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Kystvejen 29
DK-8000 Aarhus C
CVR no. 20 22 26 70

WENDELBO MØBEL DESIGN A/S

MOSEVEJ 20A, 8240 RISSKOV

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2021

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 25 May 2022**

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	Thomas Riis Per Dollerup Mikkelsen, chairman Erik Preben Holm
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 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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, 25 May 2022

Executive Board

Christian Ernemann

Lars Wendelbo

Board of Directors

Thomas Riis

Per Dollerup Mikkelsen
Chairman

Erik Preben Holm

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 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (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, 25 May 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Trap Olesen
State Authorised Public Accountant
MNE no. mne35625

MANAGEMENT COMMENTARY

Principal activities

The Company's principal activities are to hold equity interests and trademark rights.

Development in activities and financial and economic conditions

The results for the year after tax show a loss of DKK ('000) 2,236 and the Company's balance sheet at 31 December 2021 shows equity of DKK ('000) 18,018. Management finds the financial development and the results for the year satisfactory, taking the negative effect of COVID-19 into consideration. In December 2021 the company secured a new bank loan partly guaranteed by Vækstfonden.

In March 2020, WHO declared the global outbreak of the until now unknown corona virus 2019 (COVID-19) a pandemic, and the effect of this pandemic has affected the results and financial conditions of the Company's customers as well as the Company and the Group in the financial year 2021. The society continues to be subject to restrictions and, thus, there is also uncertainty with respect to the scope of or the impact on the Company and its customers for the financial year 2022. The ultimate impact on the Company and its financial conditions for the coming financial year is not known at the present time.

These Financial Statements for the year ended 31 December 2021 do not disclose the effect of these subsequent events and the inherent operating risks relating to the present global situation.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position, except for the continued effect of local restrictions due to the COVID-19 outbreak, as described above.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2021 DKK	2020 DKK
GROSS PROFIT		6,282,768	5,363,099
Staff costs.....	1	-1,513,258	-1,656,994
Depreciation, amortisation and impairment losses.....		-46,401	-29,011
OPERATING PROFIT		4,723,109	3,677,094
Income from equity interests in Group enterprises.....	2	-6,087,952	197,979
Other financial income.....	3	275,648	80,653
Other financial expenses.....	4	-85,775	-28,781
LOSS BEFORE TAX		-1,174,970	3,926,945
Tax on profit for the year.....	5	-1,060,540	-819,116
LOSS FOR THE YEAR		-2,235,510	3,107,829
PROPOSED DISTRIBUTION OF PROFIT			
Proposed dividend for the year.....		11,000,000	8,000,000
Allocation to reserve for net revaluation under the equity method.....		-6,087,952	197,979
Retained earnings.....		-7,147,558	-5,090,150
TOTAL		-2,235,510	3,107,829

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2021 DKK	2020 DKK
Intangible fixed assets acquired.....		300,268	227,136
Intangible assets.....	6	300,268	227,136
Investments in subsidiaries.....		14,074,151	24,551,829
Financial non-current assets.....	7	14,074,151	24,551,829
NON-CURRENT ASSETS.....		14,374,419	24,778,965
Receivables from group enterprises.....		14,534,116	4,317,560
Other receivables.....		323,952	311,525
Joint tax contribution receivable.....		0	583,605
Prepayments.....		356,401	40,252
Receivables.....		15,214,469	5,252,942
Cash and cash equivalents.....		12,934,229	214,012
CURRENT ASSETS.....		28,148,698	5,466,954
ASSETS.....		42,523,117	30,245,919
EQUITY AND LIABILITIES			
Share capital.....		833,333	833,333
Reserve for net revaluation under the equity method.....		5,252,104	22,729,782
Retained earnings.....		932,179	-3,920,263
Proposed dividend.....		11,000,000	8,000,000
EQUITY.....		18,017,616	27,642,852
Provision for deferred tax.....		3,949	1,380
PROVISIONS.....		3,949	1,380
Bank loan.....		19,960,000	0
Non-current liabilities.....	8	19,960,000	0
Trade payables.....		604,625	584,545
Debt to Group companies.....		1,317,647	0
Corporation tax payable.....		1,644,508	649,298
Other liabilities.....		974,772	1,367,844
Current liabilities.....		4,541,552	2,601,687
LIABILITIES.....		24,501,552	2,601,687
EQUITY AND LIABILITIES.....		42,523,117	30,245,919
Contingencies etc.	9		
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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 2021.....	833,333	17,729,782	1,079,737	8,000,000	27,642,852
Proposed profit allocation.....		-6,087,952	-7,147,558	11,000,000	-2,235,510
Transactions with owners					
Dividend paid.....				-8,000,000	-8,000,000
Other legal bindings					
Foreign exchange adjustments.....		610,274			610,274
Transfers					
Receiv./decl. dividend.....		-7,000,000	7,000,000		0
Equity at 31 December 2021	833,333	5,252,104	932,179	11,000,000	18,017,616

NOTES

	2021 DKK	2020 DKK	Note
Staff costs			1
Average number of employees	2	2	
Wages and salaries.....	1,234,458	1,531,622	
Pensions.....	278,800	120,000	
Social security costs.....	0	5,372	
	1,513,258	1,656,994	
Income from equity interests in Group enterprises			2
Income from investments in subsidiaries.....	-6,087,952	197,979	
	-6,087,952	197,979	
Other financial income			3
Group enterprises.....	199,600	80,653	
Other interest income.....	76,048	0	
	275,648	80,653	
Other financial expenses			4
Group enterprises.....	56,904	0	
Other interest expenses.....	28,871	28,781	
	85,775	28,781	
Tax on profit for the year			5
Calculated tax on taxable income of the year.....	1,057,971	817,736	
Adjustment of deferred tax.....	2,569	1,380	
	1,060,540	819,116	
Intangible assets			6
		Intangible fixed assets acquired	
Cost at 1 January 2021.....		286,885	
Additions.....		119,533	
Cost at 31 December 2021.....		406,418	
Amortisation at 1 January 2021.....		59,749	
Amortisation for the year.....		46,401	
Amortisation at 31 December 2021.....		106,150	
Carrying amount at 31 December 2021.....		300,268	

NOTES

	Note															
Financial non-current assets	7															
Investments in subsidiaries																
Cost at 1 January 2021.....	1,822,044															
Disposals.....	0															
Cost at 31 December 2021.....	1,822,044															
Revaluation at 1 January 2021.....	22,729,785															
Dividend.....	-5,000,000															
Profit/loss for the year.....	-6,087,952															
Foreign exchange adjustments.....	610,274															
Revaluation at 31 December 2021.....	12,252,107															
Carrying amount at 31 December 2021.....	14,074,151															
Long-term liabilities	8															
<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="text-align: right; width: 15%;">31/12 2021 total liabilities</th> <th style="text-align: center; width: 10%;">Repayment next year</th> <th style="text-align: center; width: 15%;">Debt outstanding after 5 years</th> <th style="text-align: right; width: 20%;">31/12 2020 total liabilities</th> </tr> </thead> <tbody> <tr> <td>Bank loan.....</td> <td style="text-align: right;">19,960,000</td> <td style="text-align: center;">0</td> <td style="text-align: center;">5,000,000</td> <td style="text-align: right;">0</td> </tr> <tr> <td></td> <td style="text-align: right;">19,960,000</td> <td style="text-align: center;">0</td> <td style="text-align: center;">5,000,000</td> <td style="text-align: right;">0</td> </tr> </tbody> </table>		31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities	Bank loan.....	19,960,000	0	5,000,000	0		19,960,000	0	5,000,000	0	
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities												
Bank loan.....	19,960,000	0	5,000,000	0												
	19,960,000	0	5,000,000	0												
Contingencies etc.	9															
The Company has given a payment guarantee for Wendelbo Interiors A/S' bank engagement, the carrying amount of which is DKK ('000) 17,123 at the balance sheet date.																
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.																
Charges and securities	10															
As security for the bank account with the Company and Wendelbo Interiors A/S, which amounts to DKK ('000) 37,123 at the balance sheet date, shares of a nominal amount of DKK 500,000 in Wendelbo Interiors A/S have been pledged.																
Consolidated Financial Statements	11															
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 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B.

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, 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.

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.

Fixed asset investments

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.