DYMAK

ANNUAL REPORT

1 July 2022 - 30 June 2023

The Annual Report was presented and adopted at the Annual General Meeting of the company on August 30, 2023

Chairman of the General Meeting

Claus Juul Bøgelund

Dymak A/S - Business Reg. No. 19 75 78 03 - Holkebjergvej 120, 5250 Odense SV, Denmark

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Dymak A/S for the financial year 1 July 2022 - 30 June 2023.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 June 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022/23.

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

Odense, 30 August 2023

Executive Board

Claus Juul Bøgelund
CEO

Kristian Kristiansen
Executive Officer

Board of Directors

Per Høholt
Chairman

Lisbeth Dau

Claus Juul Bøgelund

Marianne Tochtermann

Independent Auditor's Report

To the Shareholder of Dymak A/S

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 July 2022 - 30 June 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Dymak A/S for the financial year 1 July 2022 - 30 June 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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.

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company

Independent Auditor's Report

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 Group's and 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 Group or 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 and the Group'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 Group's and 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 Group and 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

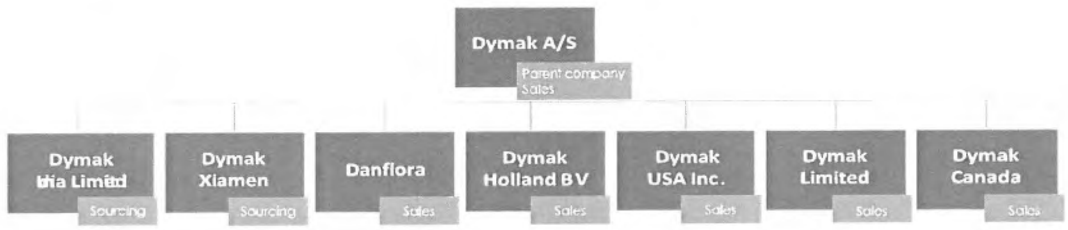
Odense, 30 August 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Mette Plambech
statsautoriseret revisor
mne34162

Company Information

The Company	Dymak A/S Holkebjergvej 120 DK-5250 Odense SV CVR No: 19 75 78 03 Financial period: 1 July - 30 June Municipality of reg. office: Odense
Board of Directors	Per Høholt, Chairman Lisbeth Dau Claus Juul Bøgelund Marianne Tochtermann
Executive Board	Claus Juul Bøgelund Kristian Kristiansen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1, 3. og 4. sal DK-5230 Odense M

Group Chart


Dymak A/S
Parent company
Sales
Dymak
Sourcing
Dymak
Xiamen
Sourcing
Danflora
Sales
Dymak
Holland BV
Sales
Dymak
USA Inc.
Sales
Dymak
Limited
Sales
Dymak
Canada
Sales

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2022/23	2021/22	2020/21	2019/20	2018/19
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	455.732	712.103	407.840	286.174	248.736
Gross profit/loss	101.859	152.000	81.471	61.233	48.737
Operating profit/loss	42.767	86.535	39.157	23.012	15.372
Net financials	4.269	6.775	-3.920	-333	371
Net profit/loss for the year	39.100	72.794	30.465	17.945	14.091
Balance sheet					
Balance sheet total	141.873	226.241	170.693	75.698	66.126
Equity	101.815	109.998	39.227	36.853	40.222
Investering i materielle anlægsaktiver	-1.783	-511	-1.912	-680	-155
Number of employees	129	148	115	98	100
Ratios					
Return on assets	30,1%	38,2%	23,0%	30,4%	23,2%
Solvency ratio	71,8%	48,6%	23,0%	48,7%	60,8%
Return on equity	36,9%	97,6%	80,1%	46,6%	42,0%

Management's Review

Dymak's business model

Dymak is a global B2B company focused on the "green world". Garden centres and growers comprise our primary target group, and major markets are the US, the Netherlands and Canada. Main product categories include plant accessories such as pots and vases, as well as garden centre products such as garden furniture. Today, the products are designed in Denmark and primarily produced in China, Vietnam and India, and it is the Company's clear objective to increase its supplier diversification in the coming years.

Dymak has a niche in the market with a strong focus on small target groups, where the ambition is to achieve a strong global presence. The Company only produces to order and has no production facilities of its own. Instead, we are a key part of a value chain partnership, which includes the producer and the customer. The close partnerships provide Dymak with great insight into what drives the market and sales at the customers, allowing the Company to develop essential product concepts for customers, including private label ranges and direct deliveries from factory to customer.

Strategy 2023

Dymak's purpose is to have "A Good Day at Work". As our employees are our greatest asset, we consider a good working environment and good overall terms and conditions as crucial if we are to realise the remaining ambitions of the Company.

The Company's decision to be present locally and having our own employees at all significant production and sales locations increases the need to use values as a guide. Dymak's values are founded in Denmark, and a constant effort is, therefore, required to ensure that these values are preserved in the very different cultures of our global offices. We believe that a common global language is necessary and will become a competitive parameter when we as a company are to meet the ESG targets that will very soon govern international trade

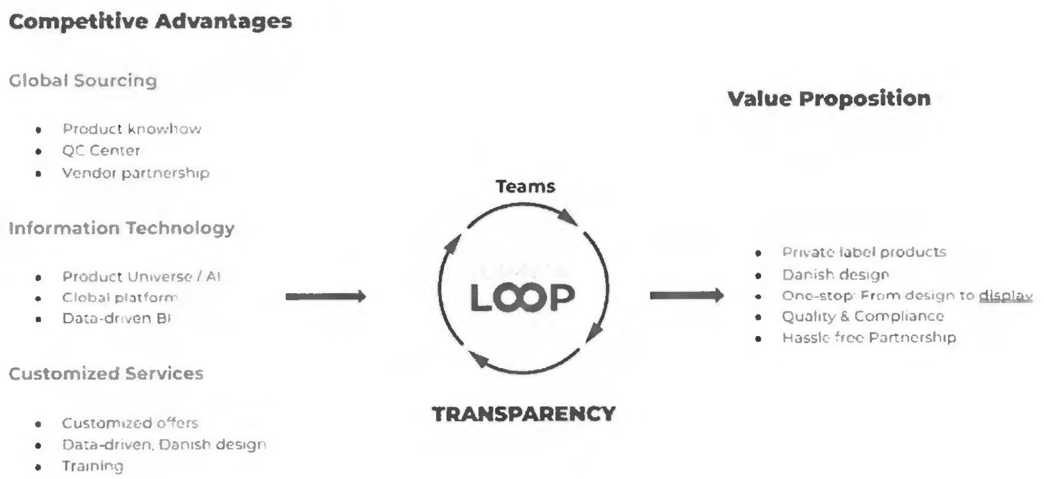
Dymak's values/characteristics

- Dynamic – we adapt and act as first movers in our industry
- Innovative – we design exciting products and concepts
- Reliable – we deliver quality and compliance globally
- Transparency – we share information and build trust

Our main success criterion is to have the products recommended by us sold out according to plan. Our responsibility does not end with the delivery; it ends when the product has been sold to the end user.

Management's Review

Dymak is seeking to strengthen its three core competences; "Global Sourcing", "Information Technology" and "Customised Services". A common thread of these skills is the boots-on-the-ground approach, where local presence ensures close contact with both factories and customers. The model is visualised by the following headlines:



Management's Review

Development in activities and finances

The Group's gross profit for the financial year 1 July 2022 - 30 June 2023 is DKK 101,859,000 compared to DKK 152,000,000 last year, and the Group's profit after tax is DKK 39,099,000 compared to DKK 72,794,000 last year.

The negative development is, for example, a result of an extraordinarily low demand due to a shift in consumer behaviour from physical products towards services, as well as large inventories at our customers due to rising inflation, weakened consumer confidence, etc.

The Group's balance sheet at 30 June 2023 shows equity of DKK 101,318,000 compared to DKK 109,155,000 last year.

Canada is an important market for the continued development of Dymak's operations in North America. During the financial year, Dymak established its own organisation in Canada as part of the Company's strategy to be close to all significant production and sales locations.

Under the circumstances, Management considers the results for the year satisfactory.

Development in the year

The expectations set out in the most recent Annual Report encompassed a minor decline in activity level and results. The decline was larger than anticipated and, in addition to the macroeconomic trends indicated above, also significantly affected by a decline in freight rates.

The increased complexity of global trade is expected to strengthen the Company's competitiveness in the long term.

Management's Review

Special risks

As the geopolitical development entails an increasing risk to international trade in general, we are making a targeted effort to diversify our supply chain through a greater diversification of sourcing countries. To support the continued diversification of our supply chain, we have established local procurement offices in Mexico, Vietnam, Indonesia, India and Turkey. In 2022/23, the target procurement share in these countries was 18%, which was achieved. The target for 2023/24 is 20%, and for 2024/25 it is 25%. The somewhat slow diversification rate is mainly due to a lack of competent production capacity, but also to a highly competent procurement office in China. In order to support a smoother transfer of know-how from China to the other procurement offices, an organisational change was implemented as of 1 July 2023 and a global quality control centre was established.

Dymak's most immediate risk is product quality. To ensure and maintain high-quality products at all times, the Group is represented locally by its own employees, who on average make three inspections per production: Typically, these comprise a pre-production inspection where Code of Conduct and specific certification requirements are checked, and packaging is ordered from the factory's subcontractors. Then a production inspection is carried out, during which a number of samples are selected for inspection in accordance with the order specifications. Lastly, a final inspection is performed, where packaging, labels, moisture level, etc., are checked. All inspections are documented using customised software and will be made available to customers on request. The Group has a target claim ratio of < 1.0%.

IT security poses a risk which is mitigated through a global cyberrisk agreement with a leading security provider. An intrusion detection system has thus been deployed globally in all entities of the Group, and no software can be procured without central verification. In the current financial year, the focus has been on configuration of corporate assets and software, access control, account management, data recovery and malware protection. Dymak met its CIS target for Implementation Group 2 in 2022. In 2023, we will focus on continuous vulnerability management, audit log management, network monitoring and defence, network infrastructure management, as well as security awareness and skills training. Dymak's goal for 2024/25 is a CIS Basic Cyber Hygiene of 80%.

About 80% of the currency exposure to USD is hedged. Exposure to other currencies is considered insignificant.

Credit insurance has been taken out via a global Group agreement in respect of approx. 90% of total receivables compared to approx. 80% last year. Since Dymak has had no significant bad debts in the past ten years, the Company has achieved a better rating than last year.

Management's Review

Know-how and Research

The Group's most important resource is its highly skilled and motivated employees.

10% of the Group's expenses are allocated to concept innovation, IT/AI investments, ESG Skills, supply chain diversification and, not least, investment in employee learning and development. Significant initiatives in 2023 include:

- Establishment of a new cloud-based ERP platform
- QC Centre to ensure best-practice quality control across production countries
- PC Centre to ensure best-practice supply chain procedures
- Moreover, the Company is working on an AI project concerning Dymak's unique image database containing more than 80,000 samples, including supplier details

Development expectations

In the financial year 2023/24, the activity level is expected to be slightly below this year's level. This is due to cautious customers as a result of their continued large inventories. In addition, a tripling of the investment budget targeted at IT structure/AI, ESG-related projects and competence development in new production countries will affect earnings in the short term. Continued investment in the development of the new target group will also have an adverse effect on earnings.

However, this does not change Dymak's current ambition, which is to double gross profit in the period towards 2024/25.

Dymak has identified four trends, which we expect to impact our overall objectives towards 2024/25.

Statement of corporate social responsibility

Employability

More flexible requirements in terms of physical presence at the workplace increase the ability of businesses to attract talented employees from a larger geographical area. However, this trend also makes the competition for the same talent more intense, which in turn imposes requirements on organisations to be an attractive workplace.

Response

Dymak is perfectly aware of the importance of creating an attractive workplace for talented people – we consider this a crucial competitive parameter. Therefore, the response to this trend should obviously be made by Dymak's employees. For practical reasons, however, we include a comment from Dymak's Head of People & Culture (hcm@dymak.dk):

By "Having a good day at work" as our overall purpose, Dymak applies special focus to the well-being of its employees. Based on the job satisfaction survey which we have conducted and subsequently worked with in the past year, the employee group believes that Dymak stands out positively in the following ways:

- Strong team spirit in an informal environment with a flat organisation
- Team development through joint professional and social events – also across national borders
- Joint celebration of successes
- Individual development – both professionally and personally
- Good personal terms, including flexible working hours adapted to the employee's personal situation and position in life as well as a competitive salary

Compliance

Customers' increased focus on ESG has become more intense in recent years, and with greater awareness, the risk is also greater if a supplier fails. Therefore, the customers are increasingly demanding value chains that are able to handle this increased complexity.

Response

Dymak is committed to building competencies within ESG in general and compliance in particular. Our own Compliance department is testing new products related to potential IP right infringements, and in connection with more complicated products, external advisers are involved. A couple of the initiatives are:

- BSCI certification – Sedex certification: We are working on having our suppliers join a third-party social audit, for example the BSCI or Sedex, to ensure proper conditions at the factories
- Our suppliers sign Dymak's Code of Conduct, Supplier Agreement and receive an Honesty Agreement
- In collaboration with selected customers and suppliers, we are working on how to meet future CO_2 emission requirements.
- We have initiated the transition to the new EUDR requirement, which will enter into force in 2025

Supply Chain disruption

Prior to COVID 19 and the war in Ukraine, the consensus was that the lowest possible total costs of a purchase was achieved by concentrating purchases with a few factories. This trend is now moving towards the application of a diversified approach, where delivery reliability from multiple factories, located in several geographical areas, is factored in with the total costs. Geopolitics and delivery reliability have become a criterion to the purchase decision.

Response

Dymak has for many years created value by selecting slightly smaller but highly specialised factories, and we are therefore well positioned in relation to this development. In addition, with the establishment of a Quality Centre to facilitate knowledge sharing, we ensure that an increasingly large share of our productions can take place in countries such as Indonesia, Vietnam and Türkiye. Production alternatives to China increase diversity in our supplier network.

Management's Review

Uniqueness

As our society changes, so does the need for fulfilment of more specific demands. Consumers are increasingly demanding products that meet more complex purchase criteria such as sustainable production, storytelling, specific events or the like – in other words, the demand for specialties and special concepts is increasing.

Response

A challenge to 'uniqueness' is that the development and delivery of new products directly from the factory are more complicated than the delivery of standard products through a storage facility. Dymak's value proposition meets this particular trend, and it is our mission to ".... source unique products". The Company's image database of 80,000 thorough product descriptions is a crucial tool in the process, and, in 2022/23, we developed over 8,000 new, special/unique products in close cooperation with our customers. In future, AI will help increase the value of this database for the purpose of ensuring efficient product development.

Management's Review

Corporate social responsibility report, cf section 99 a of the Danish Financial Statements Act

The Company's business model is shown on page 8.

Statement of corporate social responsibility (CSR)

Dymak impacts, to varying degrees, the communities in which the Company operates.
As a Danish owner-managed business, the Company finds it only natural to carry out responsible operations and act with care in the local communities. Dymak intends to ensure a profitable and sustainable approach to social, environmental and climate matters. Both in terms of operations and at strategic level.

Our CSR work has been approved by Management and Dymark's Board of Directors and is embedded in the ESG & Compliance department.

Dymak is continuously making progress in the CSR area, and it is very important to the Company to make a considerable effort in the future. Among other initiatives, a working group was established at the end of the financial year to clarify the scope of and correct approach to, for example, new EU rules (CSRD, EU taxonomy, etc.). Said group will also be initiating the implementation of the measures deemed necessary to enter into a dialogue with, and meeting future requirements of, customers, stakeholders, business partners and legislation.

Dymak considers the UN's Sustainable Development Goals an important focal point for the Company's work with corporate social responsibility. The goals were reviewed carefully in the past year and assessed according to Dymak's business. This resulted in the addition of a new goal, namely UN-8 focusing on decent work for all. Otherwise, we will remain focused on UN-12, UN-13 and UN-17, as these four goals all support areas in which Dymak's business is considered to have the greatest opportunity to contribute.

To support its work with corporate social responsibility, Dymak became a member of the UN Global Compact Network in 2022. The purpose of the network is to support enterprises intending to carry on a responsible business by implementing the Global Compact's ten principles within human rights, labour rights, anti-corruption and the environment. The first report was thus submitted in the spring of 2023.

Risks relating to CSR

Based on the conditions that are significant to the Company to run a healthy business, Dymak has performed a risk assessment in relation to social responsibility. The risk assessment includes an assessment of the Company's impact on the environment and climate, social and employee matters, human rights and anti-corruption.

The biggest environmental and climate risks are related to the actual production carried out by third parties.Dymak is aware of the potential risks associated with its presence in Asia, Türkiye and Mexico, particularly challenges related to human rights and corruption. Dymak actively seeks to mitigate such potential risks by, for example, being present locally with its own employees close to the factories.

Management's Review

Dymak also acknowledges the risks related to the challenges of attracting and retaining talented employees, as well as the climate impact of the transport of goods and the Company's operation of offices. The transport impact is attempted limited through direct deliveries from the factory to the various points of sale, so that carriage to and from a warehouse facility is avoided.

Materiality assessment of risks/opportunities

The risk assessment includes relevant risks and potential opportunities to influence and/or prevent or avoid potential and adverse impacts from the above six matters.

Area	Risk	Degree of impact
Environment and climate	Environmental and climate impact of own offices and warehouses	High
	Environmental and climate impact of products (depending on material type)	Medium
	Environmental and climate impact on supply chain (production, transport)	Medium
	Climate impact of end-of-use products (dismantling, sorting and recycling)	Low
Social and employee conditions (own employees) and gender representation	Rights and working conditions, including employee satisfaction, accidents, sickness absence and employee turnover ratio. Attract and retain skilled employees Ensure equal gender representation at Board of Directors and Management level	High
Human rights in the value chain	Rights and working conditions in the supply chain (human rights and employee rights at suppliers)	Medium
	Product safety (consumers)	High
Governance and anti-corruption	Corruption in the supply chain	Medium/high
	Data security (GDPR, cyberthreats, etc.)	Medium/high

Dymak strives to do its utmost to identify, prevent and mitigate the above risks. The risk picture is assessed on an ongoing basis by top management and Dymak's ESG and Compliance department.

In the spring of 2023, as part of the preparation of a formalised policy in the area, Dymak identified 11 ESG KPIs, all of which will support the four UN Sustainable Development Goals. The KPIs include:

- Decision on the proportion of suppliers who must commit to social certifications (BSCI, Sedex), CoC and Dymak Supplier Agreement – which will all support decent working conditions (UN-8).
- Decision on the number of suppliers, the volume of business carried out, focus on more direct deliveries and number of factory audits – which will all support sustainable production patterns (UN-12).
- Decision on the reduction of CO2 emissions using renewable energy – for the purpose of combatting

climate change (UN-13).
• Decision on the proportion of sourcing from different developing countries – which will support global partnerships focusing on sustainable development (UN-17).

Tracking and follow-up will be initiated in the next financial year.

Environment and climate

Dymak is continuously working on minimising its negative impact on the environment and climate.

The biggest environmental and climate risks are related to the actual production. Often, the manufacturing process (for example firing of ceramics) is energy intensive.

On selected shipping lanes, Dymak has entered into agreements with carriers about bio-fuelled transport.

Dymak is aware of the environmental and climate impact of its warehouse and offices. To meet this challenge, Dymak has installed solar cells at its head office and invested in European solar parks to cover all CO_2 emissions

from its own offices. In the view of the Group, travelling should be limited to the extent possible from a business perspective.

In addition, based on new rules in the area, sorting of waste has been introduced at the head office in Denmark. Cardboard, plastic (LDPE/transport film) and food waste are recycled.

Being a merchandising business, the Company has limited influence on the end-of-use environmental and climate impact of discarded Dymak products, and therefore, it does not carry out separate work in this area.

In relation to ensuring proper conditions (biodiversity, aquatic environment, the rights of indigenous peoples and forest workers) and preventing deforestation, Dymak is FSC-certified (Chain of Custody). The audit was carried out by Bureau Veritas at the beginning of 2023, and no remarks were made.

In the past year, formalisation of the supplier selection process became a focal point.The process includes criteria for selection, mitigation of risks, potential for improvement, signing of a supplier agreement and Code of Conduct and, finally, a physical audit at the production site, where relevant working conditions are reviewed before a supplier can be approved.

The compliance IT tool for performance of the audit, referred to in last year's Management's Review, is now in operation. The tool is used by our own quality control officers and ensures continuous focus on both environmental and climate aspects of production as well as social conditions and governance (anti-corruption).

Following an audit, a report is generated which forms the basis for an overall assessment of whether the supplier meets the requirements set out in the supplier agreement, etc.

In the coming years, Dymak will make a targeted effort at reducing the number of suppliers. This will contribute to a more efficient production process, which will optimise energy consumption and reduce waste. In addition, the Company will attempt to increase the number of direct deliveries, which will reduce transport and associated CO_2 emissions where possible.

Social matters

Dymak continuously contributes to the improvement of social conditions by requiring new suppliers to be BSCI-certified at C level or become BSCI-certified as a minimum at C level within six months. In addition, Dymak is a member of Amfori. Amfori empowers companies to operate successful and responsible businesses, by helping them improve the environmental, social and governance performance of their value chains.

Dymak's quality control officers make at least three visits: before, during and after production, while applying the proprietary compliance tool to review the production facility's management of the environment, climate, human rights and anti-corruption.

In addition, the Company is actively working to increase the share of BSCI or Sedex-certified suppliers in the future.

Staff matters

Dymak accepts broad social responsibility for all players in our value chain, but we are first and foremost responsible for our own employees. We have chosen to live up to this responsibility by creating a working environment that ensures "A Good Day at Work" for everybody. "A Good Day at Work" is prioritised above everything else as it is seen as the very prerequisite for developing the Company's competitiveness.

Dymak's low employee turnover rate is an indication of success in terms of creating "A Good Day at Work". Out of 150 employees, a total of six employees terminated their employment with Dymak last year, corresponding to a retention rate of 96%. The results of this year's Satisfaction Survey also contribute to this picture. An overall score of 4.3 on a scale of 1 to 5 reflects a group of employees who are generally very satisfied with their workplace

Our new HQ is under construction. The building will be DGNB Gold certified (the environment), Heart certified (staff matters), CO_2 neutral in operation and will generally embrace a good working life. It is the ambition that employees will be showing up at the office because they want to, not because they have to.

Dymak is an inclusive workplace without discrimination, and where employees are hired solely based on their skills and a set of values consistent with our internal values.

Our staff data are handled in software designed specifically for GDPR compliance.

In the coming year, "A Good Day at Work" will remain our focal point and a job satisfaction survey will, in line with previous years, be conducted to track our development.

Human rights

Dymak is continuously working on increasing the proportion of BSCI-certified suppliers.

The reason for this is that the main risks associated with human rights are the conditions at the factories, including observance of working hours, ventilation, etc.Areas targeted by the BSCI.

Dymak believes that human rights are complied with to a greater extent when quality control officers are present locally and address the above conditions during their inspections.

Any issues are pointed out to the factory management. Depending on the nature of the issue, a deadline of one to six months is set for the supplier to rectify the situation.

We did not, during our visits to the factories, identify any significant inconsistencies with Dymak's guidelines or the BSCI rules, and all suppliers with unacceptable scores have cooperated to meet the Company's social compliance requirements.

As product safety at the end user is essential, Dymak has made a strategic choice to eliminate the sale of selected product groups that could potentially entail a risk to the end user.

In addition, efforts are made to minimise the use of glazing containing harmful chemicals, and the Company is actively promoting the sale of products which, from a manufacturing perspective, are less harmful to the environment and climate. These include pottery made of paper where the energy-intensive firing process known from the production of ceramics is avoided.

Dymak is a global company, but with values that are clearly Danish. As such, we want to support democracy and free speech. Dymak is therefore "Democracy Supporter" at the 2023 Copenhagen Democracy Summit. The sponsorship has been signed with the "Alliance of Democracies Foundation", under the leadership of Anders Fogh Rasmussen, former Prime Minister of Denmark and Secretary General of NATO.

Dymak is committed to the communities of which the Company is a part, and therefore, we support, for example, the Danish Children's Rights National Organisation.

In the year to come, all our new suppliers must sign Dymak's Code of Conduct and Supplier Agreement.

Anti-corruption and anti-bribery

Dymak has prepared and applies both an internal and an external Code of Conduct. From this, it is clear that corruption and bribery are strictly forbidden, both by Dymak's employees and at the production facilities. As a global player, Dymak knows that the concept is interpreted differently across cultures and, for this precise reason, the Company continues to communicate and control this matter.

Management's Review

The policy is translated into action by asking all employees in the production areas to sign a declaration clearly stating that corruption and bribery are reported to the police and will lead to termination of employment and cancellation of any bonuses earned.

It is the Company's view that the partnerships established by Dymak through its local presence at the factories reduce the risk of corruption and bribery, both now and in future.

In the past year, an Honesty Agreement was drawn up as an addendum to the Supplier Agreement. The document contains clear guidelines as to which actions are considered to resemble corruption. Suppliers must inform Dymak immediately if they become aware of behaviour resembling corruption.

As part of a risk assessment, selected suppliers in selected markets were tested on a sample basis. Where indications of deviant behaviour existed, measures were taken to prevent corruption and bribery.

Going forward, Dymak will continue to encourage suppliers and employees to report behaviour resembling corruption.

A whistleblower scheme will be implemented in the coming year.

Report on gender representation, cf section 99 b of the Danish Financial Statements Act

Board of Directors

In the past year, the Board of Directors had four members: two women and two men. As Dymak meets the gender representation requirements in terms of female members on the Board of Directors, no target figures have been laid down in this respect.

Other management levels

At the end of the financial year, women accounted for 47% of Dymak's management. As Dymak meets the gender representation requirements in terms of female managers, no target figures have been laid down in this respect.

Recruitment

When recruiting new employees, Dymak does not in general take account of gender, age, ethnicity or other characteristics that are irrelevant to the competences of the candidate. Recruitment is based solely on qualifications.

Promotions

Those who have been promoted to managers in the past year were internal candidates. The Company focuses on identifying employees with the drive and skills necessary to be promoted. Any supplementary training options and management courses which could be relevant to support the managers' development have been considered.

Management's Review

Report on data ethics policy, cf section 99 d of the Danish Financial Statements Act

Data ethics

Dymak is aware of its responsibility to treat all external and internal stakeholders' data safely and securely. IT and data protection policies have been prepared, which are available to all employees on Dymak's intranet.

The policies cover the use of hardware and software, as well as guidelines for IT security and implementation of the GDPR. Ongoing training is carried out across the organisation where needed to ensure that the employees involved act correctly as regards data ethics in their daily work.

Data processing agreements are drawn up with external partners, and only sensitive personal data are registered in systems that comply with the GDPR rules.

Dymak operates in the business-to-business market, which means that Dymak only has business-to-business information, including contact information on customers and suppliers.

Personal data on employees are collected solely for the purposes of employment. Personal data may not be used for purposes other than that for which the data were originally provided.

In addition, the ongoing data ethics efforts and policies are evaluated continuously to ensure compliance with the policies across the organisation.

Uncertainty with recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual circumstances

No unusual events have occurred.

Subsequent events

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

Income Statement 1 July - 30 June

	Note	Group		Parent Company	
		2022/23	2021/22	2022/23	2021/22
		DKK	DKK	DKK	DKK
Revenue	1	**455.731.602**	**712.103.245**	**293.481.602**	**554.320.861**
Other operating income		0	0	15.219.910	11.550.773
Expenses for raw materials and consumables		-330.667.459	-537.108.819	-276.295.888	-511.993.186
Other external expenses		-23.205.347	-22.994.395	-11.602.487	-11.447.085
Gross profit/loss		**101.858.796**	**152.000.031**	**20.803.137**	**42.431.363**
Staff expenses	2	-54.182.899	-60.870.535	-20.712.614	-30.262.768
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-4.909.345	-4.594.055	-4.565.466	-4.024.269
Profit/loss before financial income and expenses		**42.766.552**	**86.535.441**	**-4.474.943**	**8.144.326**
Income from investments in subsidiaries		0	0	35.375.394	57.804.743
Financial income	4	9.568.338	12.352.497	12.960.018	14.817.515
Financial expenses	5	-5.299.200	-5.577.625	-4.837.581	-4.433.048
Profit/loss before tax		**47.035.690**	**93.310.313**	**39.022.888**	**76.333.536**
Tax on profit/loss for the year	6	-7.936.017	-20.516.173	309.501	-3.736.726
Net profit/loss for the year		**39.099.673**	**72.794.140**	**39.332.389**	**72.596.810**

Balance Sheet 30 June

Assets

	Note	Group 2022/23 DKK	Group 2021/22 DKK	Parent Company 2022/23 DKK	Parent Company 2021/22 DKK
Completed development projects		13.870.058	12.502.374	13.426.895	12.046.943
Goodwill		47.143	94.286	0	0
Intangible assets	7	**13.917.201**	**12.596.660**	**13.426.895**	**12.046.943**
Land and buildings		651.180	0	0	0
Other fixtures and fittings, tools and equipment		1.662.736	1.472.177	561.620	956.142
Property, plant and equipment	8	**2.313.916**	**1.472.177**	**561.620**	**956.142**
Investments in subsidiaries	9	0	0	15.503.735	12.763.568
Other investments	10	1.032.898	1.032.898	1.032.898	1.032.898
Deposits	10	8.006.917	6.576.000	8.006.917	6.576.000
Fixed asset investments		**9.039.815**	**7.608.898**	**24.543.550**	**20.372.466**
Fixed assets		**25.270.932**	**21.677.735**	**38.532.065**	**33.375.551**
Raw materials and consumables		1.995.047	0	0	0
Finished goods and goods for resale		15.233.435	66.574.193	2.414.445	13.438.352
Prepayments for goods		7.909.222	13.073.775	7.909.222	13.073.775
Inventories		**25.137.704**	**79.647.968**	**10.323.667**	**26.512.127**
Trade receivables		23.669.629	95.644.550	3.053.464	13.438.401
Receivables from group enterprises		0	0	19.813.086	129.572.476
Other receivables	11	21.842.253	23.138.412	12.629.070	10.619.347
Prepayments	12	2.835.267	3.641.105	1.898.839	1.291.894
Receivables		**48.347.149**	**122.424.067**	**37.394.459**	**154.922.118**
Cash at bank and in hand		**43.116.717**	**2.491.129**	**41.682.257**	**0**
Currents assets		**116.601.570**	**204.563.164**	**89.400.383**	**181.434.245**
Assets		**141.872.502**	**226.240.899**	**127.932.448**	**214.809.796**

Balance Sheet 30 June

Liabilities and equity

	Note	Group		Parent Company	
		2022/23	2021/22	2022/23	2021/22
		DKK	DKK	DKK	DKK
Share capital		1.000.000	1.000.000	1.000.000	1.000.000
Reserve for development costs		0	0	8.912.977	9.396.614
Retained earnings		45.317.652	66.154.518	36.404.675	56.757.904
Proposed dividend for the year		55.000.000	42.000.000	55.000.000	42.000.000
Equity attributable to shareholders of the Parent Company		**101.317.652**	**109.154.518**	**101.317.652**	**109.154.518**
Minority interests		497.333	843.634	0	0
Equity		**101.814.985**	**109.998.152**	**101.317.652**	**109.154.518**
Provision for deferred tax	14	1.061.761	1.377.925	1.061.761	1.377.925
Provisions		**1.061.761**	**1.377.925**	**1.061.761**	**1.377.925**
Credit institutions		0	28.510.872	0	28.510.872
Prepayments received from customers		34.903	91.888	0	91.888
Trade payables		22.363.276	59.953.697	7.393.296	29.188.587
Payables to group enterprises		0	0	10.270.542	32.818.740
Corporation tax		1.006.136	1.529.990	0	0
Payables to group enterprises relating to corporation tax		0	5.638.696	0	5.638.696
Other payables		15.591.441	19.139.679	7.889.197	8.028.570
Short-term debt		**38.995.756**	**114.864.822**	**25.553.035**	**104.277.353**
Debt		**38.995.756**	**114.864.822**	**25.553.035**	**104.277.353**
Liabilities and equity		**141.872.502**	**226.240.899**	**127.932.448**	**214.809.796**

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Statement of Changes in Equity

Group

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 July	1.000.000	0	0	66.154.518	42.000.000	109.154.518	843.634	109.998.152
Exchange adjustments	0	0	0	0	0	0	-94.800	-94.800
Ordinary dividend paid	0	0	0	0	-42.000.000	-42.000.000	0	-42.000.000
Exchange adjustments relating to foreign entities	0	0	0	-1.468.595	0	-1.468.595	0	-1.468.595
Fair value adjustment of hedging instruments, beginning of year	0	0	0	-3.695.823	0	-3.695.823	0	-3.695.823
Fair value adjustment of hedging instruments, end of year	0	0	0	-23.622	0	-23.622	0	-23.622
Net profit/loss for the year	0	0	0	-15.648.826	55.000.000	39.351.174	-251.501	39.099.673
Equity at 30 June	**1.000.000**	**0**	**0**	**45.317.652**	**55.000.000**	**101.317.652**	**497.333**	**101.814.985**

Statement of Changes in Equity

Parent Company

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 July	1.000.000	0	9.396.614	56.757.904	42.000.000	109.154.518	0	109.154.518
Ordinary dividend paid	0	0	0	0	-42.000.000	-42.000.000	0	-42.000.000
Exchange adjustments relating to foreign entities	0	-1.449.810	0	0	0	-1.449.810	0	-1.449.810
Fair value adjustment of hedging instruments, beginning of year	0	0	0	-3.695.823	0	-3.695.823	0	-3.695.823
Fair value adjustment of hedging instruments, end of year	0	0	0	-23.622	0	-23.622	0	-23.622
Development costs for the year	0	0	2.697.069	-2.697.069	0	0	0	0
Depreciation, amortisation and impairment for the year	0	0	-3.180.706	3.180.706	0	0	0	0
Net profit/loss for the year	0	1.449.810	0	-17.117.421	55.000.000	39.332.389	0	39.332.389
Equity at 30 June	**1.000.000**	**0**	**8.912.977**	**36.404.675**	**55.000.000**	**101.317.652**	**0**	**101.317.652**

Cash Flow Statement 1 July - 30 June

	Note	Group 2022/23	Group 2021/22
		DKK	DKK
Net profit/loss for the year		39.099.673	72.794.140
Adjustments	15	7.012.829	25.617.028
Change in working capital	16	83.672.095	-32.163.591
Cash flows from operating activities before financial income and expenses		**129.784.597**	**66.247.577**
Financial income		9.569.875	12.351.001
Financial expenses		-5.300.739	-5.576.129
Cash flows from ordinary activities		**134.053.733**	**73.022.449**
Corporation tax paid		-14.414.731	-15.393.207
Cash flows from operating activities		**119.639.002**	**57.629.242**
Purchase of intangible assets		-5.445.513	-5.411.519
Purchase of property, plant and equipment		-1.783.011	108.188
Fixed asset investments made etc		-1.430.917	-6.607.018
Sale of property, plant and equipment		156.899	0
Cash flows from investing activities		**-8.502.542**	**-11.910.349**
Repayment of loans from credit institutions		-28.510.872	-30.255.298
Repayment of payables to group enterprises		0	-1.886.148
Dividend paid		-42.000.000	-13.000.000
Cash flows from financing activities		**-70.510.872**	**-45.141.446**
Change in cash and cash equivalents		**40.625.588**	**577.447**
Cash and cash equivalents at 1 July		2.491.129	1.913.682
Cash and cash equivalents at 30 June		**43.116.717**	**2.491.129**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		43.116.717	2.491.129
Cash and cash equivalents at 30 June		**43.116.717**	**2.491.129**

Notes to the Financial Statements

		Group		Parent Company	
		2022/23	2021/22	2022/23	2021/22
		DKK	DKK	DKK	DKK
1	**Revenue**				
	Geographical segments				
	Revenue, Denmark	41.099.316	109.272.618	41.099.316	109.272.618
	Revenue, exports	414.632.286	602.830.627	252.382.286	445.048.243
		455.731.602	**712.103.245**	**293.481.602**	**554.320.861**
2	**Staff expenses**				
	Wages and salaries	45.248.649	51.685.336	15.911.110	24.960.496
	Pensions	2.773.382	2.756.086	2.190.726	2.373.401
	Other social security expenses	1.444.641	1.503.458	0	0
	Other staff expenses	4.716.227	4.925.655	2.610.778	2.928.871
		54.182.899	**60.870.535**	**20.712.614**	**30.262.768**
	Including remuneration to the Executive Board and Board of Directors of:				
	Executive Board	1.993.600	3.401.636	1.993.600	3.401.636
	Supervisory Board	520.000	335.000	520.000	335.000
		2.513.600	**3.736.636**	**2.513.600**	**3.736.636**
	Average number of employees	**129**	**148**	**34**	**48**

Notes to the Financial Statements

		Group		Parent Company	
		2022/23	2021/22	2022/23	2021/22
		DKK	DKK	DKK	DKK
3	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**				
	Amortisation of intangible assets	4.124.972	3.756.168	4.077.829	3.709.026
	Depreciation of property, plant and equipment	784.373	837.887	487.637	315.243
		4.909.345	**4.594.055**	**4.565.466**	**4.024.269**
4	**Financial income**				
	Interest received from group enterprises	0	0	4.193.658	3.242.055
	Other financial income	817.458	805.763	18.317	57.986
	Exchange gains	8.750.880	11.546.734	8.748.043	11.517.474
		9.568.338	**12.352.497**	**12.960.018**	**14.817.515**
5	**Financial expenses**				
	Other financial expenses	1.084.558	2.567.897	621.177	1.460.927
	Exchange loss	4.214.642	3.009.728	4.216.404	2.972.121
		5.299.200	**5.577.625**	**4.837.581**	**4.433.048**
6	**Tax on profit/loss for the year**				
	Current tax for the year	8.132.152	21.375.731	0	4.596.284
	Deferred tax for the year	-309.501	-859.558	-309.501	-859.558
	Adjustment of tax concerning previous years	113.366	0	0	0
		7.936.017	**20.516.173**	**-309.501**	**3.736.726**

Notes to the Financial Statements

7 Intangible assets

Group

	Completed development projects	Goodwill	Total
	DKK	DKK	DKK
Cost at 1 July	25.019.124	2.207.870	27.226.994
Additions for the year	5.457.781	0	5.457.781
Cost at 30 June	30.476.905	2.207.870	32.684.775
Impairment losses and amortisation at 1 July	12.529.018	2.113.584	14.642.602
Amortisation for the year	4.077.829	47.143	4.124.972
Impairment losses and amortisation at 30 June	16.606.847	2.160.727	18.767.574
Carrying amount at 30 June	**13.870.058**	**47.143**	**13.917.201**
Amortised over	5 years	3 years	

The Group's development projects consist of the development and implementation of a web-based IT solution and databasesfor use in the collection and processing of purposive data volumes. The costs include external development costs and arevalued in accordance with the expected support of the Group's principal activity of the enterprise

Notes to the Financial Statements

8 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 July	0	16.426.479
Additions for the year	651.180	1.131.831
Disposals for the year	0	-197.129
Cost at 30 June	651.180	17.361.181
Impairment losses and depreciation at 1 July	0	14.954.302
Depreciation for the year	0	770.543
Reversal of impairment and depreciation of sold assets	0	-26.400
Impairment losses and depreciation at 30 June	0	15.698.445
Carrying amount at 30 June	**651.180**	**1.662.736**
Depreciated over		3-10 years

9 Investments in subsidiaries

	Parent Company	
	2022/23	2021/22
	DKK	DKK
Cost at 1 July	21.769.077	21.769.077
Additions for the year	75.090	0
Cost at 30 June	21.844.167	21.769.077

Notes to the Financial Statements

9 Investments in subsidiaries (continued)

	Parent Company 2022/23 DKK	Parent Company 2021/22 DKK
Value adjustments at 1 July	-9.005.509	15.083.283
Exchange adjustment	-1.449.810	7.330.560
Net profit/loss for the year	33.135.897	58.976.432
Dividend to the Parent Company	-31.948.460	-89.224.096
Other equity movements, net	687.952	0
Amortisation of goodwill	-47.143	-47.143
Change in intercompany profit on inventories	2.286.641	-1.124.545
Value adjustments at 30 June	-6.340.432	-9.005.509
Carrying amount at 30 June	**15.503.735**	**12.763.568**
Remaining positive difference included in the above carrying amount at 30 June	47.141	94.284

9 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Dymak Holland BV	Holland		100%
Dymak Xiamen	Kina		100%
Danflora	Kina		70%
Dymak India Limited	Indien		80%
Dymak USA Inc.	USA		100%
Dymak Limited	England		100%
Dymak Canada	Canada		100%

Notes to the Financial Statements

10 Other fixed asset investments

	Group		Parent Company	
	Other investments	Deposits	Other investments	Deposits
	DKK	DKK	DKK	DKK
Cost at 1 July	1.032.898	6.576.000	1.032.898	6.576.000
Additions for the year	0	1.430.917	0	1.430.917
Cost at 30 June	1.032.898	8.006.917	1.032.898	8.006.917
Carrying amount at 30 June	**1.032.898**	**8.006.917**	**1.032.898**	**8.006.917**

11 Other receivables

Other receivables include the positive fair value of currency forward contracts of TDKK 30 for hedging the price of the future financial year's future purchases in USD.

12 Prepayments

Prepayments consist of prepaid expenses.

13 Distribution of profit

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Proposed dividend for the year	55.000.000	42.000.000	55.000.000	42.000.000
Reserve for net revaluation under the equity method	0	0	1.449.810	-22.413.839
Minority interests' share of net profit/loss of subsidiaries	-251.501	197.330	0	0
Retained earnings	-15.648.826	30.596.810	-17.117.421	53.010.649
	39.099.673	**72.794.140**	**39.332.389**	**72.596.810**

Notes to the Financial Statements

14 Provision for deferred tax

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Provision for deferred tax at 1 July	1.377.925	2.237.483	1.377.925	2.237.483
Amounts recognised in the income statement for the year	-309.501	-859.558	-309.501	-859.558
Amounts recognised in equity for the year	-6.663	0	-6.663	0
Provision for deferred tax at 30 June	**1.061.761**	**1.377.925**	**1.061.761**	**1.377.925**

15 Cash flow statement - adjustments

	Group	
	2022/23	2021/22
	DKK	DKK
Financial income	-9.568.338	-12.352.497
Financial expenses	5.299.200	5.577.625
Depreciation, amortisation and impairment losses, including losses and gains on sales	4.909.345	4.594.055
Tax on profit/loss for the year	7.936.017	20.516.173
Other adjustments	-1.563.395	7.281.672
	7.012.829	**25.617.028**

16 Cash flow statement - change in working capital

	Group	
	2022/23	2021/22
	DKK	DKK
Change in inventories	54.510.262	-14.282.908
Change in receivables	74.076.920	-33.372.551
Change in trade payables, etc	-41.195.642	11.796.045
Fair value adjustments of hedging instruments	-3.719.445	3.695.823
	83.672.095	**-32.163.591**

Notes to the Financial Statements

17 Contingent assets, liabilities and other financial obligations

	Group 2022/23 DKK	Group 2021/22 DKK	Parent Company 2022/23 DKK	Parent Company 2021/22 DKK
Charges and security				
The following assets have been placed as security with bankers:				
Company charges registered to the totalling kr. 35.000.000, providing security on accounts receivables, inventory, tangible and tangible assets at a total carrying amount of	23.184.925	59.529.613	23.184.925	59.529.613
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	880.477	712.457	471.682	413.705
Between 1 and 5 years	652.809	922.750	216.702	571.568
	1.533.286	**1.635.207**	**688.384**	**985.273**
Lease obligations, period of non terminability 5-6 years.	9.479.089	11.837.423	6.648.897	7.839.572
Lease obligations regarding properties	127.185.272	127.185.272	127.185.272	127.185.272

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Bøgelund ApS, which is the management company of the joint taxation purposes. Moreover, the 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

18 Related parties

	Basis
Controlling interest	
Bøgelund ApS	70 % ejerandel

Transactions

There have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Bøgelund ApS	Sankt Peders Stræde 21, 2. 2 1453 København K Danmark

Notes to the Financial Statements

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
19 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	240.000	210.000	240.000	210.000
Non-audit services	15.000	0	15.000	0
	255.000	**210.000**	**255.000**	**210.000**
Other accounting firms				
Audit fee	273.102	248.748	0	0
Non-audit services	53.345	274.853	0	0
	326.447	**523.601**	**0**	**0**
	581.447	**733.601**	**255.000**	**210.000**

Notes to the Financial Statements

20 Accounting Policies

The Annual Report of Dymak A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2022/23 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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Dymak A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

20 Accounting Policies (continued)

Business combinations

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

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.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Notes to the Financial Statements

20 Accounting Policies (continued)

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Revenue

Information on business segments and geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

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 Group.

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.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Notes to the Financial Statements

20 Accounting Policies (continued)

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

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.

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

Balance Sheet

Intangible assets

Development projects, patents and licences

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve comprises only development

Notes to the Financial Statements

20 Accounting Policies (continued)

costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 years.

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 5 years. determined on the basis of Management's experience with the individual business areas.

Property, plant and equipment

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

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	3-10	years

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 intangible assets and 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.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

Notes to the Financial Statements

20 Accounting Policies (continued)

The item"Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposit.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Notes to the Financial Statements

20 Accounting Policies (continued)

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.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

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.

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.

Notes to the Financial Statements

20 Accounting Policies (continued)

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Overdraft facilities".

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

20 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$

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Dirigent

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