



Reform Furniture ApS

Otto Busses Vej 5
2450 København SV
CVR No. 36397888

Annual report 2021

The Annual General Meeting adopted the
annual report on 22.06.2022

Michael Andersen

Chairman of the General Meeting

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Entity details

Entity

Reform Furniture ApS

Otto Busses Vej 5

2450 København SV

Business Registration No.: 36397888

Registered office: København

Financial year: 01.01.2021 - 31.12.2021

Executive Board

Jeppe Christensen

Michael Andersen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

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

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

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

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

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

Copenhagen, 22.06.2022

Executive Board

Jeppe Christensen

Michael Andersen

Independent auditor's report

To the shareholders of Reform Furniture ApS

Opinion

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

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 22.06.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant
Identification No (MNE) mne33712

Anders Theilgaard Iversen

State Authorised Public Accountant
Identification No (MNE) mne47797

Management commentary

Primary activities

Reform Furniture ApS' activities consist of import and sale of kitchens and other related activities.

Reform Furniture ApS' net result for the year amounts to DKK 2,027,526 DKK which is in line with management's expectations.

Events after the balance sheet date

No material events have occurred after the balance sheet date.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		19,803,367	9,692,175
Staff costs	1	(16,316,295)	(7,297,840)
Depreciation, amortisation and impairment losses	2	(1,669,094)	(1,276,246)
Operating profit/loss		1,817,978	1,118,089
Other financial income	3	1,609,293	367,725
Other financial expenses	4	(817,386)	(921,408)
Profit/loss before tax		2,609,885	564,406
Tax on profit/loss for the year	5	(582,359)	151,090
Profit/loss for the year		2,027,526	715,496
Proposed distribution of profit and loss			
Retained earnings		2,027,526	715,496
Proposed distribution of profit and loss		2,027,526	715,496

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		198,726	321,218
Leasehold improvements		4,983,398	1,718,383
Property, plant and equipment	6	5,182,124	2,039,601
Receivables from group enterprises		0	2,747,059
Deposits		1,009,608	151,000
Financial assets		1,009,608	2,898,059
Fixed assets		6,191,732	4,937,660
Manufactured goods and goods for resale		241,809	557,330
Inventories		241,809	557,330
Trade receivables		379,899	231,528
Receivables from group enterprises	7	34,109,873	15,119,424
Deferred tax		0	99,000
Other receivables		1,084,164	0
Income tax receivable		0	8,000
Prepayments		61,514	25,768
Receivables		35,635,450	15,483,720
Cash		1,504,581	8,005,593
Current assets		37,381,840	24,046,643
Assets		43,573,572	28,984,303

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		58,824	58,824
Retained earnings		8,691,244	6,491,489
Equity		8,750,068	6,550,313
Debt to other credit institutions		1,473,128	0
Other payables		1,026,189	3,812,035
Non-current liabilities other than provisions	8	2,499,317	3,812,035
Current portion of non-current liabilities other than provisions	8	944,961	1,028,459
Bank loans		0	80,728
Prepayments received from customers		15,574,019	8,553,472
Trade payables		2,408,548	632,203
Payables to group enterprises		5,263,872	1,009,335
Income tax payable		483,359	0
Other payables	9	7,649,428	7,317,758
Current liabilities other than provisions		32,324,187	18,621,955
Liabilities other than provisions		34,823,504	22,433,990
Equity and liabilities		43,573,572	28,984,303
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	58,824	6,491,489	6,550,313
Exchange rate adjustments	0	172,229	172,229
Profit/loss for the year	0	2,027,526	2,027,526
Equity end of year	58,824	8,691,244	8,750,068

Notes

1 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	14,688,479	6,483,813
Pension costs	118,860	171,408
Other social security costs	336,027	179,777
Other staff costs	1,172,929	462,842
	16,316,295	7,297,840
Average number of full-time employees	36	28

2 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Depreciation of property, plant and equipment	1,669,094	1,276,246
	1,669,094	1,276,246

3 Other financial income

	2021	2020
	DKK	DKK
Financial income from group enterprises	1,504,139	154,245
Exchange rate adjustments	105,154	213,480
	1,609,293	367,725

4 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	5,978	0
Other interest expenses	444,225	641,628
Exchange rate adjustments	367,183	253,030
Other financial expenses	0	26,750
	817,386	921,408

5 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	483,359	0
Change in deferred tax	99,000	(99,000)
Adjustment concerning previous years	0	(52,090)
	582,359	(151,090)

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	606,319	4,163,529
Additions	0	4,811,617
Cost end of year	606,319	8,975,146
Depreciation and impairment losses beginning of year	(285,101)	(2,445,146)
Depreciation for the year	(122,492)	(1,546,602)
Depreciation and impairment losses end of year	(407,593)	(3,991,748)
Carrying amount end of year	198,726	4,983,398

7 Receivables from group enterprises

Receivables from group enterprises in all material respects fall due after more than 12 months from the balance sheet date. It is Management's expectation that the receivables are repaid over a period of 1-2 years.

8 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due within 12 months 2020 DKK	Due after more than 12 months 2021 DKK
Debt to other credit institutions	944,961	0	1,473,128
Other payables	0	1,028,459	1,026,189
	944,961	1,028,459	2,499,317

Of the DKK 2,499,317 non-current liabilities, DKK 0 is due after more than 5 years from the balance sheet date.

9 Other payables

	2021	2020
	DKK	DKK
VAT and duties	1,618,575	3,934,765
Wages and salaries, personal income taxes, social security costs, etc payable	2,101,962	1,970,684
Other costs payable	3,928,891	1,412,309
	7,649,428	7,317,758

10 Unrecognised rental and lease commitments

	2021	2020
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	6,137,958	0

11 Contingent liabilities

In connection with the sale of kitchens, the Company has provided standard guarantee commitments.

The Entity participates in a Danish joint taxation arrangement where Reform Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

12 Assets charged and collateral

As security for debt obtained from Danske Bank, Vækstfonden and QB Invest ApS, there is a registered corporate mortgage amounting to DKK 13,500,000. This security includes property plant and equipment, inventories and trade receivables.

The carrying amount is DKK 41.999.476 (2020: 20,845,941 DKK).

Accounting policies

Reporting class

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

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

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, other operating income, cost of sales and other external expenses.

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.

Other operating income

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

Cost of sales

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

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant 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, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

Balance sheet**Property, plant and equipment**

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

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

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

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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.

Receivables

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

Inventories

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

Cost consists of purchase price plus delivery costs.

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

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. 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.

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.

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.

Prepayments received from customers

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