



Chest Topco ApS

Skodsborgvej 315
2850 Nærum
CVR No. 39720302

Annual report 2021

The Annual General Meeting adopted the
annual report on 24.05.2022

René Dethlefsen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2021	8
Balance sheet at 31.12.2021	9
Statement of changes in equity for 2021	11
Notes	12
Accounting policies	14

Entity details

Entity

Chest Topco ApS
Skodsborgvej 315
2850 Nærum

Business Registration No.: 39720302
Registered office: Rudersdal
Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Morten Pitzner, chairman
Jacob Andersen, vice chairman
Allan Carsten Bülow
Anders Bjørn Thieffoldt

Executive Board

Jacob Eberhard, CEO
René Dethlefsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Chest Topco 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.

Naerum, 22.04.2022

Executive Board

Jacob Eberhard
CEO

René Dethlefsen

Board of Directors

Morten Pitzner
chairman

Jacob Andersen
vice chairman

Allan Carsten Bülow

Anders Bjørn Thielholdt

Independent auditor's report

To the shareholders of Chest Topco ApS

Opinion

We have audited the financial statements of Chest Topco 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.

København, 22.04.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Jacob Vilmann Wellejus
State Authorised Public Accountant
Identification No (MNE) mne24807

Hans Tauby
State Authorised Public Accountant
Identification No (MNE) mne44339

Management commentary

Primary activities

The Company's main activity is to own shares in related companies.

Merger of businesses

With effect from January 1, 2021, the former subsidiary Chest Bidco ApS were merged into Chest Topco ApS, with Chest Topco ApS as the ongoing legal entity. The financial figures reflect only the 2021 financial figures of the merged company following the merger.

Description of material changes in activities and finances

In the financial year 2021, the company realized a loss of DKK 588k compared to a profit of DKK 7,809k prior year.

The profit is considered unsatisfactory.

Events after the balance sheet date

The war in Ukraine which started at the end of February 2022 have initially a significant impact on availability of supplies and the price of supplies. The war has resulted in a series of precautions, that affects the daily operations, both for the Company, suppliers, customers and other business partners. The economic effect cannot be measured at this time.

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

Income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		1,748	(15)
Staff costs	2	(1,785)	0
Operating profit/loss		(37)	(15)
Income from investments in group enterprises		178	7,821
Other financial expenses	3	(868)	0
Profit/loss before tax		(727)	7,806
Tax on profit/loss for the year	4	139	3
Profit/loss for the year		(588)	7,809
Proposed distribution of profit and loss			
Retained earnings		(588)	7,809
Proposed distribution of profit and loss		(588)	7,809

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Investments in group enterprises		260,145	134,515
Financial assets	5	260,145	134,515
Fixed assets		260,145	134,515
Other receivables		53	7
Joint taxation contribution receivable		199	3
Receivables		252	10
Cash		21	2
Current assets		273	12
Assets		260,418	134,527

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		100	100
Reserve for net revaluation according to the equity method		24,092	19,515
Retained earnings		109,185	114,867
Equity		133,377	134,482
Payables to group enterprises		126,552	31
Other payables		489	14
Current liabilities other than provisions		127,041	45
Liabilities other than provisions		127,041	45
Equity and liabilities		260,418	134,527
Events after the balance sheet date	1		
Contingent liabilities	6		
Assets charged and collateral	7		
Group relations	8		

Statement of changes in equity for 2021

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	100	19,515	114,867	134,482
Effect of mergers and business combinations	0	0	(4,916)	(4,916)
Effect of divestments of entities etc	0	4,916	0	4,916
Exchange rate adjustments	0	(517)	0	(517)
Profit/loss for the year	0	178	(766)	(588)
Equity end of year	100	24,092	109,185	133,377

Notes

1 Events after the balance sheet date

The war in Ukraine which started at the end of February 2022 have initially a significant impact on availability of supplies and the price of supplies. The war has resulted in a series of precautions, that affects the daily operations, both for the Company, suppliers, customers and other business partners. The economic effect cannot be measured at this time.

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

2 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	1,750	0
Pension costs	30	0
Other social security costs	3	0
Other staff costs	2	0
	1,785	0
Average number of full-time employees	1	0

3 Other financial expenses

	2021 DKK'000	2020 DKK'000
Other interest expenses	868	0
	868	0

4 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Adjustment concerning previous years	60	0
Refund in joint taxation arrangement	(199)	(3)
	(139)	(3)

5 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	115,000
Addition through business combinations etc	121,053
Cost end of year	236,053
Revaluations beginning of year	19,515
Addition through business combinations etc	4,916
Exchange rate adjustments	(517)
Amortisation of goodwill	(8,696)
Share of profit/loss for the year	8,874
Revaluations end of year	24,092
Carrying amount end of year	260,145

In investments in group enterprises goodwill is included with DKK 145,664k.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Nordic Houseware Group A/S	Rudersdal	A/S	100,0

6 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Pitzner Gruppen Holding A/S 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, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend 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.

7 Assets charged and collateral

The group is joint and severally liable for its loan from Nykredit Bank for the total of DKK 226,206k.

Investments in subsidiaries pledge as security for bank debt.

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on trade receivables, property, plant and equipment, inventories and intangible assets of DKK 40,000k nominal. The book value of the mortgaged assets is DKK 318,268k.

8 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Axel Pitzner Fonden, Copenhagen

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Axel Pitzner Fonden, Copenhagen

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.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Business combinations

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

The modified uniting-of-interests method is applied to vertical mergers in which the participating entities are subject to the Parent's control. Under this method, assets and liabilities of the participating entities are recognised at the amounts at which they are recognised in the consolidated financial statements of the parent forming part of the merger. Vertical mergers are recognised at the merger date without restatement of comparative figures.

Income statement

Gross profit or loss

Gross profit or loss comprises, other operating income and external expenses.

Other operating income

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

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, 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.

Income from investments in group enterprises

Investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

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.

The entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 20 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash

Cash comprises bank deposits.

Other financial liabilities

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