

Cam Cam Copenhagen A/S
Skyttegade 7, 3rd floor
2200 Copenhagen N

CVR-nr. 36 39 21 34

Annual report for
1 January 2020 - 31 December 2020
(Company's 6th financial year)

This annual report was presented and
approved at the company's ordinary general
meeting
on the / 2021

Director

Table of contents

Managerial endorsement	3
Independent auditor's endorsement	4
Company information	6
Accounting practice used	7
Profit-and-loss account for 1 January – 31 December	11
Balance sheet at 31 December	12
Notes on the annual report	14

Managerial endorsement

On this date, the management presented the annual report for 1 January 2020 - 31 December 2020 for Cam Cam Copenhagen A/S

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

We consider the accounting practice chosen to be appropriate, and we consider the accounting estimates made to be justified. Furthermore, we find the overall presentation of the annual financial statement to be fair and accurate. Therefore, in our understanding, the annual financial statement fairly and accurately portrays the company's assets and liabilities, financial position, and performance.

The annual report is thereby submitted for approval at the general meeting.

Copenhagen N, 25 June 2021

Management:

Nicolai Christian Lindhardt

Board of Directors:

Robert Warren Paulsen
chairman

Dennis Meldhedegaard-Nielsen

Sara Giese Camre

Independent auditor's endorsement

To the shareholders of Cam Cam Copenhagen A/S

Conclusion

We have audited the financial statements of Cam Cam Copenhagen A/S for the financial year 1 January 2020 - 31 December 2020, which includes accounting policies, the profit-and-loss statement, the balance sheet, and notes. 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 company's financial position at 31 December 2020 and of the results of its operations for the financial year 1 January 2020 - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs) and auditing requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section of the auditor's report titled "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with the code of ethics of the International Ethics Standards Board for Accountants (IESBA) and 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 oversight 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 company's ability to continue as a going concern; for disclosing, as applicable, matters related to the going concern; and for using the going concern basis of accounting in preparing the financial statements, unless management either intends to liquidate the company or 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 certainty as to 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 certainty" is a high level of certainty, 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 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 oversight.

Independent auditor's endorsement

- Obtain an understanding of internal oversight 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 internal oversight.
- 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 and conditions that may cast significant doubt on 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 endorsement. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents 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 of them.

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 oversight that we identify during our audit.

Copenhagen, 25 June 2021

Aros statsautoriserede revisorer I/S
Company registration no. 29690065

Villy Rabe Bech Moustén
State-authorized public accountant
MNE34279

Thomas Lehmann Jensen
State-authorized public accountant
MNE34128

Company information

Company:	Cam Cam Copenhagen A/S Skyttegade 7, 3rd floor 2200 Copenhagen N CVR no.: 36 39 21 34 Financial year: 01.01 - 31.12
Board of Directors:	Robert Warren Paulsen Dennis Meldhedegaard-Nielsen Sara Giese Camre
Management:	Nicolai Christian Lindhardt
Auditor:	Aros statsautoriserede revisorer I/S Værkmestergade 3, 4th floor 8000 Aarhus C

Accounting practice used

GENERAL

The annual report for Cam Cam Copenhagen A/S is presented according to the provisions of the Danish Financial Statements Act for businesses in accounting category B, with the election of certain class C rules.

The annual report is presented according to the same accounting practice as the previous year.

Material error

In the annual reports from 2018 and 2019 there was a fundamental error regarding the equity and long term debt securities. An amount of DKK 2.000.000 was booked as long term debt securities, but actually the amount should have been DKK 0 and the total equity should have been DKK 2.000.000 higher. The error is incorporated in the annual report of 2020 over the equity, and the amounts from previous year have been corrected. The error has an positive effect of DKK 2.000.000 on the equity, and the debts with the same amount. The error has no effect on the profit-and-loss-account.

Recognition and measurement in general

In the profit-and-loss account, income is recognised as it is earned; this includes recognition of value adjustments of financial assets and obligations. Similarly, all costs, including amortisation and depreciation, are recognised in the profit-and-loss account.

Assets are recognised on the balance sheet when it is likely that the company will enjoy economic benefits in the future, such that the value of an asset can be measured reliably.

Obligations are recognised on the balance sheet when it is likely that the company will be deprived of economic benefits in the future, such that the value of an obligation can be measured reliably.

On initial recognition, assets and obligations are measured at cost. Subsequently, assets and obligations are measured as described for each individual line item below.

Predictable losses and risks that will occur prior to the presentation of the annual report, and which confirm or disconfirm conditions in existence on the balance sheet date, are considered in recognition and measurement.

Conversion of foreign currencies

Transactions in foreign currencies are converted using the exchange rates in effect on the transaction dates. Exchange rate differences between the date of a transaction and the date of payment are recognised in the profit-and-loss account as a financial item.

Receivables, debts, and other monetary items in foreign currencies not converted on the balance sheet date are measured by the exchange rate on the balance sheet date. The difference between the exchange rate as of the balance sheet date and the exchange rate as of the date on which the receivable or debt was incurred are recognised in the profit-and-loss account under financial income and expenses.

PROFIT-AND-LOSS ACCOUNT

Gross profit

As provided in § 32 of the Danish Financial Statements Act, the uppermost items of the profit-and-loss account may be aggregated under a "Gross profit" item.

Gross profit includes net turnover, changes in stock, and other operating income less external costs.

Accounting practice used

Net turnover

Net turnover is recognised in the profit-and-loss account provided that delivery and transfer of risk for purchases have occurred before the end of the financial year, and provided that the income can be reliably calculated and is expected to be received.

Net turnover is recognised exclusive of VAT and fees, and with deductions for discounts at the time of sale.

Salaries and personnel expenses

Personnel expenses include wages and salaries, including holiday pay and pensions, as well as other expenses for company employees' social security, etc. Reimbursement received from public authorities is deducted from personnel expenses.

Promotional expenses

Promotional expenses include expenses related to distribution and sales, as well as advertising and marketing expenses.

Premise expenses

Premise expenses include rent, maintenance, use of electricity and heating, taxes, insurance, etc.

Other external costs

Other external costs include costs associated with salaries, distribution, sales, advertising, administration, premises, losses on bad debts, etc.

Other operating income and expenses

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

Financial items

Financial income and expenses include income and expenses from interest, financial costs associated with leasing, realised and unrealised gains and losses from securities, debts and transactions in foreign currencies, amortisation of financial assets and obligations, and additional interest and interest compensation upon payment of taxes. Financial income and expenses are recognised with the amounts relevant to the financial year.

Tax on annual profit or loss

The tax for the year, consisting of the current year's tax and any deferred tax, is recognised in the profit-and-loss account by that portion that can be traced to the year's profit or loss, and directly on equity by that portion that can be traced to entries directly on equity.

The company is subject to Danish regulations on mandatory joint taxation of the mother company and its Danish daughter companies.

The current Danish corporation tax is distributed through the settlement of joint tax contributions between the jointly taxed businesses in relation to their taxable income. In this regard, businesses with tax losses receive joint tax contributions from businesses capable of using these losses (full distribution).

BALANCE SHEET

Intangible fixed assets

Goodwill

Accounting practice used

Acquired goodwill is measured at cost, less accumulated amortisation and depreciation. Goodwill is amortised linearly over the economic useful life, assessed to be 10 years. The amortisation schedule is based on an assessment of the acquired company's earnings profile and market position relative to the rest of the industry.

Development projects, patents, and licences

Development expenses include, but are not limited to, salaries and wages, as well as depreciations, that can be directly or indirectly traced to the company's development activities.

Clearly defined and identifiable development projects for which the technical degree of utilisation, sufficient resources, and a potential future market or business development opportunity can be demonstrated, and where the purpose is to produce, market, or use the project, are recognised as intangible fixed assets provided that the price can be reliably calculated and there is sufficient certainty that the future earnings will be able to cover production, sales, and administrative costs. Other development expenses are recognised in the profit-and-loss account as these expenses are incurred.

Capitalised development expenses are measured at cost minus accumulated amortisation or at the recoverable amount, should it be lower.

After the completion of development work, capitalised development expenses are amortised over the assessed economic useful life. The amortisation period is ordinarily 3 years and does not exceed 20 years.

Patents and licences are measured at cost minus accumulated amortisation. Patents are amortised linearly over the remaining patent period, and licences are amortised over the term of the agreement, but over no more than 10 years.

Profits and losses from the disposal of development projects, patents, and licences are calculated as the difference between the sale price minus sale costs and the carrying amount at the time of the sale. Profits and losses are recognised in the profit-and-loss account under depreciations.

Tangible fixed assets

Patents and licences are measured at cost minus accumulated amortisation.

The amortisation basis is cost minus estimated residual value after the end of the useful life.

The cost includes the purchase price, as well as expenses directly associated with the acquisition up to the time at which the asset is ready to be brought into use. For self-produced assets, the cost includes expenses for materials, components, subcontractors, direct payroll, and indirect production expenses.

Linear amortisation is performed based on the following assessment of the assets' expected useful lives and subsequent residual values:

	Useful life	Residual value
Other facilities, operating materials, and inventory	3-10 years	0-10 %

New acquisitions with an expected useful life of less than one year are fully expensed within the acquisition year.

Profits or losses from the disposal of tangible fixed assets are calculated as the difference between the sale price minus sale costs and the carrying amount at the time of the sale. Profits or losses are recognised in the profit-and-loss account under other operating income or other operating expenses.

Accounting practice used

Deposits

Deposits are measured at cost. In the event that the cost exceeds the net realisable value, it is written down to the lesser value.

Inventories

Inventories are measured at cost following the FIFO principle. In the event that the net realisable value is less than the cost, they are written down to the lesser value.

The cost of commercial goods, commodities, and consumables includes the purchase price plus delivery and transportation costs.

The net realisable value of inventories is calculated as the sale price minus finishing expenses and expenses incurred in order to effect sales; marketability, obsolescence, and developments in the expected sale price are taken into account when establishing the value.

Receivables

Receivables are measured at amortised cost, which ordinarily corresponds to the nominal value. They may be written down to the net realisable value in order to offset expected losses.

Accruals

Accruals recognised under assets include expenses incurred in regard to the following financial year.

Equity — dividends

Dividends expected to be paid out within the year are shown as separate items under equity. Proposed dividends are recognised as obligations at the time of adoption at a general meeting.

Provisions

Provisions include provisions for deferred tax.

Taxes due and deferred tax

Current tax obligations and current taxes receivable are recognised on the balance sheet as calculated tax for the year's taxable income, adjusted for tax from previous years' taxable income and for advance payment of taxes.

Deferred tax is the tax on all temporal differences between the carrying values and tax values of assets and obligations, calculated based on the planned use of an asset or the settlement of the obligation, respectively.

Deferred tax assets, including the tax value of deferrable tax losses, are recognised by the value at which they are expected to be used, either by equalisation in taxes on future earnings or by offsetting in deferred tax obligations within the same legal tax entity.

Deferred tax is measured based on the tax regulations and tax rates in effect on the balance sheet date at the time that the deferred tax is expected to be released as current tax.

Debt obligations

Other debt obligations, including debts to contractors, associated businesses, and other debts, are measured at amortised cost, which ordinarily corresponds to the nominal value.

Profit-and-loss account for 1 January – 31 December

	Note	<u>2020</u>	<u>2019</u>
		DKK	DKK
Gross profit/loss		11.177.035	9.970.459
Staff expenses	1	<u>12.497.841</u>	<u>8.616.300</u>
Profit or loss before depreciation and amortisation		-1.320.806	1.354.159
Depreciation/amortisation		<u>1.574.118</u>	<u>694.304</u>
Profit or loss before financial items		-2.894.924	659.855
Financial income	2	428	13.317
Financial expenses	3	<u>349.145</u>	<u>541.953</u>
Profit or loss before taxes		-3.243.640	131.219
Tax on annual profit or loss	4	<u>-710.618</u>	<u>37.665</u>
Annual profit or loss		-2.533.022	93.554
Allocation of profit or loss			
Annual profit or loss		-2.533.022	93.554
Transferred from previous years		<u>3.525.959</u>	<u>1.921.394</u>
Available funds		992.937	2.014.949
Proposed allocation of profit or loss			
Annual allocations to other reserves		-1.395.223	419.547
Free reserves		-958.334	-1.930.557
Transferred to next year		<u>3.346.494</u>	<u>3.525.959</u>
Total		992.937	2.014.949

Balance sheet at 31 December

	Note	2020 DKK	2019 DKK
Assets			
Research and development expenses		325.873	760.336
Patents		257.643	0
Goodwill		506.472	577.958
Ongoing development projects		0	1.354.286
Total of intangible fixed assets		1.089.988	2.692.580
Other facilities, operating materials, and inventory		818.266	856.962
Total of tangible fixed assets		818.266	856.962
Deposits		527.119	483.293
Total of financial fixed assets		527.119	483.293
Total of fixed assets		2.435.373	4.032.834
Inventories		9.076.980	8.891.511
Total of inventories		9.076.980	8.891.511
Receivables from sales and services rendered		5.840.166	2.497.492
Receivables from associated businesses		170.412	167.682
Deferred tax assets		264.148	0
Other receivables		416.309	0
Accruals		1.320.723	1.140.852
Total of receivables		8.011.758	3.806.026
Cash and cash equivalents		1.811.824	1.112.008
Total of cash and cash equivalents		1.811.824	1.112.008
Total of current assets		18.900.562	13.809.545
Total of assets		21.335.935	17.842.379

Balance sheet at 31 December

	Note	<u>2020</u>	<u>2019</u>
		DKK	DKK
Liabilities			
Operating capital		666.666	625.001
Reserve for development projects		254.182	1.649.405
Retained earnings		3.346.494	3.525.959
Total of equity	5	<u>4.267.342</u>	<u>5.800.365</u>
Provision for deferred tax		0	30.161
Total obligations		<u>0</u>	<u>30.161</u>
Credit institutions	6	174.406	230.320
Other debt		660.535	300.992
Total of long-term debt obligations		<u>834.941</u>	<u>531.312</u>
Short-term portion of long-term debt obligations		56.000	56.000
Debt to financial institutions		7.165.541	6.772.057
Advance payments received from customers		916.740	0
Vendors of goods and services		5.555.301	3.476.003
Other debt		2.540.071	1.176.481
Total of short-term debt obligations		<u>16.233.653</u>	<u>11.480.541</u>
Total of debt obligations		<u>17.068.594</u>	<u>12.011.853</u>
Total of liabilities		<u>21.335.935</u>	<u>17.842.379</u>
Business's most significant activities	7		
Pledges and collateral	8		
Contractual obligations	9		
Contingencies	10		

Notes on the annual report

1	Staff expenses	2020	2019
	Salaries and wages	11.558.926	7.658.123
	Pensions	593.924	543.754
	Other social security expenses	130.491	103.625
	Other personnel expenses	214.500	310.798
	Total of staff expenses	12.497.841	8.616.300
	Average number of employees employed in current year 22.		
2	Financial income	2020	2019
	Other financial income	428	13.317
	Total of financial income	428	13.317
3	Financial expenses	2020	2019
	Other financial expenses	349.145	541.953
	Total of financial expenses	349.145	541.953
4	Tax on annual profit or loss	2020	2019
	Current annual tax	0	0
	Deferred annual tax	-294.309	37.665
	Adjustment of tax concerning previous years	-416.309	0
	Total tax on annual profit or loss	-710.618	37.665

5 Note on development expenses

The company has chosen to capitalise development expenses. These projects are expected in part to increase existing turnover, as well as to reduce the company's capacity expenses.

Notes on the annual report

6	Credit institutions	2020	2019
	Business loans	230.406	286.320
	Transferred to short-term debt	-56.000	-56.000
	Total of credit institutions	174.406	230.320

Out of long-term debts, payment of DKK 0 will be due after 5 years

7 Business's most significant activities

The company's main activity is the design, production, and sale of interior and textile products for children and babies.

8 Pledges and collateral

As collateral for accounts payable to financial institutions, collateral of 7.0 million DKK has been pledged in the form of the following assets:

Other facilities, operating materials, and inventory; inventories; receivables from sales, goodwill, and development projects whose carrying amount is equal to 17 million DKK.

Reservations of title on the company's vehicles, whose carrying value is equal to 310 thousand DKK as of 31 December 2020, which amount to 355 thousand DKK have been pledged as collateral for debt to credit institutions.

Notes on the annual report

9 Contractual obligations

Lease obligations

The company has entered into a lease agreement with a monthly payment of 22 thousand DKK.

The remaining term is between 32 and 38 months.

Of the total leasing obligation, 269 thousand DKK is due within 1 year.

Of the total leasing obligation, 540 thousand DKK is due between 1-5 years.

Lease agreement

The company has entered into a lease agreement for its operating premises with annual rent totalling 954 thousand DKK. The lease agreement is interminable for 2 years beginning 01/01/2020. A termination warning period of 6 months applies thereafter.

10 Contingencies

Joint taxation

The company is jointly taxed with its mother company, Camre-Paulsen Holding ApS. As a daughter company, the company is jointly and severally liable without limitation, together with the other jointly taxed companies, for taxes within the scope of joint taxation.

Nicolai Christian Lindhardt

Som Direktion NEM ID
PID: 9208-2002-2-735466592615
Tidspunkt for underskrift: 28-06-2021 kl.: 10:07:34
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Robert Warren Paulsen

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PID: 9208-2002-2-396464173420
Tidspunkt for underskrift: 28-06-2021 kl.: 10:10:40
Underskrevet med NemID

Dennis Meldhedegaard-Nielsen

Som Bestyrelsesmedlem NEM ID
PID: 9208-2002-2-895104943942
Tidspunkt for underskrift: 28-06-2021 kl.: 07:32:50
Underskrevet med NemID

Sara Giese Camre

Som Bestyrelsesmedlem NEM ID
PID: 9208-2002-2-563036281767
Tidspunkt for underskrift: 25-06-2021 kl.: 12:38:26
Underskrevet med NemID

Villy Rabe Bech Mousten

Som Revisor NEM ID
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Tidspunkt for underskrift: 28-06-2021 kl.: 12:43:55
Underskrevet med NemID

Thomas Lehmann Jensen

Som Revisor NEM ID
RID: 21013017
Tidspunkt for underskrift: 28-06-2021 kl.: 10:13:12
Underskrevet med NemID

Robert Warren Paulsen

Som Dirigent NEM ID
PID: 9208-2002-2-396464173420
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