

Slettvoll København ApS

Oslo Plads 12
2100 Copenhagen
Denmark

CVR no. 40 18 26 91

Annual report 2021

The annual report was presented and approved at
the Company's annual general meeting on

18 March 2022

Odd Erik Lund

Chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 January – 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Slettvoll København ApS for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 18 March 2022
Executive Board:

Bjørn Helge Vik

Board of Directors:

Odd Erik Lund
Chairman

Bjørn Helge Vik

Mariann Håbet

Independent auditor's report

To the shareholders of Slettvoll København ApS

Opinion

We have audited the financial statements of Slettvoll København ApS for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 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 the 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 our report.

We are independent of the Company 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 responsibility 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 that 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.

Independent auditor's report

- 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 Company'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 Company'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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review 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's review.

Copenhagen, 18 March 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Jesper Bo Pedersen
State Authorised
Public Accountant
mne42778

Slettvoll København ApS
Annual report 2021
CVR no. 40 18 26 91

Management's review

Company details

Slettvoll København ApS
Oslo Plads 12
2100 Copenhagen
Denmark

CVR no.:	40 18 26 91
Established:	11 January 2019
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Odd Erik Lund, Chairman
Bjørn Helge Vik
Mariann Håbet

Executive Board

Bjørn Helge Vik

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The purpose of the Company is to buy and sell furniture, inventory, accessories and interior services and other related activities.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK -571,364 as against DKK -3,055,332 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK -6,533,823 as against DKK -5,962,459 at 31 December 2020.

Uncertainties regarding going concern

The Company has lost the capital at the end of 2021. The capital is expected to be re-established through future operations. The Parent Company, Slettvoll Møbler AS, has pledged to support the Company financially, so that it can pay its debt as it falls due. The statement of support applies to the General Meeting for the financial year 2022.

Moreover, reference is made to note 2, in which the matter is described in further detail.

Events after the balance sheet date

No significant events have occurred after the end of the financial year that could affect the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2021	2020
Gross profit	3	2,509,395	121,473
Staff costs	4	-2,440,196	-2,576,653
Depreciation, amortisation and impairment losses		<u>-544,206</u>	<u>-530,887</u>
Loss before financial income and expenses		-475,007	-2,986,067
Other financial income		665	6,259
Other financial expenses	5	<u>-97,022</u>	<u>-75,524</u>
Loss before tax		-571,364	-3,055,332
Tax on loss for the year		<u>0</u>	<u>0</u>
Loss for the year		<u><u>-571,364</u></u>	<u><u>-3,055,332</u></u>
Proposed distribution of loss			
Retained earnings		<u>-571,364</u>	<u>-3,055,332</u>
		<u><u>-571,364</u></u>	<u><u>-3,055,332</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Property, plant and equipment	6		
Fixtures and fittings, tools and equipment		77,734	91,746
Leasehold improvements		<u>1,299,128</u>	<u>1,783,459</u>
		<u>1,376,862</u>	<u>1,875,205</u>
Investments	7		
Deposits		<u>95,640</u>	<u>73,716</u>
Total fixed assets		<u>1,472,502</u>	<u>1,948,921</u>
Current assets			
Inventories			
Raw materials and consumables		<u>3,431,785</u>	<u>3,334,470</u>
Receivables			
Trade receivables		370,504	61,582
Other receivables		0	29,543
Prepayments		<u>32,698</u>	<u>15,583</u>
		<u>403,202</u>	<u>106,708</u>
Cash at bank and in hand		<u>1,286,022</u>	<u>1,708,540</u>
Total current assets		<u>5,121,009</u>	<u>5,149,718</u>
TOTAL ASSETS		<u><u>6,593,511</u></u>	<u><u>7,098,639</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50,000	50,000
Retained earnings		<u>-6,583,823</u>	<u>-6,012,459</u>
Total equity		<u>-6,533,823</u>	<u>-5,962,459</u>
Liabilities			
Non-current liabilities			
Payables to group entities		<u>5,875,707</u>	<u>5,877,850</u>
Current liabilities			
Prepayments received from customers		1,630,004	1,833,758
Trade payables		538,518	512,759
Payables to group entities		4,365,778	3,641,552
Other payables		<u>717,327</u>	<u>1,195,179</u>
		<u>7,251,627</u>	<u>7,183,248</u>
Total liabilities		<u>13,127,334</u>	<u>13,061,098</u>
TOTAL EQUITY AND LIABILITIES		<u><u>6,593,511</u></u>	<u><u>7,098,639</u></u>
Disclosure of uncertainties regarding going concern	2		
Contractual obligations, contingencies, etc.	8		
Related party disclosures	9		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	50,000	-6,012,459	-5,962,459
Transferred over the distribution of loss	0	-571,364	-571,364
Equity at 31 December 2021	50,000	-6,583,823	-6,533,823

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Slettvoll København ApS for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Change in comparative figures

Reclassifications are made to comparative figures. The reclassifications have not impacted the result for the year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Government grants

Government grants are recognised when it is fairly certain that the grant conditions will be complied with, and the grant will be received.

Grants compensating for costs incurred are recognised directly as operating income in the income statement as the costs eligible for grants are incurred. If the conditions for receiving the grant are not complied with until after related costs have been recognised, the grant is to be recognised in the income statement when the conditions have been complied with and it is fairly certain that the grant will be awarded.

Grants to acquire assets are recognised in the balance sheet as deferred income/prepayments and transferred to other operating income in the income statement line with depreciation/amortisation of the assets covered by the grant.

Income statement

Gross loss

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Revenue

Income from the sale of goods, comprising the sale of furniture, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2021.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

For products with a high degree of customisation, revenue is recognised as production takes place, and accordingly, revenue corresponds to the selling price of the work performed for the year (the percentage of completion method). When total income and costs attributable to the contract or the stage of completion at the balance sheet date cannot be estimated reliably, revenue is recognised only at costs incurred and only to the extent that the recovery thereof is likely.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments

Deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of property, plant and equipment and investments is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash.

Liabilities

Liabilities are measured at amortised cost

Financial statements 1 January – 31 December

Notes

2 Disclosure of uncertainties regarding going concern

The Company has lost all of its capital at the end of 2021. The capital is expected to be re-established through future operations. The Parent Company, Slettvoll Møbler AS, has pledged to support the Company financially, so that it can pay its debt as it falls due. The statement of support applies to the General Meeting for the financial year 2022.

3 Gross profit

Gross profit includes special items comprising compensation under COVID-19 government relief packages of DKK 414,874 (2020: DKK 118,780).

4 Staff costs

DKK	2021	2020
Wages and salaries	2,232,654	2,375,134
Pensions	169,408	167,545
Other social security costs	38,134	33,974
	<u>2,440,196</u>	<u>2,576,653</u>
Average number of full-time employees	<u>5</u>	<u>6</u>

5 Other financial expenses

Interest expense to group entities	58,757	59,257
Other financial costs	10,009	2,971
Exchange losses	<u>28,256</u>	<u>13,296</u>
	<u>97,022</u>	<u>75,524</u>

6 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2021	161,537	2,420,844	2,582,381
Additions for the year	<u>45,863</u>	<u>0</u>	<u>45,863</u>
Cost at 31 December 2021	<u>207,400</u>	<u>2,420,844</u>	<u>2,628,244</u>
Change in intercompany profit on inventories	-69,791	-637,385	-707,176
	<u>-59,875</u>	<u>-484,331</u>	<u>-544,206</u>
Depreciation and impairment losses at 31 December 2021	<u>-129,666</u>	<u>-1,121,716</u>	<u>-1,251,382</u>
Carrying amount at 31 December 2021	<u><u>77,734</u></u>	<u><u>1,299,128</u></u>	<u><u>1,376,862</u></u>

Financial statements 1 January – 31 December

Notes

7 Investments

DKK	<u>Deposits</u>
Cost at 1 January 2021	73,716
Additions for the year	<u>21,924</u>
Cost at 31 December 2021	95,640
Carrying amount at 31 December 2021	<u>95,640</u>

8 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company has rent obligations totalling DKK 6,715,896 expiring in 2025 and lease and franchise obligations totalling DKK 64,440 expiring in 2025.

9 Related party disclosures

Slettvoll København ApS' related parties comprise the following:

Control

Slettvoll Møbler AS, Skafferwegen 105, N-6200 Stranda Norge.

Slettvoll Møbler AS holds the majority of the contributed capital in the Company.

Slettvoll København ApS is part of the consolidated financial statements of Slettvoll Møbler AS, Skafferwegen 105, N-6200 Stranda Norge, which is the smallest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Slettvoll Møbler AS can be obtained by contacting the Company at the address above.