

# Johnson Health Tech Denmark ApS

Hestehaven 21, Hjallesø, 5260 Odense S

Company reg. no. 37 30 03 30

## Annual report

### 2021

The annual report was submitted and approved by the general meeting on the 4 July 2022.

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**Marco Vonk**  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## Management's statement

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Today, the Executive Board has approved the annual report of Johnson Health Tech Denmark ApS for the financial year 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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

We recommend that the annual report be approved at the Annual General Meeting.

Odense S, 4 July 2022

### Executive board

Kuang-Ting Lo

Ho Yeh-Hsing Lo

Kun-Chuan Lo

Marco Vonk

## **Independent auditor's report on extended review**

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### **To the Shareholders of Johnson Health Tech Denmark ApS**

#### **Opinion**

We have performed an extended review of the financial statements of Johnson Health Tech Denmark ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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 extended review of the Financial Statements**

Our responsibility is to express an opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.

## **Independent auditor's report on extended review**

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An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

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

### **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 opinion thereon.

In connection with our extended review 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 extended review, 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 Statements Act. We did not identify any material misstatement in the Management's Review.

Copenhagen, 4 July 2022

### **Redmark**

Godkendt Revisionspartnerselskab  
Company reg. no. 29 44 27 89

Søren Kristiansen Bünger  
State Authorised Public Accountant  
mne34334

## Company information

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<b>The company</b>	Johnson Health Tech Denmark ApS Hestehaven 21 Hjallese 5260 Odense S
	Company reg. no. 37 30 03 30 Financial year: 1 January 2021 - 31 December 2021 6th financial year
<b>Executive board</b>	Kuang-Ting Lo Ho Yeh-Hsing Lo Kun-Chuan Lo Marco Vonk
<b>Auditors</b>	Redmark Godkendt Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg
<b>Bankers</b>	Jyske Bank

## Management's review

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

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

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

The results from ordinary activities after tax totals DKK -3.251.192 against DKK -4.265.567 last year. The management consider the results unsatisfactory.

The company has lost its equity. The company's equity is expected to be reestablished within the next couple of years through 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.

## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Gross profit</b>	<b>1.199.539</b>	<b>399.351</b>
3 Staff costs	-3.764.429	-3.877.100
Depreciation and impairment of property, land, and equipment	<u>-501.431</u>	<u>-582.962</u>
<b>Operating profit</b>	<b>-3.066.321</b>	<b>-4.060.711</b>
Other financial income	15.882	9.716
Other financial costs	<u>-200.753</u>	<u>-214.572</u>
<b>Pre-tax net profit or loss</b>	<b>-3.251.192</b>	<b>-4.265.567</b>
Tax on ordinary results	<u>0</u>	<u>0</u>
<b>Net profit or loss for the year</b>	<b><u>-3.251.192</u></b>	<b><u>-4.265.567</u></b>
<b>Proposed appropriation of net profit:</b>		
Allocated from retained earnings	<u>-3.251.192</u>	<u>-4.265.567</u>
<b>Total allocations and transfers</b>	<b><u>-3.251.192</u></b>	<b><u>-4.265.567</u></b>



## Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
<b>Non-current assets</b>		
4 Property	0	280.890
5 Other fixtures and fittings, tools and equipment	199.386	401.936
Total property, plant, and equipment	<u>199.386</u>	<u>682.826</u>
6 Deposits	157.448	154.342
Total investments	<u>157.448</u>	<u>154.342</u>
<b>Total non-current assets</b>	<b><u>356.834</u></b>	<b><u>837.168</u></b>
<b>Current assets</b>		
Manufactured goods and goods for resale	4.575.939	2.072.406
Prepayments for goods	15.735	91.298
Total inventories	<u>4.591.674</u>	<u>2.163.704</u>
Trade receivables	5.041.277	3.689.687
Receivables from group enterprises	261.916	136.009
Other receivables	309.823	497.742
Prepayments	42.415	31.652
Total receivables	<u>5.655.431</u>	<u>4.355.090</u>
Cash on hand and demand deposits	<u>2.229.894</u>	<u>1.722.316</u>
<b>Total current assets</b>	<b><u>12.476.999</u></b>	<b><u>8.241.110</u></b>
<b>Total assets</b>	<b><u>12.833.833</u></b>	<b><u>9.078.278</u></b>

## Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Contributed capital	50.000	50.000
Retained earnings	-24.068.332	-20.817.140
<b>Total equity</b>	<b>-24.018.332</b>	<b>-20.767.140</b>
<b>Provisions</b>		
Other provisions	567.893	755.846
<b>Total provisions</b>	<b>567.893</b>	<b>755.846</b>
<b>Liabilities other than provisions</b>		
7 Lease liabilities	57.209	180.026
Other payables	0	491.888
Total long term liabilities other than provisions	57.209	671.914
Current portion of long term payables	122.818	505.568
Trade payables	1.542.983	1.415.534
Payables to group enterprises	32.062.424	23.987.005
Other payables	2.219.712	2.451.153
Accruals and deferred income	279.126	58.398
Total short term liabilities other than provisions	36.227.063	28.417.658
<b>Total liabilities other than provisions</b>	<b>36.284.272</b>	<b>29.089.572</b>
<b>Total equity and liabilities</b>	<b>12.833.833</b>	<b>9.078.278</b>

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

**2** Special items

**8** Charges and security

**9** Contingencies

## Statement of changes in equity

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All amounts in DKK.

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<hr/>	<hr/>	<hr/>
Equity 1 January 2020	50.000	-16.551.573	-16.501.573
Profit or loss for the year brought forward	0	-4.265.567	-4.265.567
Equity 1 January 2021	50.000	-20.817.140	-20.767.140
Profit or loss for the year brought forward	0	-3.251.192	-3.251.192
	<hr/> <b>50.000</b>	<hr/> <b>-24.068.332</b>	<hr/> <b>-24.018.332</b>

## Notes

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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. The 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 31 December 2022.

Johnson Health Tech Netherlands B.V confirms that the company will not call their receivable before Johnson Health Tech Denmark ApS has sufficient liquidity to settle its other creditors or make any repayment affecting the company's ability to continue as a going concern.

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 couple of year's earnings.

### 2. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

Special items for the year are specified below, indicating where they are recognised in the income statement.

Income:

Covid-19 compensation from the Danish Government	451.146
	<u>451.146</u>

Special items are recognised in the following items in the financial statements:

Other operating income	451.146
<b>Profit of special items, net</b>	<b><u>451.146</u></b>

## Notes

All amounts in DKK.

	2021	2020
<b>3. Staff costs</b>		
Salaries and wages	3.282.146	3.320.778
Pension costs	396.761	480.444
Other costs for social security	85.522	75.878
	<b>3.764.429</b>	<b>3.877.100</b>
Average number of employees	7	7
<b>4. Property</b>		
Cost 1 January 2021	842.676	757.294
Additions during the year	0	85.382
<b>Cost 31 December 2021</b>	<b>842.676</b>	<b>842.676</b>
Depreciation and writedown 1 January 2021	-561.786	-293.146
Depreciation for the year	-280.890	-268.640
<b>Depreciation and writedown 31 December 2021</b>	<b>-842.676</b>	<b>-561.786</b>
<b>Carrying amount, 31 December 2021</b>	<b>0</b>	<b>280.890</b>
Lease assets are recognised at a carrying amount of	0	280.890
<b>5. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2021	969.246	1.413.323
Additions during the year	20.226	8.588
Disposals during the year	-24.455	-452.665
<b>Cost 31 December 2021</b>	<b>965.017</b>	<b>969.246</b>
Depreciation and writedown 1 January 2021	-567.310	-415.815
Depreciation for the year	-221.177	-302.073
Reversal of depreciation, amortisation and writedown, assets disposed of	22.856	150.578
<b>Depreciation and writedown 31 December 2021</b>	<b>-765.631</b>	<b>-567.310</b>
<b>Carrying amount, 31 December 2021</b>	<b>199.386</b>	<b>401.936</b>

## Notes

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All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>6. Deposits</b>		
Cost 1 January 2021	154.342	155.775
Additions during the year	3.106	0
Disposals during the year	0	-1.433
<b>Cost 31 December 2021</b>	<u><b>157.448</b></u>	<u><b>154.342</b></u>
<b>Carrying amount, 31 December 2021</b>	<u><b>157.448</b></u>	<u><b>154.342</b></u>
<b>7. Lease liabilities</b>		
Total lease liabilities	180.027	685.594
Share of amount due within 1 year	-122.818	-505.568
	<u><b>57.209</b></u>	<u><b>180.026</b></u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
Leasing liabilities have an interest of 4,0%		
<b>8. Charges and security</b>		
There are no mortgage and securities.		
<b>9. Contingencies</b>		
<b>Contingent liabilities</b>		
There are no contingent liabilities.		

## Accounting policies

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The annual report for Johnson Health Tech Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

### Income statement

#### Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IFRS 15 as its basis of interpretation for the recognition of revenue.

The revenue is recognised when the control of the identifiable individual performance obligations has been performed in respect of the customer whereby the customer gains control of the asset or the service. Sales remunerations are allocated proportionally to the individual performance obligations in the agreement.

Revenue from service contracts is recognised on a linear basis over the period during which the service is performed.

Revenue is measured at fair value of agreed remunerations, less VAT and expenses. All forms of discount are recognised in revenue.

## Accounting policies

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Revenue from contracts, including variable considerations such as quantity discounts and performance-related payments are recognised at the most probable consideration value. Revenue is not recognised until it is deemed most likely that changes in the estimated variable consideration will not subsequently result in the reversal of a material part of the amount, thus reducing revenue.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets. Furthermore, this item comprises received subsidies, damages, and compensation due to the coronavirus situation.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

### **Staff costs**

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

### **Depreciation, amortisation, and writedown for impairment**

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

## Statement of financial position

### **Property, plant, and equipment**

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.



## Accounting policies

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The depreciable amount is cost less 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 carrying amount, the depreciation is discontinued.

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

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

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### Right-of-use assets

The enterprise will be applying IFRS 16 as its basis of interpretation for the recognition of classification and recognition of leases.

Leases pertaining to property, plant, and equipment for which the enterprise has the right-of-use are recognised in the statement of financial position as right-of-use assets. The assets are, at initial recognition, measured at imputed cost, consisting of:

- The imputed lease liability
- Any lease payments paid prior to – or on – the starting date, less any lease incentives received
- Any direct start-up costs
- Any restoring costs

Hereafter, recognised leased assets are treated like the enterprise's remaining property, plant, and equipment.

## Accounting policies

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Lease liabilities are recognised in the statement of financial position as liabilities other than provision and are measured, at initial recognition, at the present value of lease payments payable over the lease term. This includes a purchase option in the event that the enterprise expects to purchase the right-of-use asset. When determining the present value, the internal rate of return or, alternatively, the enterprise's borrowing rate is applied as discount rate.

Hereafter, the lease liability is treated like the remaining financial liabilities, i.e. at amortised cost.

The interest element of the lease payments is recognised in the income statement over the contractual term.

The following leases are not recognised as assets and liabilities in the statement of financial position:

- Leases with a duration of twelve months or less (short leases)
- Leases where the replacement value of the asset is less than DKK 30,000. (low-value assets)

For such leases, the lease payment is recognised in the income statement as an expense on a linear basis over the lease term.

### Investments

#### Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

#### Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

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

#### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

## Accounting policies

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### Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

### Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

### Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### Provisions

Provisions comprise expected costs for guarantee liabilities. 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.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Warranty commitments comprise commitments to repair work being carried out within the warranty period of 1-5 years. The provisions are measured at the net realisable value and recognised on the basis of experience with warranty work. If provisions have an expected due date later than 1 year from the reporting date, they are discounted at the average bond interest.

### Liabilities other than provisions

Capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

## **Accounting policies**

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Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

### **Accruals and deferred income**

Payments received concerning future income are recognised under accruals and deferred income.