

# Johnson Health Tech Denmark ApS

Tuborgvej 5, 2900 Hellerup

Company reg. no. 37 30 03 30

## Annual report

### 2017

The annual report have been submitted and approved by the general meeting on the 31 May 2018.

---

**Marco Vonk**  
Chairman of the meeting

## Contents

---

|   | <u>Page</u> |
|---|-------------|
| <b>Reports</b>                                      |             |
| Management's report                                 | 1           |
| The independent auditor's reports                   | 2           |
| <b>Management's review</b>                          |             |
| Company data  | 4           |
| Management's review                                 | 5           |
| <b>Annual accounts 1 January - 31 December 2017</b> |             |
| Profit and loss account                             | 6           |
| Balance sheet                                       | 7           |
| Notes   | 9           |
| Accounting policies used                            | 11          |

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 executive board has today presented the annual report of Johnson Health Tech Denmark ApS for the financial year 1 January to 31 December 2017.

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 annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

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

The annual report is recommended for approval by the general meeting.

Hellerup, 17 May 2018

### Executive board

Kuang-Ting Lo

Ho Yeh-Hsing Lo

Kun-Chuan Lo

Marco Vonk

## The independent auditor's reports

---

### To the shareholders of Johnson Health Tech Denmark ApS

#### Report on extended review of the annual accounts

We have performed extended review of the annual accounts of Johnson Health Tech Denmark ApS for the financial year 1 January to 31 December 2017. The annual accounts comprise accounting policies used, profit and loss account, balance sheet and notes, and they are prepared in accordance with the Danish Financial Statements Act.

#### The management's responsibility for the annual accounts

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

#### Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts. We performed the extended review in accordance with the standard from the Danish Business Authority applicable on auditor's reports to small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable on extended review of annual accounts prepared in accordance with the Danish Financial Statements Act.

This requires that we comply with the Danish Act on Approved Auditors and Audit Firms and with the ethical requirements of the Danish Institute of State Authorised Public Accountants and that we plan and perform our audit procedures with the purpose of achieving moderate assurance as to our opinion on the annual accounts. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an evaluation of the achieved audit evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the annual accounts.

## The independent auditor's reports

---

### Opinion

Based on the work performed, it is our opinion that the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January to 31 December 2017 in accordance with the Danish Financial Statements Act.

### Statement on the management's review

The management is responsible for the management's review.

Our opinion on 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 extended review of 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 annual accounts or our knowledge obtained during the extended review, 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 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, 17 May 2018

### Redmark

State Authorised Public Accountants  
Company reg. no. 29 44 27 89

Connie Sjøborg Hansen

State Authorised Public Accountant  
MNE-nr. 9402

## Company data

---

|                        |  |
|------------------------|--|
| <b>The company</b>     | Johnson Health Tech Denmark ApS<br>Tuborgvej 5<br>2900 Hellerup                                  |
|                        | Company reg. no. 37 30 03 30   |
|                        | Financial year: 1 January 2017 - 31 December 2017<br>2nd financial year                          |
| <b>Executive board</b> | Kuang-Ting Lo<br>Ho Yeh-Hsing Lo<br>Kun-Chuan Lo<br>Marco Vonk                                   |
| <b>Auditors</b>        | Redmark, Statsautoriseret Revisionspartnerselskab<br>Dirch Passers Allé 76<br>2000 Frederiksberg |
| <b>Bankers</b>         | Jyske Bank   |

## Management's review

---

### **The principal activities of the company**

The principal activities of the company is to market, sell and service fitness equipment as well as all company, in the opinion of the Executive Board, is related to this.

### **Development in activities and financial matters**

The results from ordinary activities after tax are DKK -3.802.199 against DKK -2.949.445 last year.

The management consider the results unsatisfactory.

The company has lost its capital. The company's capital is expected within the next years thought positive results.

### **Capital resources**

The Financial statements have been prepared under the assumption of continued operation.

For further description of assumptions for the assessment of going concern refers to the financial statements Note 1.

## Profit and loss account

---

All amounts in DKK.

| <u>Note</u>  | 1/1 2017<br>- 31/12 2017 | 15/12 2015<br>- 31/12 2016 |
|--|--------------------------|----------------------------|
| <b>Gross loss</b>  | <b>-846.906</b>          | <b>-1.179.806</b>          |
| 2 Staff costs  | -2.921.623               | -2.104.848                 |
| Depreciation and writedown relating to tangible fixed assets | -6.052                   | -3.690                     |
| <b>Operating profit</b>                                      | <b>-3.774.581</b>        | <b>-3.288.344</b>          |
| 3 Other financial costs                                      | -27.618                  | -2.981                     |
| <b>Results before tax</b>                                    | <b>-3.802.199</b>        | <b>-3.291.325</b>          |
| Tax on ordinary results                                      | 0                        | 0                          |
| <b>Results for the year</b>                                  | <b>-3.802.199</b>        | <b>-3.291.325</b>          |
| <b>Proposed distribution of the results:</b>                 |                          |                            |
| Allocated from results brought forward                       | -3.802.199               | -3.291.325                 |
| <b>Distribution in total</b>                                 | <b>-3.802.199</b>        | <b>-3.291.325</b>          |



## Balance sheet 31 December

---

All amounts in DKK.

| <u>Note</u>  | <u>2017</u>              | <u>2016</u>              |
|--|--------------------------|--------------------------|
| <b>Assets</b>  |                          |                          |
| <b>Fixed assets</b>  |                          |                          |
| Other plants, operating assets, and fixtures and furniture | 11.514                   | 12.916                   |
| Tangible fixed assets in total                             | <u>11.514</u>            | <u>12.916</u>            |
| Deposits   | 27.500                   | 27.500                   |
| Financial fixed assets in total                            | <u>27.500</u>            | <u>27.500</u>            |
| <b>Fixed assets in total</b>                               | <b><u>39.014</u></b>     | <b><u>40.416</u></b>     |
| <b>Current assets</b>                                      |                          |                          |
| Manufactured goods and trade goods                         | 1.649.462                | 1.284.916                |
| Inventories in total                                       | <u>1.649.462</u>         | <u>1.284.916</u>         |
| Trade debtors  | 14.940.610               | 4.658.046                |
| Amounts owed by group enterprises                          | 13.233                   | 0                        |
| Other debtors  | 490.033                  | 265.392                  |
| Debtors in total   | <u>15.443.876</u>        | <u>4.923.438</u>         |
| Available funds  | <u>3.594.402</u>         | <u>4.397.198</u>         |
| <b>Current assets in total</b>                             | <b><u>20.687.740</u></b> | <b><u>10.605.552</u></b> |
| <b>Assets in total</b>                                     | <b><u>20.726.754</u></b> | <b><u>10.645.968</u></b> |

## Balance sheet 31 December

---

All amounts in DKK.

| <b>Equity and liabilities</b> |  | <u>2017</u>              | <u>2016</u>              |
|-------------------------------|--|--------------------------|--------------------------|
| <u>Note</u>                   |  |                          |                          |
| <b>Equity</b>                 |  |                          |                          |
| 4                             | Contributed capital                    | 50.000                   | 50.000                   |
| 5                             | Results brought forward                | -7.093.524               | -3.291.325               |
|                               | <b>Equity in total</b>                 | <b><u>-7.043.524</u></b> | <b><u>-3.241.325</u></b> |
| <b>Provisions</b>             |  |                          |                          |
|                               | Other provisions                       | 212.785                  | 123.962                  |
|                               | <b>Provisions in total</b>             | <b><u>212.785</u></b>    | <b><u>123.962</u></b>    |
| <b>Liabilities</b>            |  |                          |                          |
|                               | Liabilities                            | 0                        | 577.514                  |
|                               | Trade creditors                        | 1.612.262                | 107.691                  |
|                               | Debt to group enterprises              | 21.640.608               | 10.549.749               |
|                               | Other debts                            | 4.304.623                | 2.528.377                |
|                               | Short-term liabilities in total        | <u>27.557.493</u>        | <u>13.763.331</u>        |
|                               | <b>Liabilities in total</b>            | <b><u>27.557.493</u></b> | <b><u>13.763.331</u></b> |
|                               | <b>Equity and liabilities in total</b> | <b><u>20.726.754</u></b> | <b><u>10.645.968</u></b> |

1 Uncertainties concerning the enterprise's ability to continue as a going concern

6 Mortgage and securities

7 Contingencies

## Notes

---

All amounts in DKK.

### 1. Uncertainties concerning the enterprise's ability to continue as a going concern

The Company's management has submitted this report under the condition of continued operation. Management believes that there is no significant risk to the company's continued operation. The Reason of this assessment is that Johnson Health Tech Netherlands B.V has submitted a declaration of support and subordination agreement put into force until 30 June 2019. Johnson Health Tech Netherlands B.V declares that they will support the company with sufficient liquidity. The Company's management assess also that it can rebuild its capital through the next year's earnings.

|   | 1/1 2017<br>- 31/12 2017 | 15/12 2015<br>- 31/12 2016 |
|---|--------------------------|----------------------------|
| <b>2. Staff costs</b>                       |                          |                            |
| Salaries and wages                          | 2.822.392                | 2.094.467                  |
| Pension costs                               | 67.140                   | 3.271                      |
| Other costs for social security             | 31.996                   | 5.680                      |
| Other staff costs                           | 95                       | 1.430                      |
|   | <b>2.921.623</b>         | <b>2.104.848</b>           |
| <br>  |                          |                            |
| Average number of employees                 | 5                        | 2                          |
| <br>  |                          |                            |
| <b>3. Other financial costs</b>             |                          |                            |
| Other financial costs                       | 27.618                   | 2.981                      |
|   | <b>27.618</b>            | <b>2.981</b>               |
| <br>  |                          |                            |
| <b>4. Contributed capital</b>               |                          |                            |
| Contributed capital 1 January 2017          | 50.000                   | 50.000                     |
|   | <b>50.000</b>            | <b>50.000</b>              |
| <br>  |                          |                            |
| <b>5. Results brought forward</b>           |                          |                            |
| Results brought forward 1 January 2017      | -3.291.325               | 0                          |
| Profit or loss for the year brought forward | -3.802.199               | -3.291.325                 |
|   | <b>-7.093.524</b>        | <b>-3.291.325</b>          |

## Notes

---

All amounts in DKK.

### **6. Mortgage and securities**

There are no mortgage and securities.

### **7. Contingencies**

#### **Contingent liabilities**

Leasing liabilities

The company has entered into operational leasing contracts with an average annual leasing payment of DKK 248.102. The leasing contracts have 29 months, 25 months and 41 months left to run, and the total outstanding leasing payment is DKK 682.920.

## Accounting policies used

---

The annual report for Johnson Health Tech Denmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

### Changes in the profit/loss last year

In the annual report for 2015/16 cost regarding the period 15 December 2015 to 31 December 2015 was by mistake not presented in the profit/loss account. The loss on DKK 341.880 was therefore not deducted in the result. The balance sheet was correct and therefore was the equity also correct.

The comparative figures have been adjusted accordingly to the above mentioned.

Except from the above, the accounting policies used are unchanged compared to last year.

### 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 company 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 company 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.

## The profit and loss account

### Gross loss

The gross loss comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, 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 the 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.

## Accounting policies used

---

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 on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

### 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.

### 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

### Tangible fixed assets

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

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.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

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:

|   |                    |
|---|--------------------|
|   | <i>Useful life</i> |
| <i>Other plants, operating assets, fixtures and furniture</i> | <i>3-5 years</i>   |

## Accounting policies used

---

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 losses are recognised in the profit and loss account as other operating income or other operating expenses.

### Leasing contracts

Leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

### Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

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

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.

### Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

### Available funds

Available funds comprise cash at bank and in hand.

### Other provisions

Provisions comprise expected costs for guarantee liabilities, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the company.

If the settlement of the liability is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

## **Accounting policies used**

---

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. The provisions are measured at the net realisable value and recognised on basis of the obtained experience with guarantee work. If provisions have an expected due date later than 1 year from the balance sheet date, they are discounted at the average bond interest.

### **Liabilities**

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