

NORR11 HOLDING ApS

Østergade 17
1100 København K
Business Registration No
35640649

Annual report 2018

The Annual General Meeting adopted the annual report on 29.05.2019

Chairman of the General Meeting

Name: Magnus Berg Magnusson

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Entity details

Entity

NORR11 HOLDING ApS

Østergade 17

1100 København K

Central Business Registration No (CVR): 35640649

Registered in: København

Financial year: 01.01.2018 - 31.12.2018

Executive Board

Jon Skaftason

Jesper Sjølund

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of NORR11 HOLDING ApS for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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.

København, 29.05.2019

Executive Board

Jon Skaftason

Jesper Sjølund

Independent auditor's report

To the shareholders of NORR11 HOLDING ApS

Opinion

We have audited the financial statements of NORR11 HOLDING ApS for the financial year 01.01.2018 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 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 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 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:

Independent auditor's report

- 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.

Independent auditor's report

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.

Aarhus, 29.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Morten Gade Steinmetz
State Authorised Public Accountant
Identification No (MNE) mne34145

Management commentary

Primary activities

The company's activity is investment in companies, as well as owning rights to designs of furnitures and products in the Norr11 range.

Development in activities and finances

Profit for the year was a loss off DKK 72k which the management finds unsatisfactory.

The company equity amounts to DKK 4,062k 31.12.2018.

Events after the balance sheet date

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

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Gross profit		391.580	320.874
Depreciation, amortisation and impairment losses	2	<u>(500.000)</u>	<u>(500.000)</u>
Operating profit/loss		(108.420)	(179.126)
Other financial income	3	540.717	(815)
Other financial expenses	4	<u>(598.236)</u>	<u>0</u>
Profit/loss before tax		(165.939)	(179.941)
Tax on profit/loss for the year	5	<u>94.300</u>	<u>(94.300)</u>
Profit/loss for the year		<u>(71.639)</u>	<u>(274.241)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(71.639)</u>	<u>(274.241)</u>
		<u>(71.639)</u>	<u>(274.241)</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Acquired rights		<u>3.500.000</u>	<u>4.000.000</u>
Intangible assets	6	<u>3.500.000</u>	<u>4.000.000</u>
Investments in group enterprises		<u>0</u>	<u>0</u>
Fixed asset investments	7	<u>0</u>	<u>0</u>
Fixed assets		<u>3.500.000</u>	<u>4.000.000</u>
Receivables from group enterprises		<u>31.176.451</u>	<u>325.874</u>
Receivables		<u>31.176.451</u>	<u>325.874</u>
Cash		<u>46.582</u>	<u>46.815</u>
Current assets		<u>31.223.033</u>	<u>372.689</u>
Assets		<u>34.723.033</u>	<u>4.372.689</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		10.000.000	10.000.000
Retained earnings		<u>(5.843.250)</u>	<u>(5.771.611)</u>
Equity		<u>4.156.750</u>	<u>4.228.389</u>
Deferred tax		<u>0</u>	<u>94.300</u>
Provisions		<u>0</u>	<u>94.300</u>
Payables to group enterprises		43.750	43.750
Payables to shareholders and management		30.510.033	0
Other payables		<u>12.500</u>	<u>6.250</u>
Current liabilities other than provisions		<u>30.566.283</u>	<u>50.000</u>
Liabilities other than provisions		<u>30.566.283</u>	<u>50.000</u>
Equity and liabilities		<u>34.723.033</u>	<u>4.372.689</u>
Staff costs	1		
Contingent liabilities	8		
Assets charged and collateral	9		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	10.000.000	(5.771.611)	4.228.389
Profit/loss for the year	<u>0</u>	<u>(71.639)</u>	<u>(71.639)</u>
Equity end of year	<u>10.000.000</u>	<u>(5.843.250)</u>	<u>4.156.750</u>

Notes

	<u>2018</u>	<u>2017</u>
1. Staff costs		
Average number of employees	<u>0</u>	<u>0</u>
	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	<u>500.000</u>	<u>500.000</u>
	<u>500.000</u>	<u>500.000</u>
	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
3. Other financial income		
Financial income arising from group enterprises	540.950	0
Other interest income	<u>(233)</u>	<u>(815)</u>
	<u>540.717</u>	<u>(815)</u>
	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
4. Other financial expenses		
Other financial expenses	<u>598.236</u>	<u>0</u>
	<u>598.236</u>	<u>0</u>
	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
5. Tax on profit/loss for the year		
Change in deferred tax	<u>(94.300)</u>	<u>94.300</u>
	<u>(94.300)</u>	<u>94.300</u>

Notes

	Acquired rights DKK
6. Intangible assets	
Cost beginning of year	<u>5.000.000</u>
Cost end of year	<u>5.000.000</u>
Amortisation and impairment losses beginning of year	(1.000.000)
Amortisation for the year	<u>(500.000)</u>
Amortisation and impairment losses end of year	<u>(1.500.000)</u>
Carrying amount end of year	<u>3.500.000</u>
	Invest- ments in group enterprises DKK
7. Fixed asset investments	
Cost beginning of year	<u>4.950.000</u>
Cost end of year	<u>4.950.000</u>
Revaluations beginning of year	<u>(4.950.000)</u>
Revaluations end of year	<u>(4.950.000)</u>
Carrying amount end of year	<u>0</u>
8. Contingent liabilities	
None	
9. Assets charged and collateral	
None.	

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 certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

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

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.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as 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, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Accounting policies

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.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

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

Investments in group enterprises

Investments in group enterprises are recognised and measured 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 under equity.

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.

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.

Cash

Cash comprises cash in hand and bank deposits.

Accounting policies

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 or the planned settlement of each liability. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

Other financial liabilities

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