
***Unique Furniture af
14. juni 2007 A/S***

Petersbjerggaard 10, 1. t.h., DK-6000 Kolding

**Annual Report for 1 July 2020 -
30 June 2021**

CVR No 30 61 24 50

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
12/11 2021

Henrik Thorup Theilbjørn
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Unique Furniture af 14. juni 2007 A/S for the financial year 1 July 2020 - 30 June 2021.

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 30 June 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020/21.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Kolding, 12 November 2021

Executive Board

Flemming Lindtofte

Board of Directors

Henrik Thorup Theilbjørnn

Flemming Lindtofte

Poul Kristiansen

Søren Iversen

Independent Auditor's Report

To the Shareholders of Unique Furniture af 14. juni 2007 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 30 June 2021 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 July 2020 - 30 June 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Unique Furniture af 14. juni 2007 A/S for the financial year 1 July 2020 - 30 June 2021, 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' 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.

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.

Management's responsibilities for the Financial Statements

Independent Auditor's Report

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 audit evidence obtained up to the date of our auditor's report. However, future events or conditions

Independent Auditor's Report

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.

Trekantområdet, 12 November 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Bunk Harbo Larsen

statsautoriseret revisor

mne30224

Company Information

The Company

Unique Furniture af 14. juni 2007 A/S
Petersbjerggaard 10, 1. t.h.
DK-6000 Kolding

CVR No: 30 61 24 50
Financial period: 1 July - 30 June
Municipality of reg. office: Kolding

Board of Directors

Henrik Thorup Theilbjørnn
Flemming Lindtofte
Poul Kristiansen
Søren Iversen

Executive Board

Flemming Lindtofte

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Financial Highlights

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

	Group				
	2020/21 TDKK	2019/20 TDKK	2018/19 TDKK	2017/18 TDKK	2016/17 TDKK
Key figures					
Profit/loss					
Gross profit/loss	81,069	49,590	39,967	24,323	24,692
Operating profit/loss	44,614	19,171	10,982	-3,501	-4,054
Net financials	-9,756	892	-2,164	-1,263	-1,187
Net profit/loss for the year	27,818	15,184	6,247	-4,921	-4,905
Balance sheet					
Balance sheet total	116,589	77,958	93,172	72,388	72,940
Equity	54,320	26,635	11,671	5,686	10,593
Cash flows					
Cash flows from:					
- operating activities	4,931	37,652	-6,049	-4,052	-9,247
- investing activities	-3,220	-747	-359	-53	-412
including investment in property, plant and equipment	-2,617	-721	-497	-281	-795
- financing activities	-5,029	-31,775	5,968	3,745	18
Change in cash and cash equivalents for the year	-3,318	5,130	-440	-360	-9,641
Number of employees	96	91	88	83	94
Ratios					
Return on assets	38.3%	24.6%	11.9%	-4.9%	-5.4%
Solvency ratio	46.6%	34.2%	12.5%	7.9%	14.5%
Return on equity	68.7%	79.3%	72.0%	-60.5%	-32.7%

In connection with changes to accounting policies, the comparative figures back to 2016/17 have not been restated. See the description under accounting policies.

Management's Review

Principal activity

The Company's principal activity still consists of the development, sale and distribution of furniture. The Company sells to most Western European markets, which are being served centrally from the office in Denmark or through locally employed sales representatives. In the financial year 2016/17, the Company has established its own company in the USA. The company has its head office in New Jersey. The warehouse is just relocated from the West Coast to the East Coast close to the head office.

Development and sourcing of furniture are made through the Company's representative offices in China, Vietnam, Malaysia and Eastern Europe.

Development in the year

The income statement of the Group for 2020/21 shows a profit of TDKK 27,818, and at 30 June 2021 the balance sheet of the Group shows an equity of TDKK 54,320.

The fiscal year 2020/21 was impacted both operationally and financially by the pandemic, which presented opportunities as well as challenges for the group. We experienced a high demand for furniture on a global scale simultaneously with increasing pressure on sourcing costs and bottlenecks in the whole supply chain. We got many new customers all over the world and entered into new markets. Besides, our US business activities made a very strong footprint in the result of the year after some challenging years and we are very pleased with this development.

Compared to our expectations for the year Management considers the results for the year satisfying.

Market risks

The Company operates in a competitive market in which sales opportunities are sensitive to economic developments. Therefore, cyclical fluctuations will affect the Company's sales and earnings. The Company has considerable sales in the UK, which means that the possible consequences of Brexit are being monitored very closely.

Also market developments in the USA are being monitored closely as the Company has invested heavily in the US market. As a number of goods for the USA come from China, which means that they are subject to tariff rates, the Company pays special attention to this. A number of product series are already being transferred to other producer countries in order to mitigate possible tariff rate increases.

Besides, the cost level for transporting containers has reached such a high level, that this can have an impact on the future business. This level can have an impact on the turnover, but also have an impact on what countries will be main sourcing areas for furnitures.

Management's Review

Foreign exchange risks

Activities abroad mean that results, cash flows and equity are affected by exchange rate movements in a number of currencies. It is the Company's policy to try to cover these foreign exchange risks, primarily by trading in the same currency and to some extent by entering into forward exchange transactions to hedge future transactions in foreign currencies.

Targets and expectations for the year ahead

The group expects to achieve a 2021/22 result in line with this year.

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 30 June 2021 of the Group and the results of the activities and cash flows of the Group for the financial year for 2020/21 have not been affected by any unusual events.

Subsequent events

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

Income Statement 1 July - 30 June

	Note	Group		Parent	
		2020/21 TDKK	2019/20 TDKK	2020/21 TDKK	2019/20 TDKK
Gross profit/loss		81,069	49,590	63,241	36,868
Staff expenses	1	-35,956	-29,943	-22,810	-16,604
Depreciation, amortisation and impairment of property, plant and equipment		-499	-476	-191	-163
Profit/loss before financial income and expenses		44,614	19,171	40,240	20,101
Income from investments in subsidiaries		0	0	2,952	-1,896
Financial income	2	0	2,019	363	2,956
Financial expenses	3	-9,756	-1,127	-8,707	-1,089
Profit/loss before tax		34,858	20,063	34,848	20,072
Tax on profit/loss for the year	4	-7,040	-4,879	-7,027	-4,846
Net profit/loss for the year		27,818	15,184	27,821	15,226

Balance Sheet 30 June

Assets

	Note	Group		Parent	
		2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
Other fixtures and fittings, tools and equipment		3,081	1,003	2,355	323
Property, plant and equipment	5	3,081	1,003	2,355	323
Investments in subsidiaries	6	0	0	14,642	12,093
Deposits	7	907	302	586	232
Fixed asset investments		907	302	15,228	12,325
Fixed assets		3,988	1,305	17,583	12,648
Finished goods and goods for resale		51,680	30,080	31,392	16,194
Inventories		51,680	30,080	31,392	16,194
Trade receivables		44,872	38,886	37,749	28,958
Receivables from group enterprises		0	0	16,809	11,832
Other receivables		6,254	78	6,185	71
Deferred tax asset	11	0	87	0	87
Prepayments	8	7,048	1,457	1,647	1,302
Receivables		58,174	40,508	62,390	42,250
Cash at bank and in hand		2,747	6,065	187	5,044
Currents assets		112,601	76,653	93,969	63,488
Assets		116,589	77,958	111,552	76,136

Balance Sheet 30 June

Liabilities and equity

	Note	Group		Parent	
		2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
Share capital	9	1,961	1,961	1,961	1,961
Other statutory reserves		-406	0	-406	0
Retained earnings		44,765	24,652	44,765	24,653
Proposed dividend for the year		8,000	0	8,000	0
Equity attributable to shareholders of the Parent Company		54,320	26,613	54,320	26,614
Minority interests		0	22	0	0
Equity		54,320	26,635	54,320	26,614
Provision for deferred tax	11	341	0	341	0
Provisions		341	0	341	0
Subordinate loan capital		0	10,200	0	10,200
Credit institutions		5,000	0	5,000	0
Other payables		0	1,099	0	1,099
Long-term debt	12	5,000	11,299	5,000	11,299
Credit institutions	12	14,830	14,932	14,830	14,367
Trade payables		22,547	12,456	18,848	10,265
Payables to group enterprises		0	0	3,473	3,026
Corporation tax		6,417	4,687	6,441	4,719
Other payables	12	13,134	7,949	8,299	5,846
Short-term debt		56,928	40,024	51,891	38,223
Debt		61,928	51,323	56,891	49,522
Liabilities and equity		116,589	77,958	111,552	76,136
Distribution of profit	10				
Contingent assets, liabilities and other financial obligations	15				
Accounting Policies	16				

Statement of Changes in Equity

Group

	Share capital	Other statutory reserves	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 July	1,961	0	24,653	0	26,614	22	26,636
Exchange adjustments	0	-406	0	0	-406	0	-406
Disposal of minority interests	0	0	0	0	0	-19	-19
Purchase of treasury shares	0	0	-1,021	0	-1,021	0	-1,021
Sale of treasury shares	0	0	1,312	0	1,312	0	1,312
Net profit/loss for the year	0	0	19,821	8,000	27,821	-3	27,818
Equity at 30 June	1,961	-406	44,765	8,000	54,320	0	54,320

Parent

Equity at 1 July	1,961	0	24,653	0	26,614	0	26,614
Exchange adjustments	0	-406	0	0	-406	0	-406
Purchase of treasury shares	0	0	-1,021	0	-1,021	0	-1,021
Sale of treasury shares	0	0	1,312	0	1,312	0	1,312
Net profit/loss for the year	0	0	19,821	8,000	27,821	0	27,821
Equity at 30 June	1,961	-406	44,765	8,000	54,320	0	54,320

Cash Flow Statement 1 July - 30 June

	Note	Group	
		2020/21 TDKK	2019/20 TDKK
Net profit/loss for the year		27,818	15,184
Adjustments	13	16,928	4,230
Change in working capital	14	-25,177	18,241
Cash flows from operating activities before financial income and expenses		19,569	37,655
Financial income		0	2,019
Financial expenses		-9,756	-1,136
Cash flows from ordinary activities		9,813	38,538
Corporation tax paid		-4,882	-886
Cash flows from operating activities		4,931	37,652
Purchase of property, plant and equipment		-2,617	-721
Fixed asset investments made etc		-603	-26
Cash flows from investing activities		-3,220	-747
Repayment of loans from credit institutions		0	-26,875
Repayment of other long-term debt		-10,200	-4,900
Raising of loans from credit institutions		4,899	0
Minority interests		-19	0
Purchase of treasury shares		-1,021	0
Sale of treasury shares		1,312	0
Cash flows from financing activities		-5,029	-31,775
Change in cash and cash equivalents		-3,318	5,130
Cash and cash equivalents at 1 July		6,065	935
Cash and cash equivalents at 30 June		2,747	6,065
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		2,747	6,065
Cash and cash equivalents at 30 June		2,747	6,065

Notes to the Financial Statements

	Group		Parent	
	2020/21 TDKK	2019/20 TDKK	2020/21 TDKK	2019/20 TDKK
1 Staff expenses				
Wages and salaries	32,663	26,903	20,258	14,418
Pensions	2,237	1,847	1,903	1,458
Other staff expenses	1,056	1,193	649	728
	35,956	29,943	22,810	16,604
Average number of employees	96	91	27	23
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.				
2 Financial income				
Interest received from group enterprises	0	0	363	1,065
Other financial income	0	117	0	1
Exchange gains	0	1,902	0	1,890
	0	2,019	363	2,956
3 Financial expenses				
Other financial expenses	1,653	1,127	603	1,089
Exchange adjustments, expenses	8,103	0	8,104	0
	9,756	1,127	8,707	1,089
4 Tax on profit/loss for the year				
Current tax for the year	6,612	4,848	6,599	4,815
Deferred tax for the year	428	31	428	31
	7,040	4,879	7,027	4,846

Notes to the Financial Statements

5 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment TDKK
Cost at 1 July	2,948
Exchange adjustment	56
Additions for the year	<u>2,615</u>
Cost at 30 June	<u>5,619</u>
Impairment losses and depreciation at 1 July	1,945
Exchange adjustment	94
Depreciation for the year	<u>499</u>
Impairment losses and depreciation at 30 June	<u>2,538</u>
Carrying amount at 30 June	<u>3,081</u>

Parent

	Other fixtures and fittings, tools and equipment TDKK
Cost at 1 July	1,041
Additions for the year	<u>2,222</u>
Kostpris at 30 June	<u>3,263</u>
Impairment losses and depreciation at 1 July	717
Depreciation for the year	<u>191</u>
Impairment losses and depreciation at 30 June	<u>908</u>
Carrying amount at 30 June	<u>2,355</u>

Notes to the Financial Statements

	Parent	
	2021 TDKK	2020 TDKK
6 Investments in subsidiaries		
Cost at 1 July	23,320	38
Additions for the year	0	23,281
Disposals for the year	-9	0
Cost at 30 June	<u>23,311</u>	<u>23,319</u>
Value adjustments at 1 July	-11,226	-9,113
Disposals for the year	-8	0
Exchange adjustment	-405	-217
Net profit/loss for the year	<u>2,970</u>	<u>-1,896</u>
Value adjustments at 30 June	<u>-8,669</u>	<u>-11,226</u>
Carrying amount at 30 June	<u>14,642</u>	<u>12,093</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Unique Furniture Int. Ltd	Hong Kong	100%
UAB "Unique Furniture"	Lithauen	100%
Unique Furniture Inc.	USA	100%

7 Other fixed asset investments

	Group	Parent
	Deposits TDKK	Deposits TDKK
Cost at 1 July	302	232
Additions for the year	935	684
Disposals for the year	-330	-330
Cost at 30 June	<u>907</u>	<u>586</u>
Carrying amount at 30 June	<u>907</u>	<u>586</u>

Notes to the Financial Statements

8 Prepayments

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

9 Equity

The share capital is broken down as follow:

	<u>Number</u>	<u>Nominal value</u> TDKK
A-shares	1,666,667	1,666,667
B-shares	294,333	294,333
		<u>1,961,000</u>

There have been no changes in the share capital during the last 5 years.

On 21 September 2020, the Company acquired 98,050 treasury shares, corresponding to 5%. The total payment for the shares amounted to kDKK 1,021, which has been transferred from retained earnings under equity. The Company choose to sell 4% of these shares on 23 November 2020. The last 1% of the shares have not been sold and are therefore held as treasury shares.

The Company holds a total of 19,610 shares with a nominal value of DKK 19,610 corresponding to 1% of the total capital.

10 Distribution of profit

	<u>Group</u>		<u>Parent</u>	
	<u>2020/21</u> TDKK	<u>2019/20</u> TDKK	<u>2020/21</u> TDKK	<u>2019/20</u> TDKK
Proposed dividend for the year	8,000	0	8,000	0
Minority interests' share of net profit/loss of subsidiaries	-3	-42	0	0
Retained earnings	19,821	15,226	19,821	15,226
	<u>27,818</u>	<u>15,184</u>	<u>27,821</u>	<u>15,226</u>

Notes to the Financial Statements

	Group		Parent	
	2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
11 Provision for deferred tax				
Provision for deferred tax at 1 July	-87	-118	-87	-118
Amounts recognised in the income statement for the year	428	31	428	31
Provision for deferred tax at 30 June	341	-87	341	-87

The recognised tax asset comprises fixed assets and tax loss carry-forwards expected to be utilised within the next three to four years.

12 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:

Subordinate loan capital

Between 1 and 5 years	0	10,200	0	10,200
Long-term part	0	10,200	0	10,200
Within 1 year	0	0	0	0
	0	10,200	0	10,200

Credit institutions

Between 1 and 5 years	5,000	0	5,000	0
Long-term part	5,000	0	5,000	0
Other short-term debt to credit institutions	14,830	14,932	14,830	14,367
	19,830	14,932	19,830	14,367

Other payables

Between 1 and 5 years	0	1,099	0	1,099
Long-term part	0	1,099	0	1,099
Other short-term payables	13,134	7,949	8,299	5,846
	13,134	9,048	8,299	6,945

Notes to the Financial Statements

	Group	
	<u>2020/21</u>	<u>2019/20</u>
	TDKK	TDKK
13 Cash flow statement - adjustments		
Financial income	0	-2,019
Financial expenses	9,756	1,127
Depreciation, amortisation and impairment losses, including losses and gains on sales	498	476
Tax on profit/loss for the year	7,040	4,879
Other adjustments	-366	-233
	<u>16,928</u>	<u>4,230</u>
14 Cash flow statement - change in working capital		
Change in inventories	-21,603	6,869
Change in receivables	-17,755	13,698
Change in trade payables, etc	14,181	-2,326
	<u>-25,177</u>	<u>18,241</u>

Notes to the Financial Statements

	Group		Parent	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
15 Contingent assets, liabilities and other financial obligations				
Charges and security				
The following assets have been placed as security with bankers:				
Business collateral in assets, trade receivables, stock etc. for an amount of TDKK 30,000	71,496	45,476	71,496	45,476
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	373	274	333	274
Between 1 and 5 years	384	179	298	179
	757	453	631	453
Rental agreements have been entered into with a total obligation on	11,117	1,927	1,420	1,099

Notes to the Financial Statements

16 Accounting Policies

The Annual Report of Unique Furniture af 14. juni 2007 A/S for 2020/21 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 2020/21 are presented in TDKK.

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, Unique Furniture af 14. juni 2007 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

16 Accounting Policies (continued)

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.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

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

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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.

Notes to the Financial Statements

16 Accounting Policies (continued)

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 indirect 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, expenses for raw materials and consumables and other external expenses.

Staff expenses

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

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.

Notes to the Financial Statements

16 Accounting Policies (continued)

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.

Balance Sheet

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.

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 1-5 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.

Notes to the Financial Statements

16 Accounting Policies (continued)

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.

Other fixed asset investments

Other fixed asset investments consist of deposits.

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.

Notes to the Financial Statements

16 Accounting Policies (continued)

Dividend

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

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

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 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

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.

Notes to the Financial Statements

16 Accounting Policies (continued)

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