

Salemate Europe ApS

Lyngbyvej 417, 1.

2820 Gentofte

Business Registration No

34701881

Annual report 2018

The Annual General Meeting adopted the annual report on 11.04.2019

Chairman of the General Meeting

Name: Jens Brinck

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Entity details

Entity

Salemate Europe ApS
Lyngbyvej 417, 1.
2820 Gentofte

Central Business Registration No (CVR): 34701881

Registered in: Gentofte

Financial year: 01.01.2018 - 31.12.2018

Phone: 21667050

Website: www.salemate.eu

E-mail: jens.brinck@salemate.eu

Board of Directors

Jens Brinck, Chairman

Mia Skaaning Jensen

Executive Board

Jens Brinck, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

PO Box 1600

0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Salemate Europe ApS for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Gentofte, 11.04.2019

Executive Board

Jens Brinck
Chief Executive Officer

Board of Directors

Jens Brinck
Chairman

Mia Skaaning Jensen

Independent auditor's extended review report

To the shareholders of Salemate Europe ApS

Conclusion

We have performed an extended review of the financial statements of Salemate Europe ApS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

Independent auditor's extended review report

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

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

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

København, 11.04.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Claus Jorch Andersen

State Authorised Public Accountant

Identification No (MNE) mne33712

Management commentary

Primary activities

The Company's main activities are promotion and demonstration activities aimed at distributors and end customers focusing on knowledge-based projects.

Development in activities and finances

Profit for the year amounts to DKK 239 thousand and is as expected.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Gross profit		2.525.701	974.335
Staff costs	1	(2.182.711)	(410.343)
Depreciation, amortisation and impairment losses		<u>(40.000)</u>	<u>0</u>
Operating profit/loss		302.990	563.992
Other financial income		15.620	211
Other financial expenses		<u>(12.515)</u>	<u>(70.073)</u>
Profit/loss before tax		306.095	494.130
Tax on profit/loss for the year	2	<u>(67.141)</u>	<u>(108.709)</u>
Profit/loss for the year		<u>238.954</u>	<u>385.421</u>
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		200.000	300.000
Retained earnings		<u>38.954</u>	<u>85.421</u>
		<u>238.954</u>	<u>385.421</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Completed development projects		73.600	0
Acquired intangible assets		86.400	108.000
Development projects in progress		0	92.000
Intangible assets	3	<u>160.000</u>	<u>200.000</u>
 Fixed assets		 <u>160.000</u>	 <u>200.000</u>
 Trade receivables		 3.217.185	 2.062.988
Other receivables		<u>332.593</u>	<u>86.355</u>
Receivables		<u>3.549.778</u>	<u>2.149.343</u>
 Cash		 <u>360.124</u>	 <u>194.063</u>
 Current assets		 <u>3.909.902</u>	 <u>2.343.406</u>
 Assets		 <u>4.069.902</u>	 <u>2.543.406</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		80.000	80.000
Reserve for development expenditure		57.408	71.760
Retained earnings		227.258	173.952
Proposed dividend		200.000	300.000
Equity		564.666	625.712
Deferred tax		35.000	44.000
Provisions		35.000	44.000
Bank loans		30.556	0
Prepayments received from customers		928.730	559.938
Trade payables		141.460	542.094
Payables to group enterprises		2.145.472	690.451
Joint taxation contribution payable		76.141	64.709
Other payables		147.877	16.502
Current liabilities other than provisions		3.470.236	1.873.694
Liabilities other than provisions		3.470.236	1.873.694
Equity and liabilities		4.069.902	2.543.406

Contingent liabilities

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Statement of changes in equity for 2018

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK
Equity beginning of year	80.000	71.760	173.952	300.000
Ordinary dividend paid	0	0	0	(300.000)
Dissolution of reserves	0	(14.352)	14.352	0
Profit/loss for the year	0	0	38.954	200.000
Equity end of year	80.000	57.408	227.258	200.000

	Total DKK
Equity beginning of year	625.712
Ordinary dividend paid	(300.000)
Dissolution of reserves	0
Profit/loss for the year	238.954
Equity end of year	564.666

Notes

	2018	2017
	DKK	DKK
1. Staff costs		
Wages and salaries	2.129.348	396.395
Pension costs	35.651	8.800
Other social security costs	17.712	5.148
	2.182.711	410.343
Average number of employees	3	1

	2018	2017
	DKK	DKK
2. Tax on profit/loss for the year		
Current tax	76.141	64.709
Change in deferred tax	(9.000)	44.000
	67.141	108.709

	Completed develop- ment projects DKK	Acquired intangible assets DKK	Develop- ment projects in progress DKK
3. Intangible assets			
Cost beginning of year	0	108.000	92.000
Transfers	92.000	0	(92.000)
Cost end of year	92.000	108.000	0
Amortisation for the year	(18.400)	(21.600)	0
Amortisation and impairment losses end of year	(18.400)	(21.600)	0
Carrying amount end of year	73.600	86.400	0

Development projects

Development projects comprise digital development of a sales portal that the Company uses in its operations. Customers and staff are able to use this system.

Notes

4. Contingent liabilities

The Company has undertaken joint and several guarantee of payment for the agreement entered into by the Group maximising a bankdebt of DKK 1 million.

The Company participates in a Danish joint taxation arrangement in which Jens Brinck Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for these financial statements are consistent with those applied last year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets.

Accounting policies

Other financial income

Other financial income comprises interest income, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the Danish Parent. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation.

Accounting policies

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Joint taxation contributions payable or receivable

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