

## **Homemate ApS**

Telefonvej 6

2860 Søborg

Central Business Registration No

36480777

## **Annual report 2017**

The Annual General Meeting adopted the annual report on 31.05.2018

### **Chairman of the General Meeting**

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Name: Eric Alan Rapp

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## Entity details

### Entity

Homemate ApS  
Telefonvej 6  
2860 Søborg

Central Business Registration No: 36480777  
Registered in: Copenhagen  
Financial year: 01.01.2017 - 31.12.2017

### Board of Directors

Michael Hauge Sørensen, Chairman  
Christoffer Køningsfeldt  
Niels Kjær Hemmingsen  
Kim Boisen  
Marianne Søgaard  
Eric Alan Rapp  
Stig Christensen

### Executive Board

Eric Alan Rapp  
Thomas Lendrell

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 København 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 Homemate ApS for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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, 31.05.2018

### Executive Board

Eric Alan Rapp

Thomas Lendrell

### Board of Directors

Michael Hauge Sørensen  
Chairman

Christoffer Køningsfeldt

Niels Kjær Hemmingsen

Kim Boisen

Marianne Søgaard

Eric Alan Rapp

Stig Christensen

## Independent auditor's report

### To the owners of Homemate ApS

#### Opinion

We have audited the financial statements of Homemate ApS for the financial year 01.01.2017 - 31.12.2017, 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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 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.

Copenhagen, 31.05.2018

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Kim Takata Mücke

State Authorised Public Accountant

Identification number (MNE) mne10944

## Management commentary

### Primary activities

Homemate ApS ("Homemate") is an omnichannel (online/offline) retail food company that develops and distributes ready-to-cook food and related products. As of 31 December 2017, Homemate operated 8 physical shops / pick-up points in Copenhagen, located at:

- Torvehallerne KBH Food Market
- Dag Hammarskjölds Allé 40, 2100 Copenhagen Ø
- Frederiksberg Allé 2-4 (near Værnedamsvej), 1820 Frederiksberg C
- Peter Bangs Vej 93 2000 Frederiksberg
- Jægersborg Allé 47, 2920 Charlottenlund
- Lyngby Hovedgade 76, 2800 Kongens Lyngby
- Vedbæk Stationsvej 19, 2950 Vedbæk
- Kongens Nytorv 13, 1050 København K.

### Development in activities and finances

Following a successful test of the Company's ready-to-cook food products in Torvehallerne KBH Food Market during the Fall and Winter of 2014, Homemate launched the first two shop locations during 2015 (Torvehallerne and Østerbro). During 2016, Homemate received follow-up financing from its core group of investors to finance the expansion of the Company's physical shops (from two to seven) and the pilot launch of the Company's e-commerce offering, as well as to move into the Company's initial production kitchen.

2017 marked the third year of operations of Homemate. Homemate dedicated most of 2017 to investing in production capacity and rounding out the management team. In mid-2017, Homemate acquired and moved into a new 1000m<sup>2</sup> production kitchen from which Homemate believes it will be able to produce at adequate scale for the ambitions in the future. Homemate also opened two new permanent physical locations during the year (Hellerup and in Magasin Mad&Vin Kongens Nytorv) and also introduced its first transportable shop (built into a shipping container located in Lyngby).

### Events after the balance sheet date

During the first half of 2018, Homemate opened one additional physical shop (located at Thorshavnsgade 25, 2300 København K), bringing the total number of permanent physical shops / pick-up points to 10, and began a successful pilot test of a high-frequency, recurring revenue subscription product offering.

During 2017, two new larger investors joined the shareholder base. After the balance sheet date, the Company secured an internal investment round with the participation of all investors. As of the signing of this annual report, the Company is in the process of raising an additional investment round to fund operations per budget and to invest in technology development and expansion. Management believes that the Company will have sufficient funding to execute on its planned activities for the remainder of 2018, which includes the development and launch of the subscription business as well as opening multiple new physical shops.

## Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
<b>Gross profit</b>		<b>1.729.334</b>	<b>3.968</b>
Staff costs	2	(19.765.116)	(11.068)
Depreciation, amortisation and impairment losses		<u>(1.922.524)</u>	<u>(784)</u>
<b>Operating profit/loss</b>		<b>(19.958.306)</b>	<b>(7.884)</b>
Other financial expenses		<u>(287.053)</u>	<u>(117)</u>
<b>Profit/loss before tax</b>		<b>(20.245.359)</b>	<b>(8.001)</b>
Tax on profit/loss for the year	3	<u>(19.342)</u>	<u>0</u>
<b>Profit/loss for the year</b>		<b><u>(20.264.701)</u></b>	<b><u>(8.001)</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>(20.264.701)</u>	<u>(8.001)</u>
		<b><u>(20.264.701)</u></b>	<b><u>(8.001)</u></b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Other fixtures and fittings, tools and equipment		4.181.360	511
Leasehold improvements		3.039.290	2.359
<b>Property, plant and equipment</b>	4	<b>7.220.650</b>	<b>2.870</b>
Deposits		1.142.156	823
<b>Fixed asset investments</b>	5	<b>1.142.156</b>	<b>823</b>
<b>Fixed assets</b>		<b>8.362.806</b>	<b>3.693</b>
Raw materials and consumables		786.053	191
<b>Inventories</b>		<b>786.053</b>	<b>191</b>
Other receivables		2.557.372	1.367
<b>Receivables</b>		<b>2.557.372</b>	<b>1.367</b>
<b>Cash</b>		<b>0</b>	<b>1.212</b>
<b>Current assets</b>		<b>3.343.425</b>	<b>2.770</b>
<b>Assets</b>		<b>11.706.231</b>	<b>6.463</b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Contributed capital		168.248	85
Retained earnings		4.199.970	(3.581)
<b>Equity</b>		<b>4.368.218</b>	<b>(3.496)</b>
Payables to shareholders and management	6	0	6.080
<b>Non-current liabilities other than provisions</b>		<b>0</b>	<b>6.080</b>
Bank loans		106.557	0
Trade payables		3.177.815	2.627
Other payables		4.053.641	1.252
<b>Current liabilities other than provisions</b>		<b>7.338.013</b>	<b>3.879</b>
<b>Liabilities other than provisions</b>		<b>7.338.013</b>	<b>9.959</b>
<b>Equity and liabilities</b>		<b>11.706.231</b>	<b>6.463</b>
Going concern	1		
Contingent liabilities	7		
Mortgages and securities	8		

## Statement of changes in equity for 2017

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	84.570	(3.581.535)	(3.496.965)
Increase of capital	83.678	28.046.206	28.129.884
Profit/loss for the year	0	(20.264.701)	(20.264.701)
<b>Equity end of year</b>	<b>168.248</b>	<b>4.199.970</b>	<b>4.368.218</b>

## Notes

### 1. Going concern

As stated in the Management Commentary, after the balance sheet date, the Company has received additional funding and is in the process of raising an additional investment round to fund technology development and expansion. Management believes that the Company has sufficient funds to execute on its planned activities for the remainder of 2018, on which basis the financial statements have been prepared on a going concern basis.

	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>2. Staff costs</b>		
Wages and salaries	18.729.458	10.885
Other social security costs	407.853	146
Other staff costs	627.805	37
	<b>19.765.116</b>	<b>11.068</b>
Number of employees at balance sheet date	<b>57</b>	

	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>3. Tax on profit/loss for the year</b>		
Adjustment concerning previous years	19.342	0
	<b>19.342</b>	<b>0</b>

The Company has an unrecorded deferred tax asset of T.DKK 6.636 primarily relating to tax losses carried forward.

## Notes

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improve- ments DKK</b>
<b>4. Property, plant and equipment</b>		
Cost beginning of year	562.475	3.151.979
Additions	<u>4.366.441</u>	<u>1.906.972</u>
<b>Cost end of year</b>	<b><u>4.928.916</u></b>	<b><u>5.058.951</u></b>
Depreciation and impairment losses beginning of the year	(51.069)	(793.624)
Depreciation for the year	<u>(696.487)</u>	<u>(1.226.037)</u>
<b>Depreciation and impairment losses end of the year</b>	<b><u>(747.556)</u></b>	<b><u>(2.019.661)</u></b>
<b>Carrying amount end of year</b>	<b><u>4.181.360</u></b>	<b><u>3.039.290</u></b>

	<b>Deposits DKK</b>
<b>5. Fixed asset investments</b>	
Cost beginning of year	823.720
Additions	<u>318.436</u>
<b>Cost end of year</b>	<b><u>1.142.156</u></b>
<b>Carrying amount end of year</b>	<b><u>1.142.156</u></b>

### 6. Payables to shareholders and management

In 2016, payables to shareholders and management represented loans from shareholders, which in 2017 has been converted to equity.

### 7. Contingent liabilities

As of 31 December 2017, the Company has rental commitments for 900 TKK and leasing commitments for 1.727 TDKK.

### 8. Mortgages and securities

Credit facility is secured by way of floating charge ("Virksomhedspant") of DKK 2.000.000.

## 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.

The annual report has been presented applying the accounting policies consistently with 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.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories, other operating income, cost of raw materials and consumables and external expenses.

#### Revenue

Revenue 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 received.

## Accounting policies

### Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables in the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary inventory write-downs.

### Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for premises, marketing costs, start-up costs from the opening new shops etc.

### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for the Company's staff.

### Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing.

### Other financial expenses

Other financial expenses comprise interest expenses, bank fees 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

Leasehold improvements 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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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:

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

## Accounting policies

### **Inventories**

Inventories are measured at the lower of cost using the 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.

### **Receivables**

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

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### **Other financial liabilities**

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