

Chest Bidco ApS
Skodsborgvej 315
2850 Nærum
Business Registration No
39720523

**Annual report 09.07.2018
- 31.12.2018**

The Annual General Meeting adopted the annual report on 21.05.2019

Chairman of the General Meeting

Name: Theis Bruun

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Entity details

Entity

Chest Bidco ApS
Skodsborgvej 315
2850 Nærum

Central Business Registration No (CVR): 39720523

Registered in: Rudersdal

Financial year: 09.07.2018 - 31.12.2018

Board of Directors

Morten Pitzner
Torben Golsche Knappe
Jacob Andersen

Executive Board

Jacob Eberhard
Jacob Andersen

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 Chest Bidco ApS for the financial year 09.07.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 09.07.2018 - 31.12.2018.

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.

Nærum, 21.05.2019

Executive Board

Jacob Eberhard

Jacob Andersen

Board of Directors

Morten Pitzner

Torben Golsche Knappe

Jacob Andersen

Independent auditor's report

To the shareholders of Chest Bidco ApS

Opinion

We have audited the financial statements of Chest Bidco ApS for the financial year 09.07.2018 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 09.07.2018 - 31.12.2018 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, 21.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

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

Management commentary

Primary activities

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

Development in activities and finances

It is the company's first financial year therefore there are no comparative figures.

Events after the balance sheet date

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

Income statement for 2018

	<u>Notes</u>	<u>2018</u> <u>DKK'000</u>
Gross profit/loss		(1.932)
Staff costs	1	<u>(1.129)</u>
Operating profit/loss		(3.061)
Income from investments in group enterprises		7.692
Other financial expenses	2	<u>(894)</u>
Profit/loss before tax		3.737
Tax on profit/loss for the year	3	<u>200</u>
Profit/loss for the year		<u>3.937</u>
Proposed distribution of profit/loss		
Retained earnings		<u>3.937</u>
		<u>3.937</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>DKK'000</u>
Investments in group enterprises		<u>241.874</u>
Fixed asset investments	4	<u>241.874</u>
Fixed assets		<u>241.874</u>
Joint taxation contribution receivable		<u>200</u>
Receivables		<u>200</u>
Cash		<u>90</u>
Current assets		<u>290</u>
Assets		<u>242.164</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>DKK'000</u>
Contributed capital		50
Reserve for net revaluation according to the equity method		5.821
Retained earnings		<u>111.195</u>
Equity		<u>117.066</u>
Bank loans		105.500
Payables to associates		<u>11.500</u>
Non-current liabilities other than provisions		<u>117.000</u>
Trade payables		63
Payables to group enterprises		7.996
Other payables		<u>39</u>
Current liabilities other than provisions		<u>8.098</u>
Liabilities other than provisions		<u>125.098</u>
Equity and liabilities		<u>242.164</u>
Contingent liabilities	5	
Group relations	6	

Statement of changes in equity for 2018

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Contributed upon formation	50	0	0	50
Increase of capital	0	0	114.950	114.950
Exchange rate adjustments	0	(1.750)	0	(1.750)
Other entries on equity	0	(121)	0	(121)
Transfer to reserves	0	7.692	(7.692)	0
Profit/loss for the year	0	0	3.937	3.937
Equity end of year	50	5.821	111.195	117.066

Notes

	2018 DKK'000
1. Staff costs	
Wages and salaries	1.116
Pension costs	11
Other social security costs	1
Other staff costs	1
	1.129
Average number of employees	2
	2018 DKK'000
2. Other financial expenses	
Other interest expenses	894
	894
	2018 DKK'000
3. Tax on profit/loss for the year	
Refund in joint taxation arrangement	(200)
	(200)
	Invest- ments in group enterprises DKK'000
4. Fixed asset investments	
Additions	236.053
Cost end of year	236.053
Exchange rate adjustments	(1.750)
Adjustments on equity	(121)
Amortisation of goodwill	(2.174)
Share of profit/loss for the year	9.866
Revaluations end of year	5.821
Carrying amount end of year	241.874

Notes

In investments in group enterprises goodwill is included with DKK 171.753

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
Investments in group enterprises comprise:			
Nordic Houseware Group A/S	Rudersdal	A/S	100,0

5. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement. 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.

6. 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 certain provisions for reporting class C.

This is the first accounting year and therefore these financial statements don't contain comparative figures.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Income statement

Gross profit or loss

Gross profit or loss comprises gross profit, 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 as well as social security contributions, pension contributions, etc for entity staff.

Income from investments in group enterprises

Income from 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, amortisation of financial liabilities as well as 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 Company is part of a joint taxation. The tax effect of the joint taxation is allocated to Danish enterprises in promotion to their taxable incomes.

Accounting policies

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 under 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.

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 cash in hand and bank deposits.

Other financial liabilities

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