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Rufac Holding ApS
Fjordvej 116
6000 Kolding
Business Registration No
40116729

Annual report
01.10.2018 -
30.09.2019

The Annual General Meeting adopted the annual report on 16.01.2020

Chairman of the General Meeting

Name: Lars Aaen

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Entity details

Entity

Rufac Holding ApS
Fjordvej 116
6000 Kolding

Central Business Registration No (CVR): 40116729

Registered in: Kolding

Financial year: 01.10.2018 - 30.09.2019

Board of Directors

Lars Aaen
Anders Rosendahl Poulsen
Steven Scott McPartlin

Executive Board

Claus Hansson

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Rufac Holding ApS for the financial year 01.10.2018 - 30.09.2019.

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 30.09.2019 and of the results of its operations for the financial year 01.10.2018 - 30.09.2019.

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.

Kolding, 19.12.2019

Executive Board

Claus Hansson

Board of Directors

Lars Aaen

Anders Rosendahl Poulsen

Steven Scott McPartlin

Independent auditor's report

To the shareholders of Rufac Holding ApS

Opinion

We have audited the financial statements of Rufac Holding ApS for the financial year 01.10.2018 - 30.09.2019, 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 30.09.2019 and of the results of its operations for the financial year 01.10.2018 - 30.09.2019 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.

Kolding, 19.12.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Lars Bjerregaard Nielsen

State Authorised Public Accountant

Identification No (MNE) mne29393

Management commentary

| | 2018/19 |
|-----------------------------|----------------|
| | DKK'000 |
| Financial highlights | |
| Key figures | |
| Gross profit | (8) |
| Operating profit/loss | (8) |
| Net financials | 24.931 |
| Profit/loss for the year | 24.925 |
| Total assets | 67.929 |
| Equity | 67.921 |
| Ratios | |
| Return on equity (%) | 36,7 |
| Equity ratio (%) | 100,0 |

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

| Ratios | Calculation formula | Calculation formula reflects |
|----------------------|--|--|
| Return on equity (%) | $\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$ | The entity's return on capital invested in the entity by the owners. |
| Equity ratio (%) | $\frac{\text{Equity} \times 100}{\text{Total assets}}$ | The financial strength of the entity. |

Management commentary

Primary activities

The primary activity for Rufac Holding ApS is to hold shares in subsidiaries. Rufac Holding ApS holds all the shares in Rufac ApS and SIS-USA Inc.

The operating activities of the Rufac Group comprise development, production and sale of advanced ergonomic high adjustable tables for the use in modern companies around the globe.

Rufac Holding ApS was formally incorporated on 20.12.2018, but assumed the activities of the two subsidiaries as from 01.10.2018.

Development in activities and finances

The parent company realized a profit of 24.925t DKK.

The Group realized a significant increase in activities, revenues and earnings in 2018/19.

The significantly increased performance was mainly driven by adding new customers especially in the US market. Improvements in production, purchase and logistics have also supported the strong growth.

The board considers the result as satisfactory and in line with the expectations for the fiscal year.

Outlook

The continued focus on widening the sales into a broader customer base, stronger focus on advanced products and by expanding the sales channels as well as the reduced cost structure is expected to show positive impact in revenue for 2019/20. Continuing investments in growth and geographical expansion will, however, impact costs and therefore EBITDA for 2019/20 is expected on the same level as in 2018/19.

Particular risks

The group has no particular business and financial risks beyond risks of common occurrence within the industry.

Intellectual capital resources

The group has thorough knowledge of the market for modern and functional high adjustable tables and has during many years built up a considerable competence within this area.

Environmental performance

The group has a considerable own production which to a high extent consists in assembly and mounting. The environmental impact by the group is limited. The group is continuously trying to reduce the environmental impact by introducing new improvements in this area.

Management commentary

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 2018/19

| | <u>Notes</u> | <u>2018/19</u> <u>DKK</u> |
|--|--------------|------------------------------|
| Gross profit/loss | | (8.000) |
| Income from investments in group enterprises | | <u>24.930.963</u> |
| Profit/loss before tax | | 24.922.963 |
| Tax on profit/loss for the year | 2 | <u>1.760</u> |
| Profit/loss for the year | 3 | <u>24.924.723</u> |

Balance sheet at 30.09.2019

| | <u>Notes</u> | <u>2018/19</u> <u>DKK</u> |
|--|--------------|------------------------------|
| Investments in group enterprises | | 67.927.056 |
| Fixed asset investments | 4 | <u>67.927.056</u> |
| Fixed assets | | <u>67.927.056</u> |
| Joint taxation contribution receivable | | 1.760 |
| Receivables | | <u>1.760</u> |
| Current assets | | <u>1.760</u> |
| Assets | | <u>67.928.816</u> |

Balance sheet at 30.09.2019

| | <u>Notes</u> | <u>2018/19</u> <u>DKK</u> |
|--|--------------|------------------------------|
| Contributed capital | | 50.000 |
| Retained earnings | | <u>67.870.816</u> |
| Equity | | <u>67.920.816</u> |
| | | |
| Trade payables | | <u>8.000</u> |
| Current liabilities other than provisions | | <u>8.000</u> |
| | | |
| Liabilities other than provisions | | <u>8.000</u> |
| | | |
| Equity and liabilities | | <u>67.928.816</u> |
| | | |
| Staff costs | 1 | |
| Contingent liabilities | 5 | |
| Transactions with related parties | 6 | |
| Group relations | 7 | |

Statement of changes in equity for 2018/19

| | Contributed capital DKK | Retained earnings DKK | Total DKK |
|----------------------------|--|--------------------------------------|----------------------|
| Contributed upon formation | 50.000 | 41.891.000 | 41.941.000 |
| Exchange rate adjustments | 0 | 1.132.664 | 1.132.664 |
| Other entries on equity | 0 | (77.571) | (77.571) |
| Profit/loss for the year | 0 | 24.924.723 | 24.924.723 |
| Equity end of year | 50.000 | 67.870.816 | 67.920.816 |

Notes

| | |
|--|---------------------------|
| | <u>2018/19</u> |
| 1. Staff costs | |
| Average number of employees | <u>0</u> |
| | |
| | <u>2018/19</u> |
| | <u>DKK</u> |
| 2. Tax on profit/loss for the year | |
| Current tax | <u>(1.760)</u> |
| | <u>(1.760)</u> |
| | |
| | <u>2018/19</u> |
| | <u>DKK</u> |
| 3. Proposed distribution of profit/loss | |
| Retained earnings | <u>24.924.723</u> |
| | <u>24.924.723</u> |
| | |
| | <u>Invest-</u> |
| | <u>ments in</u> |
| | <u>group</u> |
| | <u>enterprises</u> |
| | <u>DKK</u> |
| 4. Fixed asset investments | |
| Additions | <u>41.941.000</u> |
| Cost end of year | <u>41.941.000</u> |
| | |
| Exchange rate adjustments | 1.132.664 |
| Share of profit/loss for the year | 24.930.963 |
| Other adjustments | <u>(77.571)</u> |
| Revaluations end of year | <u>25.986.056</u> |
| | |
| Carrying amount end of year | <u>67.927.056</u> |

Notes

| | <u>Registered in</u> | <u>Corpo- rate form</u> | <u>Equity inte- rest %</u> |
|--|----------------------|---------------------------------|--|
| Investments in group enterprises comprise: | | | |
| Rufac ApS | Middelfart, Denmark | ApS | 100,0 |
| SIS-USA Inc. | New Hampshire, USA | Inc. | 100,0 |

5. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which C. Hansson Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2018/19 for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these companies.

6. Transactions with related parties

| | <u>Subsidiaries DKK</u> |
|-----------------------------------|-----------------------------|
| Contributed shares upon formation | 41.941.000 |

7. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Midform Holding ApS, Kolding, Denmark

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

As it is the company's first financial year, there are no comparative figures in the annual report.

Consolidated financial statements

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

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Other external expenses

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

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.

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

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. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

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.

Accounting policies

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 10 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.

Other financial liabilities

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

Cash flow statement

Referring to section 86 of the Danish Financial Statements Act, Rufac Holding ApS has not prepared any cash flow statement.