



Normann Copenhagen ApS

Niels Hemmingsens Gade 12
1153 Copenhagen
CVR No. 10008824

Annual report 2021

The Annual General Meeting adopted the
annual report on 30.06.2022

Morten Toft

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2021	8
Balance sheet at 31.12.2021	9
Statement of changes in equity for 2021	11
Notes	12
Accounting policies	14

Entity details

Entity

Normann Copenhagen ApS
Niels Hemmingsens Gade 12
1153 Copenhagen

Business Registration No.: 10008824
Registered office: Copenhagen
Financial year: 01.01.2021 - 31.12.2021

Executive Board

Jan Normann Andersen
Poul Andrzej Madsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Normann Copenhagen ApS for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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

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

Copenhagen, 30.06.2022

Executive Board

Jan Normann Andersen

Poul Andrzej Madsen

Independent auditor's report

To the shareholders of Normann Copenhagen ApS

Opinion

We have audited the financial statements of Normann Copenhagen ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 audit 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the 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 Entity'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 Entity'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 audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

Based on the work we have performed, we conclude that the management commentary is in accordance with 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 of the management commentary.

Copenhagen, 30.06.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Jacob Vilmann Wellejus

State Authorised Public Accountant
Identification No (MNE) mne24807

Brian Schmit Jensen

State Authorised Public Accountant
Identification No (MNE) mne40050

Management commentary

Primary activities

The Company's main activity is design, production and sales of designer furniture, lamps and design articles.

Development in activities and finances

The Company generated a profit for the year before tax of DKK 9,864k. Last year the profit before tax was DKK 9,522k. The profit for the year is considered satisfactory.

During 2021 the company has not been affected by the implemented restrictions in connection with Covid-19 and has therefore not received any kind of compensation from the Government.

Gross profit in 2021 was DKK 60,304k. Last year it amounted DKK 58,737k. During the same period the operating profit was to DKK 10,054k compared to DKK 10,379k last year. The development is considered satisfactory.

Events after the balance sheet date

The war between Russia and Ukraine has affected the activity level in many industries. So far, the war has not severely affected the financial position and development of the company, but the uncertainty involving supplies and raw materials is expected to influence the Group's activity level and results in 2022 in Denmark as well as in the foreign markets.

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

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		60,303,959	58,736,624
Staff costs	1	(44,450,739)	(43,953,188)
Depreciation, amortisation and impairment losses		(5,799,053)	(4,404,087)
Operating profit/loss		10,054,167	10,379,349
Other financial income	2	724,972	645,002
Other financial expenses	3	(914,666)	(1,502,042)
Profit/loss before tax		9,864,473	9,522,309
Tax on profit/loss for the year	4	(2,223,519)	(2,153,989)
Profit/loss for the year		7,640,954	7,368,320
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		4,500,000	0
Retained earnings		3,140,954	7,368,320
Proposed distribution of profit and loss		7,640,954	7,368,320

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	5	7,968,371	8,749,925
Intangible assets		7,968,371	8,749,925
Other fixtures and fittings, tools and equipment		5,317,557	6,869,158
Leasehold improvements		3,253,646	0
Property, plant and equipment		8,571,203	6,869,158
Other receivables		167,500	296,500
Financial assets		167,500	296,500
Fixed assets		16,707,074	15,915,583
Manufactured goods and goods for resale		50,792,598	54,132,811
Prepayments for goods		1,796,753	0
Inventories		52,589,351	54,132,811
Trade receivables		21,131,300	21,723,008
Receivables from group enterprises		22,327,658	23,262,045
Other receivables		1,422,358	681,055
Prepayments		1,819,265	2,142,064
Receivables		46,700,581	47,808,172
Cash		9,534,901	1,215,124
Current assets		108,824,833	103,156,107
Assets		125,531,907	119,071,690

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		125,000	125,000
Reserve for development expenditure		6,215,328	6,824,946
Retained earnings		74,733,166	70,982,593
Proposed dividend		4,500,000	0
Equity		85,573,494	77,932,539
Deferred tax		2,051,746	2,342,237
Provisions		2,051,746	2,342,237
Other payables		3,314,053	3,357,783
Non-current liabilities other than provisions	6	3,314,053	3,357,783
Bank loans		1,820,304	3,849,724
Prepayments received from customers		3,133,519	2,076,827
Trade payables		19,539,441	21,115,124
Payables to group enterprises		4,479,035	3,514,276
Income tax payable		46,793	177,610
Joint taxation contribution payable		2,270,538	655,969
Other payables		3,006,829	4,049,601
Deferred income		296,155	0
Current liabilities other than provisions		34,592,614	35,439,131
Liabilities other than provisions		37,906,667	38,796,914
Equity and liabilities		125,531,907	119,071,690
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		
Assets charged and collateral	9		
Non-arm's length related party transactions	10		
Group relations	11		

Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	125,000	6,824,946	70,982,594	0	77,932,540
Transfer to reserves	0	(609,618)	609,618	0	0
Profit/loss for the year	0	0	3,140,954	4,500,000	7,640,954
Equity end of year	125,000	6,215,328	74,733,166	4,500,000	85,573,494

Notes

1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	42,458,756	42,551,290
Pension costs	1,627,316	1,158,732
Other social security costs	364,667	243,166
	44,450,739	43,953,188
Average number of full-time employees	81	85

2 Other financial income

	2021 DKK	2020 DKK
Financial income from group enterprises	602,322	617,343
Exchange rate adjustments	122,650	26,909
Other financial income	0	750
	724,972	645,002

3 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	136,027	138,058
Other interest expenses	165,023	543,544
Other financial expenses	613,616	820,440
	914,666	1,502,042

4 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	2,514,010	833,579
Change in deferred tax	(290,491)	1,320,410
	2,223,519	2,153,989

5 Development projects

Development projects consist of software development and design development of products that are being produced and sold.

6 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK
Other payables	3,314,053
	3,314,053

Non-current liabilities consists of long-term holiday pay.

7 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	23,060,319	25,736,621
Of this, liabilities under rental or lease agreements with group enterprises	0	660,000

8 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Normann Copenhagen Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

9 Assets charged and collateral

Bank loans of DKK 1,820k are secured by way of a deposited mortgage deed registered to the mortgagor of DKK 19,000k and two times DKK 3,000k nominal.

The company has issued a joint and several surety bond against total bank debt of DKK 4,688k in Normann Detail ApS and JAPO Trading ApS.

Payment guarantees have been provided of DKK 2,802k.

10 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

11 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Normann Copenhagen Holding ApS, Niels Hemmingsens Gade 12, 1153 Copenhagen.

Accounting policies

Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year. Due to the exception in the Danish Financial Statements Act section 78a, the company reports as a class B enterprise in the current year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, cost of raw materials and consumables and external expenses.

Revenue

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

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

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

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed with related intellectual property rights and acquired intellectual property rights.

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

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

Property, plant and equipment

Other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5-10 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

Items of plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

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

Deferred tax

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

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

Operating leases

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

Other financial liabilities

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

Prepayments received from customers

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

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.