



NORDIC

HOUSEWARE GROUP

Nordic Houseware Group A/S

Skodsborgvej 315
2850 Nærum
CVR No. 31479363

Annual report 2020

The Annual General Meeting adopted the
annual report on 20.05.2021

René Dethlefsen

Chairman of the General Meeting

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Entity details

Entity

Nordic Houseware Group A/S

Skodsborgvej 315

2850 Nærum

Business Registration No.: 31479363

Registered office: Rudersdal

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Morten Pitzner, chairman

Jacob Andersen, vice chairman

Allan Carsten Bülow

Anders Bjørn Thielholdt

Executive Board

Jacob Eberhard, CEO

René Dethlefsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Nordic Houseware Group A/S for the financial year 01.01.2020 - 31.12.2020

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020.

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.

Nærum, 14.04.2021

Executive Board

Jacob Eberhard
CEO

René Dethlefsen

Board of Directors

Morten Pitzner
chairman

Jacob Andersen
vice chairman

Allan Carsten Bülow

Anders Bjørn Thielfoldt

Independent auditor's report

To the shareholders of Nordic Houseware Group A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Nordic Houseware Group A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 14.04.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Jacob Vilmann Wellejus

State Authorised Public Accountant
Identification No (MNE) mne24807

Hans Tauby

State Authorised Public Accountant
Identification No (MNE) mne44339

Management commentary

Financial highlights

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
Key figures					
Revenue	527,037	478,360	413,300	382,832	336,468
Gross profit/loss	98,491	89,774	71,225	98,972	87,564
EBITDA	49,773	47,586	33,076	41,436	34,502
Operating profit/loss	27,273	32,378	18,237	26,788	19,701
Net financials	(6,677)	(3,606)	(5,816)	(8,512)	(9,526)
Profit/loss for the year	15,293	22,824	9,569	14,155	7,680
Balance sheet total	338,611	274,198	312,451	260,386	256,790
Investments in property, plant and equipment	20,127	20,722	15,726	12,858	14,027
Equity	106,152	93,798	70,150	70,355	57,633
Ratios					
Return on equity (%)	15.30	27.84	13.62	22.12	14.00
Equity ratio (%)	31.35	34.21	22.45	27.02	22.44

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Balance sheet total

Primary activities

The Company's primary activity is to provide management services and to function as shared service center for the two subsidiaries, Plast Team A/S and ROOM Copenhagen A/S.

Plast Team:

The company's activity is to design, produce and distribute household plastic products. The company's products are primarily sold in the Nordic Countries and the rest of Europe.

ROOM Copenhagen:

The company's activity is to design, produce and distribute high quality designer products under licensed. The company's range of products are sold in Europe, North America, Latin America, Middle East, Australia, New Zealand, and certain countries in Asia in particular China.

Development in activities and finances

In the financial year 2020, the Group realized revenues of DKK 527,037k compared to DKK 478,360k prior year.

The Group realized a gross profit DKK 98,491k and realized an EBITDA of DKK 49,773k, which is impacted negatively by the outbreak of coronavirus/COVID-19 and realized impairment losses of DKK 6,539k on intangible and tangible assets. The result after tax of DKK 15,293k is considered satisfactory.

Profit/loss for the year in relation to expected developments

The expectation last year, was to have a profit before tax in the range of DKK 20M - 25M. The expectations were met realizing a profit before tax of DKK 20,596k.

Outlook

Management expects the Group to show positive development in profit before tax for 2021 based on continued focus on profitable business, launch of new products, customer gains and benefits captured from previously implemented initiatives, and expect to be in the range of DKK 20M-30M.

Possible negative effects of the COVID-19 pandemic have not been included in the outlook for 2021, as the economical effects cannot be measured at this time.

Environmental performance

The primary risk regarding environment and climate is that our suppliers may not seek to lower their CO2 emissions. This may impact our reputation, as clients and other stakeholders may perceive that we are not doing enough to minimize our impact on the environment.

Nordic Houseware Group is committed to a Sustainability strategy, where products are designed to be recyclable and the Group is committed to use regenerated plastic wherever possible.

Nordic Houseware Group cooperates with its suppliers on compliance with safety measures and focus on optimizing environmental conditions, including reduction of CO2 emissions. All factories are subject to agreements which allow Nordic Houseware Group to perform audits at any time. It is our conclusion that our work has contributed positively to environment and climate in 2020.

Statutory report on corporate social responsibility

Our focus on corporate social responsibility is connected to our business model. For a description of our business model, please refer to the section on primary activities on page 8.

Nordic Houseware Group focuses on performing and enhancing its efforts relating to the Group's corporate ethical, social and environmental responsibility.

Nordic Houseware Group is compliant to all legal requirements in relation to social and environmental considerations, human rights, the fight against corruption and works with the group CSR policy.

It is management's assessment that the efforts within employees and working conditions, environmental issues and food security have been successful.

Employees and working environment

The primary risk in this area is if employees are not motivated and if we do not have a pleasant work environment. The consequence may be that we are not able to attract or retain employees.

By way of their knowhow, network and competences, the Nordic Houseware Group employees are a significant competitive factor to the Group. Job satisfaction is therefore of great importance to the Group.

The Group has an open and clear staff policy accommodating diversity and development. Moreover, employees are offered benefits in order to improve their mental, physical and social welfare.

The Group also focuses continuously on improving working conditions and environment in the Group with a view to retain motivated employees and create a positive work environment. It is our conclusion that our efforts have contributed positively to our working environment in 2020.

Human rights

Our primary risk in relation to human rights could be if employees feel discriminated against and not treated fairly. The consequence may be that we are not able to attract or retain employees as well as impact our reputation. We do not have a separate policy regarding human rights, as we have decided to follow the Danish state law and rules in this area. Furthermore, we are not aware of any breaches of human rights in the current year in Nordic Houseware Group.

Food safety

The primary risk regarding food safety is if our products could cause harm to consumers. This could have an impact on our reputation and the perceived safety of our products.

To ensure that the Group's products meet EU requirements for food safety, Nordic Houseware Group maintain a continuous test program for its products.

It is our conclusion that our work has contributed positively to food safety in the current year.

Anti-corruption and bribery

The primary risk is that employees may use gifts, payments or other means to illegally influence client's or other stakeholder's decision or vice versa. We have decided to follow the Danish state's rules and laws in this area. Therefore, we do not have a separate policy. We do, however, have a number of financial controls in place to mitigate the risk of illegal transactions. Furthermore, we are not aware of any breaches concerning bribery and corruption in Nordic Houseware Group in 2020.

Statutory report on the underrepresented gender

It is the policy of Nordic Houseware Group to secure the best professional competence possible at all levels in the Company. The members of the Management are solely appointed based on their qualifications and not based on their gender. By doing so, equal opportunities for both genders are secured provided that the candidates applying for the management positions possess the professional skills required.

At the time of presentation of the annual report, the Board of Directors at Nordic Houseware Group has no female members, and no female candidates were identified in 2020. Based on a specific assessment of the Company's situation, including the competences to be present at the Board of Directors, the target figure is to have at least one female candidate for the Board of Directors at Nordic Houseware Group before end of 2024. This is still considered an achievable and ambitious target figure.

No target figure has been determined for other management levels given that the Company does not have more than 50 employees.

Nordic Houseware Group supports gender equality – both as regards career opportunities and salary conditions. Our equal opportunities policy is put into practice in the Company's employee manual, and we always encourage our female colleagues to apply for leadership positions. Based on the limited time frame, it has not yet been possible to record any effect of the above.

Events after the balance sheet date

The outbreak of coronavirus/COVID-19 is still a current event in the months after 31.12.2020. The outbreak has resulted in a series of precautions, that affects the daily operations, both for the Company, suppliers, customers and other business partners. The economical effect cannot be measured at this time.

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

Consolidated income statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Revenue	2	527,037	478,360
Cost of sales		(397,082)	(364,413)
Other external expenses	3	(31,464)	(24,173)
Gross profit/loss		98,491	89,774
Staff costs	4	(48,718)	(42,188)
Depreciation, amortisation and impairment losses	5	(22,500)	(15,208)
Operating profit/loss		27,273	32,378
Other financial income	6	3	1,028
Other financial expenses	7	(6,680)	(4,634)
Profit/loss before tax		20,596	28,772
Tax on profit/loss for the year	8	(5,303)	(5,948)
Profit/loss for the year	9	15,293	22,824

Consolidated balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Acquired licences		2,646	3,727
Goodwill		10,319	14,639
Intangible assets	10	12,965	18,366
Plant and machinery		77,181	76,294
Other fixtures and fittings, tools and equipment		1,341	1,178
Leasehold improvements		314	358
Property, plant and equipment in progress		9,222	9,073
Property, plant and equipment	11	88,058	86,903
Deposits		497	511
Deferred tax	13	1,746	3,441
Fixed asset investments	12	2,243	3,952
Fixed assets		103,266	109,221
Raw materials and consumables		4,340	6,905
Manufactured goods and goods for resale		35,021	30,622
Inventories		39,361	37,527
Trade receivables		117,379	81,728
Receivables from group enterprises		44,339	27,214
Other receivables		20,594	13,917
Prepayments	14	2,440	4,585
Receivables		184,752	127,444
Cash		11,232	6
Current assets		235,345	164,977
Assets		338,611	274,198

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital	15	500	500
Revaluation reserve		4,243	4,530
Translation reserve		(2,939)	0
Retained earnings		104,348	88,768
Equity		106,152	93,798
Deferred tax	13	1,069	1,327
Provisions		1,069	1,327
Bank loans		0	17,150
Non-current liabilities other than provisions	16	0	17,150
Current portion of non-current liabilities other than provisions	16	17,150	4,650
Bank loans		71,878	49,064
Trade payables		91,084	88,335
Tax payable		3,545	2,344
Other payables		47,733	17,530
Current liabilities other than provisions		231,390	161,923
Liabilities other than provisions		231,390	179,073
Equity and liabilities		338,611	274,198
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	18		
Contingent liabilities	19		
Assets charged and collateral	20		
Transactions with related parties	21		
Group relations	22		
Subsidiaries	23		

Consolidated statement of changes in equity for 2020

	Contributed capital DKK'000	Revaluation reserve DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	500	4,530	0	88,768	93,798
Exchange rate adjustments	0	0	(2,939)	0	(2,939)
Transfer to reserves	0	(287)	0	287	0
Profit/loss for the year	0	0	0	15,293	15,293
Equity end of year	500	4,243	(2,939)	104,348	106,152

Consolidated cash flow statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Operating profit/loss		27,273	32,378
Amortisation, depreciation and impairment losses		22,500	15,208
Working capital changes	17	(9,065)	1,812
Cash flow from ordinary operating activities		40,708	49,398
Financial income received		3	1,028
Financial expenses paid		(6,680)	(4,634)
Taxes refunded/(paid)		(2,629)	(1,592)
Cash flows from operating activities		31,402	44,200
Acquisition etc. of intangible assets		(1,357)	(953)
Acquisition etc. of property, plant and equipment		(20,127)	(20,722)
Sale of property, plant and equipment		5	364
Acquisition of fixed asset investments		0	(11)
Sale of fixed asset investments		14	0
Other cash flows from investing activities		(2,777)	(856)
Cash flows from investing activities		(24,242)	(22,178)
Free cash flows generated from operations and investments before financing		7,160	22,022
Repayments of loans etc.		(4,650)	(4,550)
Repayment of debt to group enterprises		(17,125)	0
Cash flows from financing activities		(21,775)	(4,550)
Increase/decrease in cash and cash equivalents		(14,615)	17,472
Cash and cash equivalents beginning of year		(49,058)	(67,247)
Currency translation adjustments of cash and cash equivalents		3,027	717
Cash and cash equivalents end of year		(60,646)	(49,058)

Cash and cash equivalents at year-end are composed of:

Cash	11,232	6
Short-term bank loans	(71,878)	(49,064)
Cash and cash equivalents end of year	(60,646)	(49,058)

Notes to consolidated financial statements

1 Events after the balance sheet date

The outbreak of coronavirus/COVID-19 is still a current event in the months after 31.12.2020. The outbreak has resulted in a series of precautions, that affects the daily operations, both for the Group, suppliers, customers and other business partners. The economical effect cannot be measured at this time.

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

2 Revenue

	2020 DKK'000	2019 DKK'000
Other EU-countries	480,995	434,740
Other countries	46,042	43,620
Total revenue by geographical market	527,037	478,360

The Group operates within one business area. Therefore, the information above does not contain information about revenue per activity.

3 Fees to the auditor appointed by the Annual General Meeting

	2020 DKK'000	2019 DKK'000
Statutory audit services	462	430
Tax services	27	27
	489	457

4 Staff costs

	2020 DKK'000	2019 DKK'000
Wages and salaries	45,620	39,843
Pension costs	2,082	651
Other social security costs	1,421	3,240
Other staff costs	2,500	1,709
	51,623	45,443
Staff costs classified as assets	(2,905)	(3,255)
	48,718	42,188
Average number of full-time employees	114	113

	Remuneration of manage- ment 2020 DKK'000	Remuneration of manage- ment 2019 DKK'000
Executive Board	4,601	2,594
Board of Directors	803	700
	5,404	3,294

Remuneration of management includes an allocated share of the management salary for the group.

5 Depreciation, amortisation and impairment losses

	2020 DKK'000	2019 DKK'000
Amortisation of intangible assets	5,368	5,191
Impairment losses on intangible assets	1,390	0
Depreciation on property, plant and equipment	10,574	9,927
Impairment losses on property, plant and equipment	5,149	0
Profit/loss from sale of intangible assets and property, plant and equipment	19	90
	22,500	15,208

6 Other financial income

	2020 DKK'000	2019 DKK'000
Other interest income	3	1,028
	3	1,028

7 Other financial expenses

	2020 DKK'000	2019 DKK'000
Financial expenses from group enterprises	0	70
Other interest expenses	3,111	3,490
Exchange rate adjustments	3,569	161
Other financial expenses	0	913
	6,680	4,634

8 Tax on profit/loss for the year

	2020	2019
	DKK'000	DKK'000
Current tax	4,803	3,702
Change in deferred tax	1,119	2,697
Adjustment concerning previous years	(619)	14
Refund in joint taxation arrangement	0	(465)
	5,303	5,948

9 Proposed distribution of profit/loss

	2020	2019
	DKK'000	DKK'000
Retained earnings	15,293	22,824
	15,293	22,824

10 Intangible assets

	Acquired licences	Goodwill
	DKK'000	DKK'000
Cost beginning of year	10,620	43,200
Additions	1,357	0
Cost end of year	11,977	43,200
Amortisation and impairment losses beginning of year	(6,893)	(28,561)
Impairment losses for the year	(1,390)	0
Amortisation for the year	(1,048)	(4,320)
Amortisation and impairment losses end of year	(9,331)	(32,881)
Carrying amount end of year	2,646	10,319

11 Property, plant and equipment

	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	185,356	9,683	440	9,073
Exchange rate adjustments	(9,182)	(336)	0	0
Transfers	17,950	26	0	(17,976)
Additions	1,334	668	0	18,125
Disposals	0	(2,362)	0	0
Cost end of year	195,458	7,679	440	9,222
Revaluations beginning of year	4,530	0	0	0
Exchange rate adjustments	(287)	0	0	0
Revaluations end of year	4,243	0	0	0
Depreciation and impairment losses beginning of year	(113,592)	(8,505)	(82)	0
Exchange rate adjustments	6,255	302	0	0
Impairment losses for the year	(5,149)	0	0	0
Depreciation for the year	(10,034)	(496)	(44)	0
Reversal regarding disposals	0	2,361	0	0
Depreciation and impairment losses end of year	(122,520)	(6,338)	(126)	0
Carrying amount end of year	77,181	1,341	314	9,222
Carrying amount if asset had not been revalued	72,938	1,341	314	9,222

12 Fixed asset investments

	Deposits DKK'000	Deferred tax DKK'000
Cost beginning of year	511	3,441
Disposals	(14)	(1,695)
Cost end of year	497	1,746
Carrying amount end of year	497	1,746

13 Deferred tax

	2020 DKK'000	2019 DKK'000
Intangible assets	(652)	(1,208)
Property, plant and equipment	(2,889)	(4,064)
Inventories	353	205
Liabilities other than provisions	429	(311)
Tax losses carried forward	3,436	7,492
Deferred tax	677	2,114

	2020 DKK'000	2019 DKK'000
Changes during the year		
Beginning of year	2,114	4,811
Recognised in the income statement	(1,119)	(2,697)
Other changes	(318)	0
End of year	677	2,114

	2020 DKK'000	2019 DKK'000
Deferred tax has been recognised in the balance sheet as follows		
Deferred tax assets	1,746	3,441
Deferred tax liabilities	(1,069)	(1,327)
	677	2,114

The Group expects to use the deferred tax asset in the coming years, due to positive profit.

14 Prepayments

Prepayments comprise prepaid expenses and royalties.

15 Contributed capital

	Number	Par value DKK'000	Nominal value DKK'000
Shares	500	1	500
	500		500

16 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK'000	Due within 12 months 2019 DKK'000
Bank loans	17,150	4,650
	17,150	4,650

In addition, the Group has short-term bank debt of DKK 71,878k consisting of overdraft facilities.

17 Changes in working capital

	2020	2019
	DKK'000	DKK'000
Increase/decrease in inventories	(1,834)	15,823
Increase/decrease in receivables	(40,183)	10,483
Increase/decrease in trade payables etc.	32,952	(26,003)
Other changes	0	1,509
	(9,065)	1,812

18 Unrecognised rental and lease commitments

	2020	2019
	DKK'000	DKK'000
Total liabilities under rental or lease agreements until maturity	4,209	4,937

19 Contingent liabilities

The Group's Danish enterprises participate in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Group's Danish enterprises are liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

20 Assets charged and collateral

The group is joint and severally liable for its debt to Nykredit Bank for the total of DKK 157,839k (incl. an Acquisition Loan in Chest Bidco ApS of DKK 69,000K).

Investments in subsidiaries pledge as security for bank debt.

21 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

22 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Axel Pitzner Fonden, Copenhagen

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Axel Pitzner Fonden, Copenhagen

23 Subsidiaries

	Registered in	Corporate form	Ownership %
Plast Team A/S	Denmark	A/S	100
Plast Team Poland Sp. Z.o.o.	Poland	Sp. Z.o.o.	100
Plast Team Vertriebs GmbH	Germany	GmbH	100
Room Copenhagen A/S	Denmark	A/S	100
Room Copenhagen Inc.	USA	Inc.	100
Room Copenhagen GmbH	Germany	GmbH	100
Room Copenhagen Sp. Z.o.o.	Poland	Sp. Z.o.o.	100
Room Copenhagen Hong Kong Ltd.	China	Ltd.	100
Room Copenhagen Houseware (Shanghai) Co., Ltd.	China	Ltd.	100

Parent income statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Revenue	2	36,722	26,769
Other external expenses		(11,697)	(10,163)
Gross profit/loss		25,025	16,606
Staff costs	3	(21,067)	(12,794)
Depreciation, amortisation and impairment losses	4	(985)	(818)
Operating profit/loss		2,973	2,994
Income from investments in group enterprises		13,950	21,283
Other financial income	5	246	692
Other financial expenses	6	(1,717)	(2,181)
Profit/loss before tax		15,452	22,788
Tax on profit/loss for the year	7	(159)	36
Profit/loss for the year	8	15,293	22,824

Parent balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Acquired licences		2,318	1,772
Intangible assets	9	2,318	1,772
Other fixtures and fittings, tools and equipment		775	596
Leasehold improvements		313	357
Property, plant and equipment in progress		6,006	9,074
Property, plant and equipment	10	7,094	10,027
Investments in group enterprises		118,379	107,368
Receivables from group enterprises		10,611	0
Deposits		456	453
Fixed asset investments	11	129,446	107,821
Fixed assets		138,858	119,620
Receivables from group enterprises	12	68,679	109,011
Other receivables		0	25
Prepayments	13	1,052	1,956
Receivables		69,731	110,992
Cash		12	12
Current assets		69,743	111,004
Assets		208,601	230,624

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital		500	500
Reserve for net revaluation according to the equity method		83,927	72,916
Retained earnings		21,725	20,382
Equity		106,152	93,798
Deferred tax	14	335	76
Provisions		335	76
Payables to group enterprises	15	0	31,200
Non-current liabilities other than provisions		0	31,200
Bank loans		87,603	75,924
Trade payables		1,995	7,329
Payables to group enterprises		1,072	16,635
Joint taxation contribution payable		88	574
Other payables		11,356	5,088
Current liabilities other than provisions		102,114	105,550
Liabilities other than provisions		102,114	136,750
Equity and liabilities		208,601	230,624
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Assets charged and collateral	18		
Related parties with controlling interest	19		
Transactions with related parties	20		

Parent statement of changes in equity for 2020

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	500	72,916	20,382	93,798
Exchange rate adjustments	0	(2,939)	0	(2,939)
Profit/loss for the year	0	13,950	1,343	15,293
Equity end of year	500	83,927	21,725	106,152

Notes to parent financial statements

1 Events after the balance sheet date

The outbreak of coronavirus/COVID-19 is still a current event in the months after 31.12.2020. The outbreak has resulted in a series of precautions, that affects the daily operations, both for the Company, suppliers, customers and other business partners. The economical effect cannot be measured at this time.

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

2 Revenue

	2020 DKK'000	2019 DKK'000
Denmark	36,722	26,769
Total revenue by geographical market	36,722	26,769

3 Staff costs

	2020 DKK'000	2019 DKK'000
Wages and salaries	21,667	14,330
Pension costs	371	303
Other social security costs	164	178
Other staff costs	1,770	1,238
	23,972	16,049
Staff costs classified as assets	(2,905)	(3,255)
	21,067	12,794
Average number of full-time employees	26	26

4 Depreciation, amortisation and impairment losses

	2020 DKK'000	2019 DKK'000
Amortisation of intangible assets	641	536
Depreciation on property, plant and equipment	344	282
	985	818

5 Other financial income

	2020 DKK'000	2019 DKK'000
Financial income from group enterprises	83	640
Exchange rate adjustments	163	52
	246	692

6 Other financial expenses

	2020	2019
	DKK'000	DKK'000
Financial expenses from group enterprises	260	312
Other interest expenses	822	1,668
Exchange rate adjustments	165	61
Other financial expenses	470	140
	1,717	2,181

7 Tax on profit/loss for the year

	2020	2019
	DKK'000	DKK'000
Current tax	88	68
Change in deferred tax	245	(104)
Adjustment concerning previous years	(174)	0
	159	(36)

8 Proposed distribution of profit and loss

	2020	2019
	DKK'000	DKK'000
Retained earnings	15,293	22,824
	15,293	22,824

9 Intangible assets

	Acquired licences DKK'000
Cost beginning of year	8,239
Additions	1,187
Cost end of year	9,426
Amortisation and impairment losses beginning of year	(6,467)
Amortisation for the year	(641)
Amortisation and impairment losses end of year	(7,108)
Carrying amount end of year	2,318

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	3,344	440	9,074
Additions	479	0	14,909
Disposals	0	0	(17,977)
Cost end of year	3,823	440	6,006
Depreciation and impairment losses beginning of year	(2,748)	(83)	0
Depreciation for the year	(300)	(44)	0
Depreciation and impairment losses end of year	(3,048)	(127)	0
Carrying amount end of year	775	313	6,006

11 Fixed asset investments

	Investments in group enterprises DKK'000	Receivables from group enterprises DKK'000	Deposits DKK'000
Cost beginning of year	34,452	0	453
Additions	0	10,611	3
Cost end of year	34,452	10,611	456
Revaluations beginning of year	72,916	0	0
Exchange rate adjustments	(2,939)	0	0
Amortisation of goodwill	(1,500)	0	0
Share of profit/loss for the year	15,450	0	0
Revaluations end of year	83,927	0	0
Carrying amount end of year	118,379	10,611	456

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

In investments in group enterprises goodwill is included with DKK 7,500k.

12 Receivables from group enterprises

Receivables from group enterprises include a Cash Pool of DKK 21,510k with ROOM Copenhagen A/S, where Nordic Houseware Group A/S is holder of the top account. Nordic Houseware Group A/S guarantees for the bank debt.

13 Prepayments

Prepayments solely comprise prepaid expenses.

14 Deferred tax

	2020 DKK'000	2019 DKK'000
Intangible assets	333	100
Property, plant and equipment	2	(24)
Deferred tax	335	76

Changes during the year	2020 DKK'000	2019 DKK'000
Beginning of year	76	180
Recognised in the income statement	245	(104)
Other changes	14	0
End of year	335	76

15 Payables to group enterprises

Payables to group enterprises include a Cash Pool of DKK 519k with Plast Team A/S, where Nordic Houseware Group A/S is holder of the top account. Nordic Houseware Group A/S guarantees for the bank debt.

16 Unrecognised rental and lease commitments

	2020 DKK'000	2019 DKK'000
Total liabilities under rental or lease agreements until maturity	3,124	3,042

17 Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Pitzner Gruppen Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

18 Assets charged and collateral

In connection with the conclusion of a Group Multi-Option Facility Agreement, the Company is jointly liable for all debts under the agreement together with all other companies in the Group.

Group receivables of DKK 10,611k (2019: DKK 10,000k) pledged as security for bank debt.

Shares in subsidiaries of DKK 118,379k (2019: DKK 107,368k) pledged as security for bank debt.

19 Related parties with controlling interest

Chest Bidco ApS, Nærum
 Chest Topco ApS, Nærum
 Pitzner Gruppen Holding A/S, Copenhagen
 Axel Pitzner Fonden, Copenhagen

20 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last 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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale 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.

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 wages and salaries, 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, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, net capital or exchange gains on payables and transactions in foreign currencies, as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on payables and transactions in foreign currencies, as well as 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 Parent is jointly taxed with all of its Danish group enterprises and other Danish consolidated companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by

Management for each business area. The amortisation periods is usually 10 years based on an assessment of the long-term earnings profile.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise intellectual property rights, acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Licences are amortised over the term of the agreement, but over no more than 20 years.

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

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost with additions of revaluations and 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 plus revaluation and minus 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:

Plant and machinery	3-12 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

Estimated useful lives and residual values are reassessed annually.

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

Revaluation reserve for Plant and machinery measured at fair value will be reduced with future depreciation. Depreciation from prior years of the revalued amount has been deducted from the revaluation reserve.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in group enterprises 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.

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.

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.

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.

Other financial liabilities

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

Tax payable or receivable

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.