
NORNORM International Furnishings ApS

Bådsmandsstræde 19B, DK-1407 København K

Annual Report for 17 June - 31 December 2021

CVR No 42 49 04 07

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
28/6 2022

Anders Munk Jepsen
Chairman of the General
Meeting



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of NORNORM International Furnishings ApS for the financial year 17 June - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

København, 28 June 2022

Executive Board

Anders Munk Jepsen
Executive Officer

Independent Auditor's Report

To the Shareholder of NORNORM International Furnishings ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 17 June - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of NORNORM International Furnishings ApS for the financial year 17 June - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Independent Auditor's Report

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 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- 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.

Hellerup, 10 June 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Nikolaj Erik Johnsen

statsautoriseret revisor

mne35806

Company Information

The Company

NORNORM International Furnishings ApS
Bådsmadsstræde 19B
DK-1407 København K

CVR No: 42 49 04 07
Financial period: 17 June - 31 December
Incorporated: 17 June 2021
Financial year: 1st financial year
Municipality of reg. office: København

Executive Board

Anders Munk Jepsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The company's purpose is to function as a financing company for group-related companies as well as activities that, in the opinion of the Executive Board, are connected to this.

Development in the year

The income statement of the Company for 2021 shows a loss of DKK 13,166,477, and at 31 December 2021 the balance sheet of the Company shows negative equity of DKK 13,126,477.

The Company's equity is negative and it has therefore lost its share capital. Management expects that the share capital will be re-established during the coming years' activity. In addition, the Company's shareholder has confirmed to provide sufficient funds during the next 12 months to meet working capital requirements. On this basis, Management considers the Company as going concern for the next 12 months.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 17 June - 31 December

	<u>Note</u>	<u>2021</u> DKK
Gross profit/loss		-13.907.046
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	<u>-133.362</u>
Profit/loss before financial income and expenses		-14.040.408
Financial income	3	181.256
Financial expenses	4	<u>-618.154</u>
Profit/loss before tax		-14.477.306
Tax on profit/loss for the year	5	<u>1.310.829</u>
Net profit/loss for the year		<u>-13.166.477</u>

Distribution of profit

Proposed distribution of profit

Retained earnings	<u>-13.166.477</u>
	<u>-13.166.477</u>

Balance Sheet 31 December

Assets

	Note	2021 DKK
Other fixtures and fittings, tools and equipment		48.662.746
Property, plant and equipment	6	48.662.746
Receivables from group enterprises		14.280.644
Fixed asset investments	7	14.280.644
Fixed assets		62.943.390
Other receivables		5.749.715
Corporation tax receivable from group enterprises		1.310.829
Receivables		7.060.544
Cash at bank and in hand		34.001.422
Currents assets		41.061.966
Assets		104.005.356

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK
Share capital		40.000
Retained earnings		-13.166.477
Equity		-13.126.477
Subordinate loan capital		85.986.715
Long-term debt	8	85.986.715
Trade payables		9.612.198
Payables to group enterprises		21.532.920
Short-term debt		31.145.118
Debt		117.131.833
Liabilities and equity		104.005.356
Going concern	1	
Contingent assets, liabilities and other financial obligations	9	
Accounting Policies	10	

Statement of Changes in Equity

	Share capital DKK	Retained earnings DKK	Total DKK
Equity at 17 June	0	0	0
Cash payment concerning formation of entity	40.000	0	40.000
Net profit/loss for the year	0	-13.166.477	-13.166.477
Equity at 31 December	40.000	-13.166.477	-13.126.477

Notes to the Financial Statements

1 Going concern

The Company's equity is negative and it has therefore lost its share capital. Management expects that the share capital will be re-established during the coming years' activity. In addition, the Company's shareholder has confirmed to provide sufficient funds during the next 12 months to meet working capital requirements. On this basis, Management considers the Company as going concern for the next 12 months.

	2021 DKK
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	
Depreciation of property, plant and equipment	133.362
	133.362
3 Financial income	
Interest received from group enterprises	64.037
Exchange gains	117.219
	181.256
4 Financial expenses	
Interest paid to group enterprises	498.509
Other financial expenses	1.012
Exchange loss	118.633
	618.154
5 Tax on profit/loss for the year	
Current tax for the year	-1.310.829
	-1.310.829

Notes to the Financial Statements

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost at 17 June	0
Additions for the year	48.796.108
Cost at 31 December	48.796.108
Impairment losses and depreciation at 17 June	0
Depreciation for the year	133.362
Impairment losses and depreciation at 31 December	133.362
Carrying amount at 31 December	48.662.746

7 Fixed asset investments

	Receivables from group enterprises DKK
Cost at 17 June	0
Additions for the year	14.280.644
Cost at 31 December	14.280.644
Impairment losses at 17 June	0
Impairment losses at 31 December	0
Carrying amount at 31 December	14.280.644

Notes to the Financial Statements

8 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2021</u> DKK
Subordinate loan capital	
Between 1 and 5 years	85.986.715
Long-term part	85.986.715
Within 1 year	<u>0</u>
	<u>85.986.715</u>

9 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of NORNORM International Furnishings ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2021 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

10 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

10 Accounting Policies (continued)

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5-15	years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of long term receivables from group enterprises.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

10 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes to the Financial Statements

10 Accounting Policies (continued)

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.