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CVR no. 20 22 26 70

WENDELBO MØBEL DESIGN A/S

MOSEVEJ 20A, 8240 RISSKOV

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 27 June 2023**

Kristoffer Møller Pedersen

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 21 14 77 02

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COMPANY DETAILS

Company	Wendelbo Møbel Design A/S Mosevej 20A 8240 Risskov CVR No.: 21 14 77 02 Established: 1 July 1998 Municipality: Aarhus Financial Year: 1 January - 31 December
Board of Directors	Per Dollerup Mikkelsen, chairman Kristoffer Møller Pedersen Thomas Riis
Executive Board	Christian Ernemann Lars Wendelbo
Auditor	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C
Bank	Jyske Bank A/S

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Wendelbo Møbel Design A/S for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Risskov, 12 May 2023

Executive Board

Christian Ernemann

Lars Wendelbo

Board of Directors

Per Dollerup Mikkelsen
Chairman

Kristoffer Møller Pedersen

Thomas Riis

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Wendelbo Møbel Design A/S

Opinion

We have audited the Financial Statements of Wendelbo Møbel Design A/S for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 judgment and maintain professional skepticism 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.*

INDEPENDENT AUDITOR'S REPORT

- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.*
- *Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.*
- *Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Aarhus, 12 May 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Trap Olesen
State Authorised Public Accountant
MNE no. mne35625

Jonas Lund Jacobsen
State Authorised Public Accountant
MNE no. mne46611

FINANCIAL HIGHLIGHTS

	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000	2018 DKK '000
Income statement					
Gross profit/loss.....	7,003	6,281	5,363	5,045	5,080
Operating profit/loss before depreciation and amortisation (EBITDA)...	5,397	4,768	3,706	-1,193	2,941
Operating profit/loss of main activities...	5,342	4,722	3,677	-1,226	2,938
Financial income and expenses, net.....	443	190	52	114	242
Profit/loss for the year before tax.....	-2,577	-1,175	3,927	9,503	14,097
Profit/loss for the year.....	-3,876	-2,236	3,108	9,748	13,397
Balance sheet					
Total assets.....	28,843	42,524	30,246	32,431	31,718
Equity.....	3,290	18,017	27,643	30,632	28,498
Investment in property, plant and equipment.....	0	0	0	0	0
Key ratios					
Return on invested capital.....	61.0	64.8	390.1	-33.2	45.6
Equity ratio.....	11.4	42.4	91.4	94.5	89.8
Return on equity.....	-36.4	-9.8	10.7	33.0	56.7

The ratios stated in the list of key figures and ratios have been calculated as follows:

Invested capital:

Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities

Return on invested capital:

$\frac{\text{Profit/loss on ordinary activities} \times 100}{\text{Average invested capital}}$

Equity ratio:

$\frac{\text{Equity ex. minorities, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$

Return on equity:

$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities

The Group's main activities are to manufacture and sell furniture under the Wendelbo brand and the private label brand, Your Furn Partner. The production is carried out from a subsidiary in Vietnam while the products are sold from the Danish subsidiary, Wendelbo Interiors A/S. Wendelbo Møbel Design A/S' principal activity is to develop new products in cooperation with external designers and is therefore the legal holder of production rights for externally owned design rights.

Development in activities and financial and economic position

The company experienced an increase in activities in 2022 compared to 2021. Since the summer of 2022, the company however experienced a drop in activities due to geopolitical events and the following high inflation rates. The company realised in the financial year 2022 a loss of DKK ('000) -2.577 before tax.

Profit/loss for the year compared to the expected development

The Group increased turnover in 2022 compared to 2021 across all geographic segments, however the slow activities in the second half of 2022 effected the revenue, and the revenue did not meet the expectations of the management for the whole year. The profit/loss for 2022 did not turn out as expected due to the lower activities in the second half of 2022.

Significant events after the end of the financial year

The company is not aware of any significant events after closing.

Financial risk

The nature of the Groups operations, investments, and financial arrangements, expose the Group to financial risks from fluctuations in foreign exchange rates and interest rate levels.

Currency risk

The international activities imply that the Group's financial results, cash flows and equity are exposed to fluctuations in various foreign currencies. The main exchange rate exposure relates to the purchase of goods in foreign currency, mainly USD and the production costs in VND. The exposure is mitigated by sales conducted in USD.

Exchange rate exposures related to translation of the financial results and equity of the Vietnamese subsidiary into DKK are not hedged.

Interest rate risk

The Group is exposed to interest risk because entities of the Group borrow funds at variable interest rates.

Credit Risk

The Group has limited credit risk exposure to trade receivables as the Group uses a credit insurance company to mitigate the credit risk.

Tax

As part of the Group conducting business at multiple sites, the group is exposed to potential tax and transfer pricing disputes with local tax authorities. The Group is committed to ensuring compliance with local tax laws and international transfer pricing regulations in the markets in which the Group operates.

Knowledge resources

The Group aims consciously to employ highly qualified people, especially with high technical knowledge within the Group's main activities.

Research and development activities

Currently, the Group works on raising the competence level by training and educating employees and recruiting people with expert knowledge and competencies to complete the complex customer projects, that the company finalises, and in general to pursue the Group's strategy.

MANAGEMENT COMMENTARY

Future expectations

The management expectations for 2023 are that activities will remain at the same level as in 2022. The expectations for earnings for 2023 are in the range of 15 - 18 million DKK before tax. There are no major investments planned for 2023, other than investments following normal operations.

Corporate social responsibility (CSR) report

At Wendelbo, we take our corporate commitments concerning the impact of actions and decisions very seriously and it is essential for us to continuously act and improve our efforts. In 2022, our main objective was to concretise our ESG policy and strategies, resulting in five ESG commitments with subpoints consisting of specific actions and aims aligned with the UN Sustainable Development Goals (SDGs). Though the total list of SDGs spans an extensive range of global issues and concerns, Wendelbo has identified a line of priority areas that correspond to those goals related to the design business, namely Responsible Consumption and Production (No. 12), Decent Work and Economic Growth (No. 8), and Gender Equality (No. 5).

Below, the five ESG commitments are listed and in the following sections, the actions and aims are unfolded in detail.

- Conscious designs
- Considered materials
- Climate and CO2 transparency
- Caring community
- Codes of conduct

Environmental efforts

Conscious Designs

Wendelbo works with subsidiary policies and goals concerning SDG No. 12: Responsible Consumption and Production. Accordingly, we aim to bring enduring designs to the market - in terms of aesthetics, functionality, and quality.

All our products are tested and certified by independent institutes (BIFMA and EN) to ensure the highest levels of strength and stability. Today, all products are EN-certified, while all products to the contract market are BIFMA-certified. From January 1, 2023, we offer a 5-year warranty on all furniture in our collection and a 2-year warranty on all rugs to further accentuate the durability and high quality of our designs. By 2024, we are launching a programme to extend the lifecycle of our designs as much as possible. We aim to do this by offering spare parts and sofas with changeable covers, whilst educating responsible end-users.

Considered Materials

Aiming to challenge ourselves to make more sustainable choices in the design process and production, we carefully consider each component that goes into a design and the packaging surrounding it.

Our archived initiatives and future ambitions include:

Packaging

- In 2022, we converted from plastic to FSC-certified envelopes for fittings.
- By 2023, we aim to switch to 100% FSC-certified carton boxes.
- From 2024, we will eliminate all use of Styrofoam and virgin plastic in packaging.

Wood

- By 2023, all pine wood will be FSC-certified.
- In 2025, we will be FSC-COC-certified, applicable to all types of wood.

Leather

- By 2024, we will launch one chrome-free leather in the Wendelbo collection.

Virgin Plastic

- By 2022, no new products will be launched with virgin plastic as the main material.

MANAGEMENT COMMENTARY

Corporate social responsibility (CSR) report (continued)

Climate and CO2 Transparency

We are continuously working on our policies towards reducing our waste, our energy consumption and lowering our carbon footprint.

In 2022, we have initiated a process with a screening tool, tracking our products' components and their origins, thereby calculating the total CO2 emission of each product to reduce the emissions and avoid toxic substances. Our aim is that in 2023, 50% of approx. 50 product families will be screened, and in 2024: 100% of all product families. Furthermore, we are in the process of mapping all our direct and indirect CO2 emissions to identify where and how to reduce our carbon footprint. In Q2 2023, status reports concerning scopes 1 and 2 will be released.

Today, all Danish offices and showrooms are running on 100% renewable energy and by 2025, all offices, showrooms and production facilities will be running on 100% renewable energy.

In terms of waste reduction, we aim to sort waste into as many categories as possible at all Wendelbo facilities throughout 2023 to be able to optimise the company's waste reduction and disposal scheme policies.

As a result of our environmental efforts, the Group has not identified any significant environmental risks.

Social efforts

Caring Community

At Wendelbo, we continuously seek to improve our social and staff policies to protect labour rights, human rights, and to create a safe and secure working environment for all employees in alignment with SDG No. 8, concerning Decent Work and Economic Growth.

In the production facilities in Vietnam, the noise level, microclimate, air humidity and chemical levels are regularly assessed to ensure an acceptable level and work wear, ergonomic chairs and workstations are offered to employees. At our production site, we celebrate women's day, give birthday gifts, and offer catered lunch meals. Employees must attend safety courses as well as first aid and fire courses. Our facilities are regularly undergoing 3rd party safety inspections.

Gender Equality

Additionally, Wendelbo works with policies regarding specific subsidiary goals under SDG No. 5, concerning Gender Equality. At the other managerial levels in the Group, which includes executives and a small number of department and team managers, there is at present time an equal gender distribution. The Group aims to maintain an equal gender distribution of managers in the Group itself and the subsidiaries, and the Group policy in this respect is that the focus should, as far as possible, be on an equal gender distribution at the managerial level.

The Group has not identified any significant social risks in correlation to our social efforts.

Governance efforts

Codes of Conduct

We are dedicated to ensuring that Wendelbo's policies reflect our ethical and responsible business conduct that fully complies with all applicable rules, regulations, and laws. In addition to adhering to Danish laws and high standards, we follow regulations in the markets where we operate. We advocate for diversity, encourage transparency, and are strongly opposed to corruption in any form, including bribery and extortion. Furthermore, we are annually BSCI-audited to offer full transparency of our ethical and responsible business conduct.

Supplier Code of Conduct

Throughout our supply chain, we nurture long-lasting relationships based on mutual value creation, respectful behaviour, and transparent communication. As we aim to take responsibility for our

MANAGEMENT COMMENTARY

Corporate social responsibility (CSR) report (continued)

operations, our policy is that our suppliers should do the same. Therefore, we have formed a Code of Conduct for all partners in our supply chain. The Code of Conduct includes principles that respect labour laws, human rights, ethical conduct as well as the environment. Key issues include anti-corruption policies and prohibiting child labour. We continuously encourage our suppliers to sign and comply with our supplier code of conduct. To date, 46% have signed, among them the 10 biggest suppliers.

Whistle-blower Policy

Ultimo 2022, we established a task group whose purpose is to formulate the Group's whistle-blower policy. During 2023, the work will result in a policy providing guidance on receiving and dealing with complaints and concerns within the company.

Statutory Report on Data Ethics Policy

At Wendelbo, we have a data policy and place great emphasis on our moral obligations to treat data with respect and transparency. In line with the increased focus on the protection of personal data and data in general, Wendelbo likewise has a policy concerning the ethically correct treatment of data, not only by complying with applicable laws but also in line with our moral principles.

At Wendelbo, our data policy is based on the following core areas: customer data, internal processes and how we act in accordance with the outside world.

Our customers can always request and gain insight into the information we store about them and how we process this information. We work continuously on optimising the information structure so that we ensure a continuous overview and increased transparency towards our customers. To achieve this, we constantly focus on what information we store and what information we pass on to 3rd parties. Only information that is necessary for delivering the product will be passed on. Likewise, we continuously focus on deleting personal information and obsolete data. The overall policy is to ensure that Wendelbo never stores more information about customers and partners than necessary.

Our employees hold a profound responsibility for this trust and transparency. Therefore, we continuously optimise our internal data policies. We are dedicated to ensuring that all employees follow a common path and operate within the same moral principles, and we continuously train employees in GDPR.

At Wendelbo, we ensure high protection of employees' private information and we have gained consent to be able to share specified personal data, such as pictures on websites, which may be revoked at any time. All new employees receive a thorough introduction to our internal systems and an introduction to our data policy and the ethical framework under which we operate. Our aim is that our moral code of conduct becomes an inherent and visible part of our corporate culture and not just a written statement.

We operate worldwide and are aware of our responsibilities according to our moral obligations in sharing the data we handle. We have signed data processor agreements with all relevant 3rd parties and our database is regularly updated with changes or when new agreements are being made.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK '000	2021 DKK '000
GROSS PROFIT		7,003	6,281
Staff costs.....	1	-1,606	-1,513
Depreciation, amortisation and impairment losses.....		-55	-46
OPERATING PROFIT		5,342	4,722
Income from equity interests in Group enterprises.....	2	-8,362	-6,087
Other financial income.....	3	1,470	276
Other financial expenses.....	4	-1,027	-86
LOSS BEFORE TAX		-2,577	-1,175
Tax on profit for the year.....	5	-1,299	-1,061
LOSS FOR THE YEAR	6	-3,876	-2,236

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK '000	2021 DKK '000
Intangible fixed assets acquired.....		405	301
Intangible assets	7	405	301
Investments in subsidiaries.....		21,591	14,074
Financial non-current assets	8	21,591	14,074
NON-CURRENT ASSETS		21,996	14,375
Receivables from group enterprises.....		6,742	14,534
Other receivables.....		35	324
Prepayments.....	9	33	357
Receivables		6,810	15,215
Cash and cash equivalents		37	12,934
CURRENT ASSETS		6,847	28,149
ASSETS		28,843	42,524
EQUITY AND LIABILITIES			
Share capital.....	10	833	833
Reserve for net revaluation under the equity method.....		0	5,252
Retained earnings.....		2,457	932
Proposed dividend.....		0	11,000
EQUITY		3,290	18,017
Provision for deferred tax.....	11	10	4
Provisions for equity investments in group enterprises.....		2,731	0
PROVISIONS		2,741	4
Bank loan.....		19,960	19,960
Non-current liabilities	12	19,960	19,960
Trade payables.....		869	606
Debt to Group companies.....		0	1,318
Corporation tax payable.....		1,288	1,645
Other liabilities.....		695	974
Current liabilities		2,852	4,543
LIABILITIES		22,812	24,503
EQUITY AND LIABILITIES		28,843	42,524
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EQUITY

	Share capital	Reserve for net revaluati- on under the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 January 2022.....	833	5,252	932	11,000	18,017
Proposed profit allocation, see note 6....		-8,362	4,486		-3,876
Transactions with owners					
Dividend paid.....				-11,000	-11,000
Other legal bindings					
Foreign exchange adjustments.....		149			149
Other adjustments to equity value.....		2,961	-2,961		0
Equity at 31 December 2022.....	833	0	2,457	0	3,290

NOTES

	2022 DKK '000	2021 DKK '000	Note
Staff costs			1
Average number of employees	2	2	
Wages and salaries.....	1,486	1,234	
Pensions.....	120	279	
	1,606	1,513	
Remuneration of Management and Board of Directors.....	1,606	1,513	
	1,606	1,513	
Income from equity interests in Group enterprises			2
Income from investments in subsidiaries.....	-8,362	-6,087	
	-8,362	-6,087	
Other financial income			3
Group enterprises.....	1,452	200	
Other interest income.....	18	76	
	1,470	276	
Other financial expenses			4
Group enterprises.....	0	57	
Other interest expenses.....	1,027	29	
	1,027	86	
Tax on profit for the year			5
Calculated tax on taxable income of the year.....	1,288	1,058	
Adjustment of tax in previous years.....	5	0	
Adjustment of deferred tax.....	6	3	
	1,299	1,061	
Proposed distribution of profit			6
Proposed dividend for the year.....	0	11,000	
Allocation to reserve for net revaluation under the equity method.....	-8,362	-6,088	
Retained earnings.....	4,486	-7,148	
	-3,876	-2,236	

NOTES

		Note	
Intangible assets		7	
	Intangible fixed assets acquired		
Cost at 1 January 2022.....	406		
Additions.....	160		
Cost at 31 December 2022.....	566		
Amortisation at 1 January 2022.....	106		
Amortisation for the year.....	55		
Amortisation at 31 December 2022.....	161		
Carrying amount at 31 December 2022.....	405		
 Financial non-current assets		 8	
	Investments in subsidiaries		
Cost at 1 January 2022.....	1,822		
Additions.....	20,000		
Disposals.....	0		
Cost at 31 December 2022.....	21,822		
Revaluation at 1 January 2022.....	12,252		
Dividend.....	-7,000		
Profit/loss for the year.....	-8,362		
Negative balance.....	2,730		
Foreign exchange adjustments.....	149		
Revaluation at 31 December 2022.....	-231		
Carrying amount at 31 December 2022.....	21,591		
 Investments in subsidiaries (DKK '000)			
Name and domicil	Equity	Profit/loss for the year	Ownership
Wendelbo Interiors A/S, Aarhus, Denmark.....	21,591	-3,382	100 %
Wendelbo South East Asia JSC, Vietnam.....	-1,194	-4,591	98 %
		2022	2021
		DKK '000	DKK '000
 Prepayments			 9
Prepaid costs.....		33	357
		33	357

NOTES

		2022	2021	Note
		DKK '000	DKK '000	
Share capital				10
Allocation of share capital:				
A-shares, 833,333 unit in the denomination of 1 DKK.....		833	833	
		833	833	
Provision for deferred tax				11
The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.				
		2022	2021	
		DKK '000	DKK '000	
Deferred tax, beginning of year.....		4	1	
Deferred tax of the year, income statement.....		6	3	
Provision for deferred tax 31 December 2022.....		10	4	
Long-term liabilities				12
	31/12 2022	Repayment	Debt	31/12 2021
	total liabilities	next year	outstanding	total liabilities
			after 5 years	
Bank loan.....	19,960	0	5,000	19,960
	19,960	0	5,000	19,960
Contingencies etc.				13
The Company has given a payment guarantee for Wendelbo Interiors A/S' bank engagement, the carrying amount of which is DKK ('000) 21,011 at the balance sheet date.				
Furthermore, the company has given a statement of support to Wendelbo South East Asia JSC, for the coming 12 months from the balance date, to support the financial situation of the company.				
Joint liabilities				
The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.				
Tax payable on the Group's joint taxable income is stated in the annual report of MIE5 Holding 8 ApS, which serves as management company for the joint taxation.				

NOTES

	Note
Charges and securities	14
As security for the bank account with the Company and Wendelbo Interiors A/S, which amounts to DKK ('000) 40,971 at the balance sheet date, shares of a nominal amount of DKK 500,000 in Wendelbo Interiors A/S have been pledged.	
Related parties	15
The Company's related parties include:	
Controlling interest	
MIE5 Datterholding 8 ApS, Mosevej 20A, 8240 Risskov.	
Transactions with related parties	
The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.	
Consolidated Financial Statements	16
The Company is also included in the Consolidated Financial Statements of MIE5 Datterholding 8 ApS, Gammeltorv 18, 1457 Copenhagen K, CVR no. 40 21 63 24, which is the Company's Parent Company and in the Consolidated Financial Statements of MIE5 Holding 8 ApS, Gammeltorv 18, 1457 Copenhagen K, CVR no. 40 21 58 08, which is the Company's ultimate Parent Company.	

ACCOUNTING POLICIES

The Annual Report of Wendelbo Møbel Design A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

Consolidated financial statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The company is included in the consolidated financial statements of MIE5 Datterholding 8 ApS, Gammeltovej 18, 1457 Copenhagen K, CVR no. 40 21 63 24, which is the Company's Parent Company and in the Consolidated Financial Statements of MIE5 Holding 8 ApS, Gammeltovej 18, 1457 Copenhagen K, CVR no. 40 21 58 08, which is the Company's ultimate Parent Company.

INCOME STATEMENT

Net revenue

Royalty income is recognised in the income statements where revenue, forming basis for royalty, has been earned by the payer of royalty.

Cost of sales

Royalty payments are recognised when the underlying revenue has been earned.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Income from investments in subsidiaries

The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 10 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Financial non-current assets

Investments in subsidiaries are measured in the company's balance sheet under the equity method.

Investments in subsidiaries are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the company's has a legal or actual liability to cover the subsidiaries deficit.

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Other liabilities are measured at amortised cost equal to nominal value.

CASH FLOW STATEMENT

With reference to section 86 of the Danish Financial Statements Act. 4, the company has chosen not to prepare a cash flow statement. A cash flow statement has been prepared for the group.