 | 500,000 |
| | Net revaluation reserve according to the equity method | 1,788,634 | 2,166,565 |
| | Retained earnings | 5,545,048 | 4,546,803 |
| | Dividend proposed for the year | 6,000,000 | 10,000,000 |
| | **Total equity** | 13,833,682 | 17,213,368 |
| | **Provisions** | | |
| | Deferred tax | 67,547 | 99,275 |
| 11 | **Total provisions** | 67,547 | 99,275 |
| | **Liabilities other than provisions** | | |
| | **Non-current liabilities other than provisions** | | |
| | Other payables | 155,444 | 0 |
| | | 155,444 | 0 |
| | **Current liabilities other than provisions** | | |
| | Bank debt | 1,291,650 | 151,492 |
| | Prepayments received from customers | 20,910 | 92,954 |
| | Trade payables | 128,485 | 561,285 |
| | Payables to group entities | 1,708,049 | 7,651,713 |
| | Other payables | 1,062,277 | 897,507 |
| | | 4,211,371 | 9,354,951 |
| | **Total liabilities other than provisions** | 4,366,815 | 9,354,951 |
| | **TOTAL EQUITY AND LIABILITIES** | 18,268,044 | 26,667,594 |

1 Accounting policies
12 Contractual obligations and contingencies, etc.
13 Collateral

## Financial statements 1 January - 31 December

### Statement of changes in equity

| DKK | Share capital | Net revaluation reserve according to the equity method | Retained earnings | Dividend proposed for the year | Total |
|---|---|---|---|---|---|
| Equity at 1 January 2019 | 500,000 | 2,166,565 | 4,546,803 | 10,000,000 | 17,213,368 |
| Transfer through appropriation of profit | 0 | -615,851 | 955,503 | 6,000,000 | 6,339,652 |
| Exchange adjustment | 0 | 237,920 | 0 | 0 | 237,920 |
| Adjustment of hedging instruments at fair value | 0 | 0 | 54,798 | 0 | 54,798 |
| Tax on items recognised directly in equity | 0 | 0 | -12,056 | 0 | -12,056 |
| Dividend distributed | 0 | 0 | 0 | -10,000,000 | -10,000,000 |
| **Equity at 31 December 2019** | 500,000 | 1,788,634 | 5,545,048 | 6,000,000 | 13,833,682 |

Exchange adjustment relates to the exchange rate conversion of group entities in foreign currency.

## Financial statements 1 January - 31 December

### Notes to the financial statements

### 1 Accounting policies

The annual report of Sourzing A/S for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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 rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

*Foreign group entities*

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

#### Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets or liabilities are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables, respectively, and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

Fair value adjustments of derivative financial instruments which do not qualify for being treated as hedging instruments are recognised in the income statement.

## Financial statements 1 January - 31 December

### Notes to the financial statements

1 Accounting policies (continued)

### Income statement

#### Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

#### Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

#### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

#### External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating 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 pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

#### Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

| | |
|---|---|
| Acquired intangible assets | 3-5 years |
| Other fixtures and fittings, tools and equipment | 2-5 years |
| Leasehold improvements | 3-10 years |

# Financial statements 1 January - 31 December

## Notes to the financial statements

### 1 Accounting policies (continued)

#### Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

#### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

#### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

### Balance sheet

#### Intangible assets

Intangible assets include acquired intangible rights, including software licences.

Intangible assets are measured at cost less accumulated amortisation and impairment losses.

#### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

#### Investments in subsidiaries

On initial recognition, investments in subsidiaries are measured at cost and subsequently at the proportionate share of the enterprises' net asset values calculated in accordance with the parent company's accounting policies less or plus any residual value of positive or negative goodwill determined in accordance with the acquisition method. Subsidiaries with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the enterprise's deficit. Net revaluations of investments in subsidiaries and associates are transferred to the net revaluation reserve according to the equity method in so far as the carrying amount exceeds the acquisition cost.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

# Financial statements 1 January - 31 December

## Notes to the financial statements

1 **Accounting policies (continued)**

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount and costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

### Cash

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

# Financial statements 1 January - 31 December

## Notes to the financial statements

### 1 Accounting policies (continued)

#### Equity

*Reserve for net revaluation according to the equity method*

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

*Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

#### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

#### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

| | DKK | 2019 | 2018 |
|---|---|---|---|
| 2 | **Staff costs** | | |
| | Wages/salaries | 4,555,082 | 3,381,715 |
| | Pensions | 261,297 | 179,567 |
| | Other social security costs | 19,250 | 13,822 |
| | Other staff costs | 31,491 | 19,494 |
| | | 4,867,120 | 3,594,598 |
| | Average number of full-time employees | 8 | 7 |
| 3 | **Financial income** | | |
| | Interest receivable, group entities | 130,534 | 83,337 |
| | Other interest income | 97,329 | 92,255 |
| | Exchange gain | 0 | 76,604 |
| | | 227,863 | 252,196 |
| 4 | **Financial expenses** | | |
| | Interest expenses, group entities | 137,644 | 155,879 |
| | Other interest expenses | 16,048 | 33,995 |
| | Exchange losses | 138,552 | 0 |
| | | 292,244 | 189,874 |
| 5 | **Tax for the year** | | |
| | Estimated tax charge for the year | 265,936 | 585,704 |
| | Deferred tax adjustments in the year | -31,728 | -10,645 |
| | | 234,208 | 575,059 |

6 **Intangible assets**

| DKK | Acquired intangible assets |
|---|---|
| Cost at 1 January 2019 | 838,751 |
| Additions in the year | 43,603 |
| Cost at 31 December 2019 | 882,354 |
| Impairment losses and amortisation at 1 January 2019 | 536,630 |
| Amortisation/depreciation in the year | 153,619 |
| Impairment losses and amortisation at 31 December 2019 | 690,249 |
| **Carrying amount at 31 December 2019** | 192,105 |

## Financial statements 1 January - 31 December

### Notes to the financial statements

7 **Property, plant and equipment**

| DKK | Other fixtures and fittings, tools and equipment | Leasehold improvements | Total |
|---|---|---|---|
| Cost at 1 January 2019 | 327,277 | 96,480 | 423,757 |
| Additions in the year | 110,648 | 5,216 | 115,864 |
| Disposals in the year | -18,977 | 0 | -18,977 |
| Cost at 31 December 2019 | 418,948 | 101,696 | 520,644 |
| Impairment losses and depreciation at 1 January 2019 | 101,221 | 7,246 | 108,467 |
| Amortisation/depreciation in the year | 106,047 | 13,239 | 119,286 |
| Amortisation/depreciation and impairment of disposals in the year | -14,265 | 0 | -14,265 |
| Impairment losses and depreciation at 31 December 2019 | 193,003 | 20,485 | 213,488 |
| **Carrying amount at 31 December 2019** | 225,945 | 81,211 | 307,156 |

8 **Investments**

| DKK | Investments in group entities |
|---|---|
| Cost at 1 January 2019 | 7,675 |
| Cost at 31 December 2019 | 7,675 |
| Value adjustments at 1 January 2019 | 11,293,725 |
| Exchange adjustment | 237,920 |
| Dividend distributed | -9,306,780 |
| Share of the profit/loss for the year | 5,572,079 |
| Value adjustments at 31 December 2019 | 7,796,944 |
| **Carrying amount at 31 December 2019** | 7,804,619 |

| Name | Legal form | Domicile | Interest | Equity DKK | Profit/loss DKK |
|---|---|---|---|---|---|
| **Subsidiaries** | | | | | |
| Sourzing | ltd. | Hong Kong | 100.00% | 4,421,776 | 2,804,121 |
| Sourzing S.E. Asia Pte. | ltd. | Singapore | 100.00% | 3,382,843 | 2,767,958 |

| DKK | 2019 | 2018 |
|---|---|---|
| 9 **Other receivables** | | |
| Loan to SOMM Invest ApS | 3,811,109 | 4,273,771 |
| Other receivables | 212,759 | 51,955 |
| | 4,023,868 | 4,325,726 |

# Financial statements 1 January - 31 December

## Notes to the financial statements

### 10 Share capital

All shares carry equal rights.

Analysis of changes in the share capital over the past 5 years:

| DKK | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| Opening balance | 500,000 | 500,000 | 500,000 | 500,000 | 400,000 |
| Capital increase | 0 | 0 | 0 | 0 | 100,000 |
| | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |

### 11 Provisions

The provision for deferred tax primarily relates to timing differences in respect of intangible assets and property, plant and equipment.

### 12 Contractual obligations and contingencies, etc.

#### Other financial obligations

The Company has entered into rent agreements and operating leases at the following amounts: Remaining term for 6 months with an average, yearly payment of DKK 258 thousand, totalling DKK 129 thousand.

### 13 Collateral

As security for the Company's debt to banks, tDKK 1,292, the Company has provided security or other collateral in its assets for a total amount of tDKK 1,000. The total carrying amount of these assets is tDKK 1.720.

The Company has provided a directly enforceable guarantee of payment as security for SOMM Invest ApS' debt to banks.