P-Menu 2018 A/S

Malmøgade 3, 1., DK-2100 København

Annual Report for 1 January - 31 December 2018

CVR No 38 62 08 43

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29/5 2019

Allan Bach Pedersen
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of P-Menu 2018 A/S for the financial year 1 January - 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2018.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København, 29 May 2019

Executive Board

Allan Bach Pedersen
Executive Officer

Board of Directors

Henrik Bonnerup Chairman	Allan Bach Pedersen	Jan Johan Kühl

Independent Auditor's Report

To the Shareholder of P-Menu 2018 A/S

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of P-Menu 2018 A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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 Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

Independent Auditor's Report

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 29 May 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Martin Lunden
statsautoriseret revisor
mne32209

Michael Krath
statsautoriseret revisor
mne34155

Company Information

The Company	P-Menu 2018 A/S Malmøgade 3, 1. DK-2100 København CVR No: 38 62 08 43 Financial period: 1 January - 31 December Municipality of reg. office: København
Board of Directors	Henrik Bonnerup, Chairman Allan Bach Pedersen Jan Johan Kühl
Executive Board	Allan Bach Pedersen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a one-year period, the development of the Group is described by the following financial highlights:

	Group 2018 TDKK
Key figures	
Profit/loss	
Gross profit/loss	55.783
Operating profit/loss	-1.188
Profit/loss before financial income and expenses	153
Net financials	-5.045
Net profit/loss for the year	-5.391
Balance sheet	
Balance sheet total	409.934
Equity	155.724
Cash flows	
Cash flows from:	
- operating activities	32.062
- investing activities	-342.196
including investment in property, plant and equipment	-5.868
- financing activities	317.214
Change in cash and cash equivalents for the year	7.081
Number of employees	61
Ratios	
Return on assets	0,0%
Solvency ratio	38,0%
Return on equity	-6,9%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Consolidated and Parent Company Financial Statements of P-Menu 2018 A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Consolidated and Parent Company Financial Statements have been prepared under the same accounting policies as last year.

Key activities

With financial impact from 1 January 2018, Designers Company ApS, has been merged into Menu A/S. Designers Company ApS was previously the vehicle for all IP rights of the group. These has now been transferred to Menu A/S.

In 2018 the Group has begun the establishment of a new headquarter containing hotel, restaurant, cafe, concept store, boutique, co- working and event space under the name of “The Audo”.

Followingly the activity of Menu Group consists of two legs. The main activity of design, development and sale of design products and the new brand promotion centre sitting in Menu A/S (plus subsidiaries) and SpaceCo ApS respectively.

Development in the year

The income statement of the Group for 2018 shows a loss of DKK 5,390,971, and at 31 December 2018 the balance sheet of the Group shows equity of DKK 155,724,220.

The past year and follow-up on development expectations from last year

In 2018, ownership to Menu A/S and Designers Company ApS has been transferred to Menu Holding A/S and as part of the transaction a new entity, SpaceCo ApS, was established. At the end of the year the North American distributions rights was acquired from the previous American distributor.

The following will focus on Menu A/S (including subsidiaries) as activity in SpaceCo ApS (The Audo) has been insignificant in 2018.

The result realised for the current year are impacted by a range of special events resulting in extraordinary costs.

The transfer of ownerships resulted in transaction costs and bonus payments and subsequently are organization of the company and the management of the company has led to additional costs.

The acquisition of the North American distributions rights also incurred extraordinary costs for the transaction and the subsequent integration in the Group.

Management's Review

Capital structure

In relation to the change of ownership, the Group has entered into new financing agreements and in connection with the two add-on acquisitions a capital contribution from the company's owners of TDKK 36.329 was made. Management believes that the current capital structure provides sufficient flexibility to address the future strategy of the Group.

Strategy

Following the Group's acquisition of the North American distribution rights and a material royalty agreement and a strengthened focus on hotels, Co-working spaces and other contract markets, management expects growth in activity as well as profitability in 2019.

Research and development

Development costs relating to the development of new products and markets are partly capitalized and partly recognised in expenses as incurred.

External environment

The Group's operation has no significant impact on the external environment.

Intellectual capital resources

The employees are the Group's most important resource, with main emphasis on design and product development.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2018 of the Group and the results of the activities and cash flows of the Group for the financial year for 2018 have not been affected by any unusual events.

Income Statement 1 January - 31 December

	Note	Group 2018 DKK	Group 2017 DKK	Parent Company 2018 DKK	Parent Company 2017 DKK
Gross profit/loss		**55.783.411**	**-11.956**	**-47.420**	**-11.956**
Staff expenses	2	-36.996.225	0	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-18.634.014	0	0	0
Profit/loss before financial income and expenses	4	**153.172**	**-11.956**	**-47.420**	**-11.956**
Income from investments in subsidiaries		0	0	-3.585.023	0
Financial income	5	472.958	0	0	0
Financial expenses	6	-5.517.745	0	0	0
Profit/loss before tax		**-4.891.615**	**-11.956**	**-3.632.443**	**-11.956**
Tax on profit/loss for the year	7	-499.356	2.630	10.432	2.630
Net profit/loss for the year		**-5.390.971**	**-9.326**	**-3.622.011**	**-9.326**

Balance Sheet 31 December

Assets

		Group		Parent Company	
	Note	2018	2017	2018	2017
		DKK	DKK	DKK	DKK
Completed development projects		7.449.144	0	0	0
Acquired patents		20.432.375	0	0	0
Acquired trademarks		65.109.375	0	0	0
Acquired other similar rights		39.841.396	0	0	0
Goodwill		188.486.839	0	0	0
Intangible assets	8	**321.319.129**	**0**	**0**	**0**
Other fixtures and fittings, tools and equipment		6.864.050	0	0	0
Leasehold improvements		2.623.980	0	0	0
Property, plant and equipment	9	**9.488.030**	**0**	**0**	**0**
Investments in subsidiaries	10	0	0	103.951.004	0
Other investments	11	25.080	0	25.080	0
Deposits	11	1.319.420	0	0	0
Fixed asset investments		**1.344.500**	**0**	**103.976.084**	**0**
Fixed assets		**332.151.659**	**0**	**103.976.084**	**0**
Inventories	12	**43.869.296**	**0**	**0**	**0**
Trade receivables		20.923.841	0	0	0
Other receivables	18	2.503.926	0	50.000	0
Deferred tax asset	15	0	2.630	13.062	2.630
Prepayments	13	2.905.192	0	0	0
Receivables		**26.332.959**	**2.630**	**63.062**	**2.630**
Cash at bank and in hand		**7.580.225**	**499.720**	**481.399**	**499.720**
Currents assets		**77.782.480**	**502.350**	**544.461**	**502.350**
Assets		**409.934.139**	**502.350**	**104.520.545**	**502.350**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2018 DKK	Group 2017 DKK	Parent Company 2018 DKK	Parent Company 2017 DKK
Share capital		1.564.756	500.000	1.564.756	500.000
Retained earnings		102.867.039	-9.326	102.867.039	-9.326
Equity attributable to shareholders of the Parent Company		**104.431.795**	**490.674**	**104.431.795**	**490.674**
Minority interests		51.292.425	0	0	0
Equity		**155.724.220**	**490.674**	**104.431.795**	**490.674**
Provision for deferred tax	15	19.796.954	0	0	0
Other provisions	16	115.285	0	0	0
Provisions		**19.912.239**	**0**	**0**	**0**
Other payables		35.871.233	0	0	0
Long-term debt	17	**35.871.233**	**0**	**0**	**0**
Credit institutions		171.253.317	0	0	0
Prepayments received from customers		2.747.869	0	0	0
Trade payables		17.594.691	8.874	38.750	8.874
Payables to group enterprises		66.915	2.802	50.000	2.802
Corporation tax		505.573	0	0	0
Other payables	17	6.258.082	0	0	0
Short-term debt		**198.426.447**	**11.676**	**88.750**	**11.676**
Debt		**234.297.680**	**11.676**	**88.750**	**11.676**
Liabilities and equity		**409.934.139**	**502.350**	**104.520.545**	**502.350**

Subsequent events	1
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Statement of Changes in Equity

Group

	Share capital	Reserve for net revalua-tion under the equity method	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	500.000	0	-9.326	490.674	0	490.674
Exchange adjustments	0	0	-14.809	-14.809	0	-14.809
Cash capital increase	1.064.756	0	105.410.849	106.475.605	52.654.222	159.129.827
Sale of treasury shares	0	0	1.166.820	1.166.820	0	1.166.820
Fair value adjustment of hedging instruments, beginning of year	0	0	236.574	236.574	0	236.574
Fair value adjustment of hedging instruments, end of year	0	0	202.758	202.758	0	202.758
Tax on adjustment of hedging instruments for the year	0	0	-96.653	-96.653	0	-96.653
Other equity movements	0	0	-407.163	-407.163	407.163	0
Net profit/loss for the year	0	0	-3.622.011	-3.622.011	-1.768.960	-5.390.971
Equity at 31 December	**1.564.756**	**0**	**102.867.039**	**104.431.795**	**51.292.425**	**155.724.220**

Parent Company

	Share capital	Reserve for net revalua-tion under the equity method	Retained earnings	Equity excl. minority interests	Minority interests	Total
Equity at 1 January	500.000	0	-9.326	490.674	0	490.674
Cash capital increase	1.064.756	0	105.410.849	106.475.605	0	106.475.605
Other equity movements	0	1.087.527	0	1.087.527	0	1.087.527
Net profit/loss for the year	0	-1.087.527	-2.534.484	-3.622.011	0	-3.622.011
Equity at 31 December	**1.564.756**	**0**	**102.867.039**	**104.431.795**	**0**	**104.431.795**

Cash Flow Statement 1 January - 31 December

	Note	Group 2018	Group 2017
		DKK	DKK
Net profit/loss for the year		-5.390.971	-9.326
Adjustments	19	24.163.348	-2.630
Change in working capital	20	23.415.352	8.875
Cash flows from operating activities before financial income and expenses		**42.187.729**	**-3.081**
Financial income		472.959	0
Financial expenses		-5.517.733	-1
Cash flows from ordinary activities		**37.142.955**	**-3.082**
Corporation tax paid		-5.080.707	0
Cash flows from operating activities		**32.062.248**	**-3.082**
Purchase of intangible assets		-58.709.398	0
Purchase of property, plant and equipment		-5.867.935	0
Fixed asset investments made etc		-516.631	0
Business acquisition		-277.101.857	0
Cash flows from investing activities		**-342.195.821**	**0**
Raising of loans from credit institutions		157.353.317	0
Raising of loans from group enterprises		64.114	2.802
Minority interests		52.654.222	0
Sale of warrants		1.166.820	0
Cash capital increase		105.975.605	0
Contribution of share capital		0	500.000
Cash flows from financing activities		**317.214.078**	**502.802**
Change in cash and cash equivalents		**7.080.505**	**499.720**
Cash and cash equivalents at 1 January		499.720	0
Cash and cash equivalents at 31 December		**7.580.225**	**499.720**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		7.580.225	499.720
Cash and cash equivalents at 31 December		**7.580.225**	**499.720**

Notes to the Financial Statements

1 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

2 Staff expenses

	Group		Parent Company	
	2018	2017	2018	2017
	DKK	DKK	DKK	DKK
Wages and salaries	33.090.627	0	0	0
Pensions	1.738.352	0	0	0
Other social security expenses	558.791	0	0	0
Other staff expenses	1.608.455	0	0	0
	36.996.225	**0**	**0**	**0**
Including remuneration to the Executive Board and Board of Directors	**1.027.989**	**0**	**0**	**0**
Average number of employees	**61**	**0**	**0**	**0**

At 10 April 2018, an incentive scheme was established comprising both the Board of Directors, the Executive Board and other executives and the scheme is made to maintain the management in Menu Holding A/S. The registered management in Menu Holding A/S has subscribed warrants for 19 % of the total amount. The scheme runs from 10 April 2018 to 31 December 2027. When an option has vested, the option holder may subscribe for one new share in Menu Holding A/S at a exercise price of DKK 100 with addition of 10% p.a. from the date of subscription.

As it is the Company’s practice to settle the schemes by way of shares (equity-settled share-based payment arrangements), no costs have been recognised in 2018.

Notes to the Financial Statements

	Group		Parent Company	
	2018	2017	2018	2017
	DKK	DKK	DKK	DKK
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	16.453.220	0	0	0
Depreciation of property, plant and equipment	2.180.794	0	0	0
	18.634.014	**0**	**0**	**0**
4 Special items				
Double CFO	80.000	0	0	0
Reduncancies	550.800	0	0	0
Transaction costs	1.298.881	0	0	0
Other expenses	387.745	0	0	0
	2.317.426	**0**	**0**	**0**
5 Financial income				
Other financial income	284.183	0	0	0
Exchange adjustments	171.757	0	0	0
Exchange gains	17.018	0	0	0
	472.958	**0**	**0**	**0**
6 Financial expenses				
Other financial expenses	5.286.895	0	0	0
Exchange adjustments, expenses	230.850	0	0	0
	5.517.745	**0**	**0**	**0**

Notes to the Financial Statements

		Group		Parent Company	
		2018	2017	2018	2017
		DKK	DKK	DKK	DKK
7	**Tax on profit/loss for the year**				
	Current tax for the year	505.573	0	0	0
	Deferred tax for the year	-6.217	-2.630	-10.432	-2.630
		499.356	**-2.630**	**-10.432**	**-2.630**

8 Intangible assets

Group

	Completed development projects	Acquired patents	Acquired trademarks	Acquired other similar rights	Goodwill
	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	0	0	0	0	0
Net effect from merger and acquisition	14.316.632	160.802	0	0	4.748.253
Additions for the year	2.582.042	21.990.000	67.500.000	42.264.208	194.619.268
Cost at 31 December	16.898.674	22.150.802	67.500.000	42.264.208	199.367.521
Transfers for the year	0	0	0	0	0
Revaluations at 31 December	0	0	0	0	0
Impairment losses and amortisation at 1 January	0	0	0	0	0
Net effect from merger and acquisition	6.578.293	124.716	0	0	3.705.847
Amortisation for the year	2.871.237	1.593.711	2.390.625	2.422.812	7.174.835
Impairment losses and amortisation at 31 December	9.449.530	1.718.427	2.390.625	2.422.812	10.880.682
Carrying amount at 31 December	**7.449.144**	**20.432.375**	**65.109.375**	**39.841.396**	**188.486.839**

The Group´s development activities is mainly related to Design and development of new products as well asdevelopment of tools for the actual production. The value of the recognized development projects is comparedwith expected earnings from the products.

Notes to the Financial Statements

9 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	0	0
Net effect from merger and acquisition	31.252.138	889.576
Additions for the year	5.013.496	2.618.362
Disposals for the year	-29.720	0
Cost at 31 December	36.235.914	3.507.938
Revaluations at 1 January	0	0
Revaluations at 31 December	0	0
Impairment losses and depreciation at 1 January	0	0
Net effect from merger and acquisition	27.251.368	853.380
Depreciation for the year	2.150.216	30.578
Impairment and depreciation of sold assets for the year	-29.720	0
Impairment losses and depreciation at 31 December	29.371.864	883.958
Carrying amount at 31 December	**6.864.050**	**2.623.980**

Notes to the Financial Statements

	Parent Company	
	2018	2017
	DKK	DKK

10 Investments in subsidiaries

	2018 DKK	2017 DKK
Cost at 1 January	0	0
Additions for the year	106.865.100	0
Disposals for the year	-416.600	0
Cost at 31 December	106.448.500	0
Value adjustments at 1 January	0	0
Net profit/loss for the year	-3.585.023	0
Other equity movements, net	1.087.527	0
Amortisation of goodwill	0	0
Other adjustments	0	0
Value adjustments at 31 December	-2.497.496	0
Carrying amount at 31 December	**103.951.004**	**0**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Menu Holding A/S	Copenhagen	500.000	67%	153.653.794	-5.353.977

Notes to the Financial Statements

11 Other fixed asset investments

	Group		Parent Company
	Other investments	Deposits	Other investments
	DKK	DKK	DKK
Cost at 1 January	0	0	0
Net effect from merger and acquisition	0	1.323.283	0
Additions for the year	25.080	205.378	25.080
Disposals for the year	0	-209.241	0
Cost at 31 December	25.080	1.319.420	25.080
Impairment losses at 1 January	0	0	0
Impairment losses at 31 December	0	0	0
Carrying amount at 31 December	**25.080**	**1.319.420**	**25.080**

12 Inventories

	Group		Parent Company	
	2018	2017	2018	2017
	DKK	DKK	DKK	DKK
Finished goods and goods for resale	43.523.699	0	0	0
Prepayments for goods	345.597	0	0	0
	43.869.296	**0**	**0**	**0**

13 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

Notes to the Financial Statements

	Group		Parent Company	
	2018	2017	2018	2017
	DKK	DKK	DKK	DKK

14 Distribution of profit

Reserve for net revaluation under the equity method	0	0	-1.087.527	0
Minority interests' share of net profit/loss of subsidiaries	-1.768.960	0	0	0
Retained earnings	-3.622.011	-9.326	-2.534.484	-9.326
	-5.390.971	**-9.326**	**-3.622.011**	**-9.326**

15 Provision for deferred tax

Intangible assets	21.280.554	0	0	0
Property, plant and equipment	1.197.944	0	0	0
Other items	742.600	0	0	0
Intercompany profit on inventories	-858.731	0	0	0
Borrowing costs	-330.616	0	0	0
Tax loss carry-forward	-2.234.797	-2.630	-13.062	-2.630
Transferred to deferred tax asset	0	2.630	13.062	2.630
	19.796.954	**0**	**0**	**0**
Deferred tax asset				
Calculated tax asset	0	2.630	13.062	2.630
Carrying amount	**0**	**2.630**	**13.062**	**2.630**

16 Other provisions

The Company has some obligations to replace goods. Based on previous experience in respect of the level of repairs and returns, other provisions of kDKK 115 have been recognised for expected warranty claims.

Other provisions	115.285	0	0	0
	115.285	**0**	**0**	**0**

Notes to the Financial Statements

17 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent Company	
	2018	2017	2018	2017
	DKK	DKK	DKK	DKK
Other payables				
After 5 years	30.871.233	0	0	0
Between 1 and 5 years	5.000.000	0	0	0
Long-term part	35.871.233	0	0	0
Other short-term payables	6.258.082	0	0	0
	42.129.315	**0**	**0**	**0**

18 Derivative financial instruments

Derivative financial instruments contracts in the form of forward exchange contracts have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

	Group		Parent Company	
	2018	2017	2018	2017
	DKK	DKK	DKK	DKK
Assets	202.758	0	0	0

Notes to the Financial Statements

		Group	
		2018	2017
		DKK	DKK
19	**Cash flow statement - adjustments**		
	Financial income	-472.958	0
	Financial expenses	5.517.745	0
	Depreciation, amortisation and impairment losses, including losses and gains on sales	18.634.014	0
	Tax on profit/loss for the year	499.356	-2.630
	Other adjustments	-14.809	0
		24.163.348	**-2.630**

20	**Cash flow statement - change in working capital**		
	Change in inventories	-6.969.295	0
	Change in receivables	-6.932.958	0
	Change in other provisions	15.285	0
	Change in trade payables, etc	36.862.988	8.875
	Fair value adjustments of hedging instruments	439.332	0
		23.415.352	**8.875**

Notes to the Financial Statements

	Group		Parent Company	
	2018	2017	2018	2017
	DKK	DKK	DKK	DKK

21 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

Floating company charge DKK 25 mio. in Trade receivables, stocks, plantand machinery, goodwill.	69.897.740	0	0	0

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:				
Within 1 year	291.204	0	0	0
Between 1 and 5 years	171.421	0	0	0
	462.625	**0**	**0**	**0**
Rental obligations, non-cancellable period	6.648.545	0	0	0

Other contingent liabilities

The company has secured the Norwegian customs authorities NOK 1.0 million.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to DKK 0. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

Notes to the Financial Statements

22 Related parties

Basis

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm’s length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Polaris Private Equity IV K/S, København

Notes to the Financial Statements

23 Accounting Policies

The Annual Report of P-Menu 2018 A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2018 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, P-Menu 2018 A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

23 Accounting Policies (continued)

Business combinations

Acquisitions

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). Cost comprises the fair value of the consideration paid as well as expenses for consultants etc directly related to the acquisition. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straightline basis over its estimated useful life. Any remaining negative differences are recognised as income in the income statement at the date of acquisition.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made. Moreover, any change in contingent consideration is adjusted in the value of goodwill or negative goodwill.

Amortisation of goodwill is recognised in “Amortisation, depreciation and impairment losses”.

Minority interests

Minority interests form part of the Group’s total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in

Notes to the Financial Statements

23 Accounting Policies (continued)

the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards

Notes to the Financial Statements

23 Accounting Policies (continued)

the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Notes to the Financial Statements

23 Accounting Policies (continued)

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Development projects, patents and licences

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the Group can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development

23 Accounting Policies (continued)

costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item “Reserve for development costs”. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3-5 years.

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is years. Software licences are amortised over the period of the agreement, which is 10 years.

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 5-20 years. determined on the basis of Management’s experience with the individual business areas.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-10 years

Notes to the Financial Statements

23 Accounting Policies (continued)

Leasehold improvements	5-20 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item“Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Notes to the Financial Statements

23 Accounting Policies (continued)

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-2 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax

Notes to the Financial Statements

23 Accounting Policies (continued)

entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term

Notes to the Financial Statements

23 Accounting Policies (continued)

debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$