

Slettvoll København ApS

Oslo Plads 12
2100 Copenhagen
Denmark

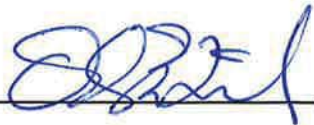
CVR no. 40 18 26 91

Annual report for the period 11 January – 31 December 2019

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

2 July 2020

Odd Erik Lund
chairman

A handwritten signature in blue ink, appearing to read 'Odd Erik Lund', is written over a horizontal line.

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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 period 11 January – 31 December 2019.


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 2019 and of the results of the Company's operations for the financial period 11 January – 31 December 2019.

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, 2 July 2020
Executive Board:




Bjørn Helge Vik

Board of Directors:



Odd Erik Lund
Chairman



Mariann Håbet



Bjørn Helge Vik



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 period 11 January – 31 December 2019 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 2019 and of the results of the Company's operations for the financial period 11 January – 31 December 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 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' 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 rules and requirements.

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



Independent auditor's report

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 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.

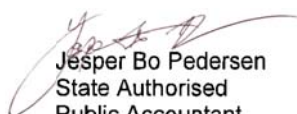
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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, 2 July 2020

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98


Jesper Bo Pedersen
State Authorised
Public Accountant
mne42778

Slettvoll København ApS
Annual report 2019
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
Financial period:	11 January – 31 December

Board of Directors

Odd Erik Lund, Chairman
Mariann Håbet
Bjørn Helge Vik

Executive Board

Bjørn Helge Vik

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen
Denmark

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

It is the Company's first financial year and the year-end result is acceptable considered it is a newly started company. At the end of 2019, the Company lost its capital. It is expected that the capital is re-established through future operation.

The Parent Company, Slettvoll Møbler AS, has pledged to support the Company financially so that the Company can pay its debt as it falls due. Supporting statement applies to the General Meeting for the financial year 2020.

Management expects increasing activity despite the COVID-19 pandemic.

Events after the balance sheet date

After year-end, WHO declared the COVID-19 virus a pandemic. The COVID-19 pandemic affects large parts of the world and our communities. Management expects that the pandemic affects sales in 2020. It is uncertain to what extent sales will be affected, as the Company is still in the establishment phase and despite the COVID-19 outbreak has maintained reasonable new orders.

The Company expects to be sufficiently covered through government bailouts and statement of support from the Parent Company. Currently, it is not possible to quantify the affect, as it is unknown how society will be affected long-term. Apart from the COVID-19 outbreak, no subsequently events have occurred.

Financial statements 11 January – 31 December

Income statement

DKK	Note	11/1 2019- 31/12 2019
Gross loss		-1,911,538
Staff costs	2	-823,600
Depreciation, amortisation and impairment losses		-176,289
Operating loss		-2,911,427
Financial income		225
Financial expenses	3	-45,925
Loss before tax		-2,957,127
Tax on loss for the year		0
Loss for the year		-2,957,127
Proposed profit appropriation/distribution of loss		
Retained earnings		-2,957,127
		-2,957,127

Financial statements 11 January – 31 December

Balance sheet

DKK	Note	2019
ASSETS		
Fixed assets		
Property, plant and equipment	4	
Fixtures and fittings, tools and equipment		145,619
Leasehold improvements		<u>2,164,854</u>
		2,310,473
Total fixed assets		<u>2,310,473</u>
Current assets		
Inventories		
Raw materials and consumables		<u>1,802,782</u>
Receivables		
Trade receivables		3,391
Other receivables		<u>238,336</u>
		241,727
Cash at bank and in hand		<u>1,410,408</u>
Total current assets		<u>3,454,917</u>
TOTAL ASSETS		<u><u>5,765,390</u></u>

Financial statements 11 January – 31 December

Balance sheet

DKK	Note	2019
EQUITY AND LIABILITIES		
Equity		
Contributed capital	5	50,000
Retained earnings		-2,957,127
Total equity		-2,907,127
Liabilities		
Non-current liabilities		
Payables to group entities		5,818,936
Other payables		76,370
		5,895,306
Current liabilities		
Prepayments received from customers		310,901
Trade payables		2,374,461
Other payables		91,849
		2,777,211
Total liabilities		8,672,517
TOTAL EQUITY AND LIABILITIES		5,765,390
Contractual obligations, contingencies, etc.		
Related party disclosures	6	7

Financial statements 11 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 11 January 2019	50,000	0	50,000
Transferred over the distribution of loss	0	-2,957,127	-2,957,127
Equity at 31 December 2019	50,000	-2,957,127	-2,907,127

Financial statements 11 January – 31 December

Notes

1 Accounting policies

The annual report of Slettvoll København ApS for 2019 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.

Income statement

Gross loss

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

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 © 2010.

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 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 statements 11 January – 31 December

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, 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 profit/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.

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.

Financial statements 11 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.

Cash at bank and in hand

Cash at bank and cash in hand equivalents comprise cash.

Liabilities

Liabilities are measured at net realisable value.

Financial statements 11 January – 31 December

Notes

DKK	11/1 2019- 31/12 2019		
2 Staff costs			
Wages and salaries	805,136		
Pensions	13,272		
Other social security costs	5,192		
	<u>823,600</u>		
Average number of full-time employees	<u>2</u>		
3 Financial expenses			
Interest expense to group entities	21,916		
Other financial costs	2,433		
Exchange losses	21,576		
	<u>45,925</u>		
4 Property, plant and equipment			
	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
DKK			
Cost at 11 January 2019	0	0	0
Additions for the year	161,537	2,325,225	2,486,762
Cost at 31 December 2019	161,537	2,325,225	2,486,762
Depreciation for the year	-15,918	-160,371	-176,289
Depreciation and impairment losses at 31 December 2019	-15,918	-160,371	-176,289
Carrying amount at 31 December 2019	145,619	2,164,854	2,310,473

5 Equity

The Company has lost the capital at the end of 2019. 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 2020

Financial statements 11 January – 31 December

Notes

6 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company has rent, lease and franchise obligations totalling DKK 9,046,450 expiring in 2025.

7 Related party disclosures

Consolidated financial statements

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

The consolidated financial statements can be obtained by contacting to the company.