

# Johnson Health Tech Denmark ApS

Hestehaven 21, Hjallesø, 5260 Odense S

Company reg. no. 37 30 03 30

## Annual report

### 2020

The annual report was submitted and approved by the general meeting on the 16 June 2021.

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**Marco Vonk**  
Chairman of the meeting

## Contents

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	<u>Page</u>
<b>Reports</b>	
Management's report	1
Independent auditor's report on extended review	2
<b>Management commentary</b>	
Company information	4
Management commentary	5
<b>Financial statements 1 January - 31 December 2020</b>	
Income statement	6
Statement of financial position	7
Statement of changes in equity	9
Notes	10
Accounting policies	14

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 report

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Today, the executive board has presented the annual report of Johnson Health Tech Denmark ApS for the financial year 2020 of Johnson Health Tech Denmark ApS.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Odense S, 16 June 2021

### 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 to 31 December 2020, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that the financial statements give a fair presentation of the assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We performed the extended review in accordance with the standard from the Danish Business Authority applicable to auditor's reports on small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable to 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 section "Auditor's responsibilities for the extended review of the financial statements". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of financial statements that give a fair presentation in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management considers necessary to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the the financial statements, the 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 unless the 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 our procedures with the purpose of achieving moderate assurance as to our opinion on the financial statements. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

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

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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 assessment of the achieved 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 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 express no assurance opinion on the management commentary.

In connection with our extended review the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the extended review, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management commentary is consistent with the financial statements and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not discover any material misstatement in the management commentary.

Copenhagen, 16 June 2021

### **Redmark**

State Authorised Public Accountants  
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 2020 - 31 December 2020 5th financial year
<b>Executive board</b>	Kuang-Ting Lo Ho Yeh-Hsing Lo Kun-Chuan Lo Marco Vonk
<b>Auditors</b>	Redmark Statsautoriseret Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg
<b>Bankers</b>	Jyske Bank

## Management commentary

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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 are -4.265.567 against DKK -2.498.743 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.

The Corona situation has had a negative effect on the company's growth during the financial year, and the company has implemented a number of measures to reduce its consequences. The company has used the offered help packages at Covid-19 to remedy the consequences, for a total amount of 597.934 DKK.

### *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.

### **Events occurring after the end of the financial year**

The economic development in 2021 will significantly depend on the type and extent of the restrictions that the authorities in Denmark maintain or introduce to counter the spread of the coronavirus. The current uncertainty about the development of the corona crisis means that it is not currently possible to quantify the expectations for the coming financial year with sufficient certainty.

## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Gross profit</b>	<b>399.351</b>	<b>4.280.982</b>
3 Staff costs	-3.847.757	-5.980.353
Depreciation and impairment of property, land, and equipment	<u>-582.962</u>	<u>-692.132</u>
<b>Operating profit</b>	<b>-4.031.368</b>	<b>-2.391.503</b>
Other financial income	9.716	429.353
Other financial costs	<u>-243.915</u>	<u>-536.593</u>
<b>Pre-tax net profit or loss</b>	<b>-4.265.567</b>	<b>-2.498.743</b>
Tax on ordinary results	<u>0</u>	<u>0</u>
<b>Net profit or loss for the year</b>	<b><u>-4.265.567</u></b>	<b><u>-2.498.743</u></b>
<b>Proposed appropriation of net profit:</b>		
Allocated from retained earnings	<u>-4.265.567</u>	<u>-2.498.743</u>
<b>Total allocations and transfers</b>	<b><u>-4.265.567</u></b>	<b><u>-2.498.743</u></b>



## Statement of financial position at 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Non-current assets</b>		
4 Property	280.890	464.148
5 Other fixtures and fittings, tools and equipment	401.936	997.508
Total property, plant, and equipment	<u>682.826</u>	<u>1.461.656</u>
6 Deposits	154.342	155.775
Total investments	<u>154.342</u>	<u>155.775</u>
<b>Total non-current assets</b>	<b><u>837.168</u></b>	<b><u>1.617.431</u></b>
<b>Current assets</b>		
Manufactured goods and goods for resale	2.072.406	2.457.747
Prepayments for goods	91.298	49.697
Total inventories	<u>2.163.704</u>	<u>2.507.444</u>
Trade receivables	3.689.687	10.070.929
Receivables from group enterprises	136.009	6.148
Other receivables	497.742	555.501
Accrued income and deferred expenses	31.652	71.288
Total receivables	<u>4.355.090</u>	<u>10.703.866</u>
Cash on hand and demand deposits	<u>1.722.316</u>	<u>6.861.788</u>
<b>Total current assets</b>	<b><u>8.241.110</u></b>	<b><u>20.073.098</u></b>
<b>Total assets</b>	<b><u>9.078.278</u></b>	<b><u>21.690.529</u></b>

## Statement of financial position at 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Contributed capital	50.000	50.000
Retained earnings	-20.817.140	-16.551.573
<b>Total equity</b>	<b>-20.767.140</b>	<b>-16.501.573</b>
<b>Provisions</b>		
Other provisions	755.846	840.266
<b>Total provisions</b>	<b>755.846</b>	<b>840.266</b>
<b>Liabilities other than provisions</b>		
7 Lease liabilities	180.026	790.165
8 Other payables	491.888	203.877
Total long term liabilities other than provisions	671.914	994.042
Current portion of long term payables	505.568	655.385
Trade payables	1.415.534	3.033.129
Payables to group enterprises	23.987.005	28.454.708
Other payables	2.451.153	4.149.739
Accruals and deferred income	58.398	64.833
Total short term liabilities other than provisions	28.417.658	36.357.794
<b>Total liabilities other than provisions</b>	<b>29.089.572</b>	<b>37.351.836</b>
<b>Total equity and liabilities</b>	<b>9.078.278</b>	<b>21.690.529</b>

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

**2** Special items

**9** Charges and security

**10** 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>
Equity 1 January 2019	50.000	-14.052.830	-14.002.830
Profit or loss for the year brought forward	0	-2.498.743	-2.498.743
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
	<b>50.000</b>	<b>-20.817.140</b>	<b>-20.767.140</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 2021. 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.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

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	597.934
	<u>597.934</u>

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

Other operating income	597.934
<b>Profit of special items, net</b>	<b><u>597.934</u></b>

## Notes

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All amounts in DKK.

	<u>2020</u>	<u>2019</u>
	<u>2020</u>	<u>2019</u>
<b>3. Staff costs</b>		
Salaries and wages	3.320.778	5.383.949
Pension costs	480.444	555.268
Other costs for social security	46.535	41.136
	<u><b>3.847.757</b></u>	<u><b>5.980.353</b></u>
Average number of employees	<u>7</u>	<u>7</u>
<b>4. Property</b>		
Cost 1 January 2020	757.294	0
Adjustment due to change of accounting policies	0	757.294
Additions during the year	85.382	0
	<u><b>842.676</b></u>	<u><b>757.294</b></u>
Depreciation and writedown 1 January 2020	-293.146	0
Depreciation for the year	-268.640	-293.146
	<u><b>-561.786</b></u>	<u><b>-293.146</b></u>
<b>Carrying amount, 31 December 2020</b>	<u><b>280.890</b></u>	<u><b>464.148</b></u>
Lease assets are recognised at a carrying amount of	<u>280.890</u>	<u>464.148</u>

## Notes

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All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>
<b>5. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2020	1.413.323	21.256
Adjustment due to change of accounting policies	0	1.060.077
Additions during the year	8.588	331.990
Disposals during the year	<u>-452.665</u>	<u>0</u>
<b>Cost 31 December 2020</b>	<b><u>969.246</u></b>	<b><u>1.413.323</u></b>
Depreciation and writedown 1 January 2020	-415.815	-16.829
Depreciation for the year	-302.073	-398.986
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>150.578</u>	<u>0</u>
<b>Depreciation and writedown 31 December 2020</b>	<b><u>-567.310</u></b>	<b><u>-415.815</u></b>
<b>Carrying amount, 31 December 2020</b>	<b><u>401.936</u></b>	<b><u>997.508</u></b>
Lease assets are recognised at a carrying amount of	<u>381.158</u>	<u>975.252</u>
<b>6. Deposits</b>		
Cost 1 January 2020	155.775	176.775
Additions during the year	0	6.500
Disposals during the year	<u>-1.433</u>	<u>-27.500</u>
<b>Cost 31 December 2020</b>	<b><u>154.342</u></b>	<b><u>155.775</u></b>
<b>Carrying amount, 31 December 2020</b>	<b><u>154.342</u></b>	<b><u>155.775</u></b>
<b>7. Lease liabilities</b>		
Total lease liabilities	685.594	1.445.550
Share of amount due within 1 year	<u>-505.568</u>	<u>-655.385</u>
	<b><u>180.026</u></b>	<b><u>790.165</u></b>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
Leasing liabilities have an interest of 4,0%		

## Notes

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All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>
<b>8. Other payables</b>		
Holiday pay obligations, salaried staff	<u>491.888</u>	<u>203.877</u>
	491.888	203.877
Share of amount due within 1 year	<u>0</u>	<u>0</u>
	<b><u>491.888</u></b>	<b><u>203.877</u></b>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
<b>9. Charges and security</b>		
There are no mortgage and securities.		
<b>10. 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.