



## Reform Furniture ApS

Otto Busses Vej 5  
2450 København SV  
CVR No. 36397888

## Annual report 2020

The Annual General Meeting adopted the  
annual report on 02.07.2021

---

**Michael Andersen**

Chairman of the General Meeting

# Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2020	8
Balance sheet at 31.12.2020	9
Statement of changes in equity for 2020	11
Notes	12
Accounting policies	16

# Entity details

## Entity

Reform Furniture ApS

Otto Busses Vej 5

2450 København SV

CVR No.: 36397888

Registered office: København

Financial year: 01.01.2020 - 31.12.2020

## Executive Board

Michael Andersen

Jeppe Christensen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Executive Board have today considered and approved the annual report of Reform Furniture ApS 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 financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations 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.

Copenhagen, 02.07.2021

**Executive Board**

**Michael Andersen**

**Jeppe Christensen**

# 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 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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 31.12.2020 and of the results of its operations 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 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:

- 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, 02.07.2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Claus Jorch Andersen**

State Authorised Public Accountant

Identification No (MNE) mne33712

# Management commentary

## Primary activities

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

## Description of material changes in activities and finances

The year has been impacted by a significant focus on investments, growth and scalability, while maneuvering the global pandemic Covid 19.

A significant change in activities have been upgrade and implementation of internal systems and expansion of product offerings and kitchen designs.

Focus for 2021 will be to further increase sales and improve gross profit by expanding the product portfolio, rapid growth in international sales, increasing the awareness of Reform as a brand and expanding the reach of existing and future showrooms.

## Profit/loss for the year in relation to expected developments

Reform Furniture ApS' net result for the year amounts to 715,496 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 2020

	Notes	2020 DKK	2019 DKK
<b>Gross profit/loss</b>	1	<b>9,692,175</b>	<b>13,581,168</b>
Staff costs	2	(7,297,840)	(7,504,065)
Depreciation, amortisation and impairment losses	3	(1,276,246)	(1,242,838)
<b>Operating profit/loss</b>		<b>1,118,089</b>	<b>4,834,265</b>
Other financial income	4	367,725	103,244
Other financial expenses	5	(921,408)	(507,358)
<b>Profit/loss before tax</b>		<b>564,406</b>	<b>4,430,151</b>
Tax on profit/loss for the year	6	151,090	56,332
<b>Profit/loss for the year</b>		<b>715,496</b>	<b>4,486,483</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		715,496	4,486,483
<b>Proposed distribution of profit and loss</b>		<b>715,496</b>	<b>4,486,483</b>

# Balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	8	0	97,176
Development projects in progress	8	0	1,863,935
<b>Intangible assets</b>	7	<b>0</b>	<b>1,961,111</b>
Other fixtures and fittings, tools and equipment		321,218	232,142
Leasehold improvements		1,718,383	2,615,386
<b>Property, plant and equipment</b>	9	<b>2,039,601</b>	<b>2,847,528</b>
Receivables from group enterprises		2,747,059	0
Deposits		151,000	151,000
<b>Financial assets</b>		<b>2,898,059</b>	<b>151,000</b>
<b>Fixed assets</b>		<b>4,937,660</b>	<b>4,959,639</b>
Manufactured goods and goods for resale		557,331	444,122
<b>Inventories</b>		<b>557,331</b>	<b>444,122</b>
Trade receivables		231,527	81,804
Receivables from group enterprises		15,119,424	5,457,252
Deferred tax		99,000	0
Income tax receivable		8,000	8,000
Prepayments		25,768	21,266
<b>Receivables</b>		<b>15,483,719</b>	<b>5,568,322</b>
<b>Cash</b>		<b>8,005,593</b>	<b>2,194,529</b>
<b>Current assets</b>		<b>24,046,643</b>	<b>8,206,973</b>
<b>Assets</b>		<b>28,984,303</b>	<b>13,166,612</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 DKK</b>	<b>2019 DKK</b>
Contributed capital		58,824	58,824
Reserve for development expenditure		0	1,453,869
Retained earnings		6,491,489	(560,289)
<b>Equity</b>		<b>6,550,313</b>	<b>952,404</b>
Other payables		3,812,035	4,180,136
<b>Non-current liabilities other than provisions</b>	<b>10</b>	<b>3,812,035</b>	<b>4,180,136</b>
Current portion of non-current liabilities other than provisions	10	1,028,459	150,236
Bank loans		80,728	96,265
Prepayments received from customers		8,553,472	3,547,457
Trade payables		920,300	906,356
Payables to group enterprises		1,009,335	1,407,133
Payables to shareholders and management		0	34,652
Other payables	11	7,029,661	1,891,973
<b>Current liabilities other than provisions</b>		<b>18,621,955</b>	<b>8,034,072</b>
<b>Liabilities other than provisions</b>		<b>22,433,990</b>	<b>12,214,208</b>
<b>Equity and liabilities</b>		<b>28,984,303</b>	<b>13,166,612</b>
Contingent liabilities	12		
Assets charged and collateral	13		

# Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	58,824	1,453,869	(560,289)	952,404
Exchange rate adjustments	0	0	(117,587)	(117,587)
Group contributions etc	0	0	5,000,000	5,000,000
Transfer to reserves	0	(1,453,869)	1,453,869	0
Profit/loss for the year	0	0	715,496	715,496
<b>Equity end of year</b>	<b>58,824</b>	<b>0</b>	<b>6,491,489</b>	<b>6,550,313</b>

# Notes

## 1 Gross profit/loss

The company's gross profit is extraordinarily affected by the recognition of other operating income from compensation schemes as a result of COVID-19. The company has included compensation for employees for DKK 343 thousand.

## 2 Staff costs

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	6,483,813	6,324,652
Pension costs	171,408	61,951
Other social security costs	179,777	157,565
Other staff costs	462,842	959,897
	<b>7,297,840</b>	<b>7,504,065</b>
Average number of full-time employees	<b>28</b>	<b>25</b>

In relation to the above-mentioned staff costs, DKK 6.073.892 has been allocated to other Group entities.

## 3 Depreciation, amortisation and impairment losses

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	0	10,797
Depreciation of property, plant and equipment	1,276,246	1,018,994
Profit/loss from sale of intangible assets and property, plant and equipment	0	213,047
	<b>1,276,246</b>	<b>1,242,838</b>

## 4 Other financial income

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	154,245	67,003
Other interest income	0	200
Exchange rate adjustments	213,480	36,041
	<b>367,725</b>	<b>103,244</b>

## 5 Other financial expenses

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	641,628	402,317
Exchange rate adjustments	253,030	48,381
Other financial expenses	26,750	56,660
	<b>921,408</b>	<b>507,358</b>

## 6 Tax on profit/loss for the year

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Change in deferred tax	(99,000)	(56,332)
Adjustment concerning previous years	(52,090)	0
	<b>(151,090)</b>	<b>(56,332)</b>

## 7 Intangible assets

	<b>Completed development projects DKK</b>	<b>Development projects in progress DKK</b>
Cost beginning of year	107,973	1,863,935
Disposals	(107,973)	(1,863,935)
<b>Cost end of year</b>	<b>0</b>	<b>0</b>
Amortisation and impairment losses beginning of year	(10,797)	0
Reversal regarding disposals	10,797	0
<b>Amortisation and impairment losses end of year</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>0</b>

## 8 Development projects

The completed development projects comprise product developments and a branded 3D room visualization software. The product developments are used by the Company to sell kitchens to customers. The branded 3D room visualization software are used by the Company's customers and employees to visually control the validity of the individual orders.

The development projects in progress comprise product developments. The product developments will be used by the Company to sell kitchens to customers.

With reference to section 83(2) of the Danish Financial Statement Act, deferred tax is set off against the capitalised costs for development projects in the reserve for development costs under equity.

Development projects are transferred to the parent company Reform Group Holding ApS in 2020.

## 9 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
Cost beginning of year	418,367	3,883,163
Additions	187,953	280,366
<b>Cost end of year</b>	<b>606,320</b>	<b>4,163,529</b>
Depreciation and impairment losses beginning of year	(186,225)	(1,267,777)
Depreciation for the year	(98,877)	(1,177,369)
<b>Depreciation and impairment losses end of year</b>	<b>(285,102)</b>	<b>(2,445,146)</b>
<b>Carrying amount end of year</b>	<b>321,218</b>	<b>1,718,383</b>

## 10 Non-current liabilities other than provisions

	<b>Due within 12 months 2020 DKK</b>	<b>Due within 12 months 2019 DKK</b>	<b>Due after more than 12 months 2020 DKK</b>
Other payables	1,028,459	150,236	3,812,035
	<b>1,028,459</b>	<b>150,236</b>	<b>3,812,035</b>

Of the DKK 3,821,255 non-current liabilities, DKK 0 is due after more than 5 years from the balance sheet date.

## 11 Other payables

	<b>2020 DKK</b>	<b>2019 DKK</b>
VAT and duties	3,903,084	1,042,530
Wages and salaries, personal income taxes, social security costs, etc payable	2,002,365	634,133
Other costs payable	1,124,212	215,310
	<b>7,029,661</b>	<b>1,891,973</b>

## 12 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.

**13 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 12,000,000. This security includes property plant and equipment, inventories and trade receivables.

The carrying amount is DKK 20,845,942.



# 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.

## 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****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.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights,

the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 10 years.

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

### **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.