DSHwood A/S

Glarmestervej 7, DK-7000 Fredericia

Annual Report for 1 July 2023 - 30 June 2024

CVR No. 25 67 23 05

The Annual Report was presented and adopted at the Annual General Meeting of the company on 2/10 2024

Lasse Skovlund Bech
Chairman of the general meeting

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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of DSHwood A/S for the financial year 1 July 2023 - 30 June 2024.

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 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023/24.

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

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

Fredericia, 2 October 2024

Executive Board

Lasse Skovlund Bech
CEO

Board of Directors

Peter Arndrup Poulsen Chairman	Henning Kruse Lorentzen	Poul Fløe Leineweber
Anne Mette Aaby Aaes		

Independent Auditor's report

To the shareholder of DSHwood 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 2024 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 2023 - 30 June 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of DSHwood A/S for the financial year 1 July 2023 - 30 June 2024, 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 Financial 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 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 Parent 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 Parent 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 Group´s and the Parent Company´s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group´s and the Parent 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 Parent 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.

Independent Auditor's report

Trekantområdet, 2 October 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Aslund Pedersen
State Authorised Public Accountant
mne17120

Lars Almskou Ohmeyer
State Authorised Public Accountant
mne24817

Company information

The Company	DSHwood A/S Glarmestervej 7 DK-7000 Fredericia Telephone: + 45 74 55 25 36 Website: www.dshwood.com CVR No: 25 67 23 05 Financial period: 1 July 2023 - 30 June 2024 Municipality of reg. office: Fredericia
Board of Directors	Peter Arndrup Poulsen, chairman Henning Kruse Lorentzen Poul Fløe Leineweber Anne Mette Aaby Aaes
Executive Board	Lasse Skovlund Bech
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Milnersvej 43 DK-3400 Hillerød

Group Chart

Company	Residence	Ownership
DSHwood A/S	**Fredericia, Denmark**	
DSHwood GmbH,	Wietze, Germany	100 %
DSHwood UK Ltd.	Inverness, Scotland	100 %
DSHwood France SAS	Villefranche, France	100 %
DSHwood Impex Private Limited	Mumbai, India	100 %

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2023/24	2022/23	2021/22	2021	2020
	TDKK 12 months	TDKK 12 months	TDKK 12 months	TDKK 6 months	TDKK 12 months
Key figures					
Profit/loss					
Revenue	574,595	864,350	768,446	377,279	560,333
Gross profit	18,448	43,523	55,786	40,186	47,704
Profit/loss of primary operations	-16,378	10,132	26,599	22,168	22,548
Profit/loss of financial income and expenses	-5,767	-5,610	-1,868	-874	-2,074
Net profit/loss for the year	-22,314	1,885	16,969	14,742	13,261
Balance sheet					
Balance sheet total	128,997	212,931	208,417	154,040	147,217
Investment in property, plant and equipment	171	685	700	646	213
Equity	29,685	52,009	54,231	45,155	35,181
Cash flows					
Cash flows from:					
- operating activities	80,671	-53,030	3,258	-5,136	6,924
- investing activities	-20	-967	-642	-100	12,433
- financing activities	-69,339	51,809	-5,344	8,118	-21,313
Change in cash and cash equivalents for the year	11,312	-2,188	-2,728	2,882	-1,946
Number of employees	57	56	44	41	45
Ratios					
Gross margin	3.2%	5.0%	7.3%	10.7%	8.5%
Profit margin	-2.9%	1.2%	3.5%	5.9%	4.0%
Return on assets	-12.7%	4.8%	12.8%	14.4%	15.3%
Solvency ratio	23.0%	24.4%	26.0%	29.3%	23.9%
Return on equity	-54.6%	3.5%	34.1%	36.7%	57.1%

Management's review

Key activities

The primary activity of The Group is international trade of raw wood. The primary areas of sourcing for The Group are Denmark, Germany, UK, and France, while the primary markets for the Group's products are China, Vietnam, India, France, Germany, UK and Denmark.

Subsidiaries abroad

The Group is structured with a parent company in Denmark and subsidiaries in Germany, England, France, and India. Further, the parent company is represented with its own sales organisation in China and Vietnam.

Development in the year

The income statement of the Group for 2023/24 shows a loss of TDKK 22,314, and at 30 June 2024 the balance sheet of the Group shows positive equity of TDKK 29,781.

Result for the year has been negatively influenced by decline in demand from overseas markets and generally very difficult market conditions in autumn 2023. Further, an earlier buildup of high stocks has influenced the business performance negatively.

A large decrease in turnover vs expected turnover, combined with smaller margins was the main driver of the large deviation between the expected result and the realized result. Also, necessary write downs on stock value contributed to the negative deviation.

Market conditions improved throughout spring season, and the company has also brought down working capital H2 of 23/24.

The result is considered unsatisfactory.

Market risks

The demand for European raw wood is influenced by the general economic development throughout the world, including the development in global freight rates. The Groups result is therefore sensitive to global financial trends and a recession will have a negative impact on the Groups activity. These risks are mitigated to some extend through the presence on various markets and through diversification of tree species in the Groups assortment.

Foreign exchange risks

Selling in multiple overseas markets and sourcing of freight is made in currencies that are not linked to EUR. In those cases, currency hedging is made. However, the majority of the activity of The Group is in EUR, and activity in other currencies are subject to risk mitigation, why the currency risk is seen as low.

Climate risks

The physical delivery of raw wood from the Group's suppliers is frequently impacted by unfavorable weather conditions, which challenges the access to the forests. As the Group is sourcing on several different geographical markets, this risk is mitigated to some extent. Extreme weather conditions can impact the Group's activities from displacement of delivery plans as well as unusual changes in prices.

Country risks

The Group's primary activities are spread on several countries. None of The Group's primary activities are in countries considered high risk countries.

Financial risks

The Group is a trading group with normal business risks on debtors and creditors. To mitigate that risk, DSHWood cooperate with a credit insurance company.

Targets and expectations for the year ahead

For 2024/25 the Group expects an improved result, due to an expected improvement in market conditions as well as improved internal procedures in management of working capital and risks. A positive result is expected for 24/25 in the range of 8-10 mio. DKK EBT.

External environment

DSHwood is chain-of-custody certified according to the demands and rules of PEFC and FSC regarding sustainable forestry. DSHwood is further certified according to the demands and rules of Controlled Wood. The Biomass department of DSHwood A/S is certified according to the demands and rules of SBP (Sustainable Biomass Production). As the Group is a trading entity without any own production facilities there is no significant risks related to the external environment.

Statement of corporate social responsibility

DSHwood A/S is governed as a company in accordance with the objectives stated in the articles of association and regulations, where participation in market and product development of wood products is the focus, and takes place with due consideration of the certification schemes for sustainable forestry to which the DSHwood Group has voluntarily submitted. Thus DSHwood has a number of certifications that caters many aspects within corporate social responsibility. A.o. FSC, PEFC and SBP.

Legislation to limit the felling of trees to protect the environment may mean a risk of reduced supply. Since the group purchases wood in many different countries and there are currently no challenges in purchasing wood in sufficient quantities, the risk is assessed to be low. Furthermore, as the Group is a trading entity without any own production facilities there is no significant risks related to the external environment.

DSHwood A/S' risks for violations of human rights and anti-corruption and bribery are estimated to be low, as the company's products predominantly produced and sourced from Denmark, the rest of the EU and the UK.

The Company do not have a policy on the above- mentioned topics due to the fact that the risks are considered to be low. Furthermore, the Company is a smaller trading company with no own production and only small departments situated in several countries. Thus, a large part of the company's impact on these issues are addressed through the certifications, the Company voluntarily are living up to, through which it is reckoned the Company can make a larger positive impact on improving climate, environment and social conditions in the areas of activities.

Employees are of considerable importance to the success of the business and lack of skilled workers is a risk for the Company. Historically, however, the Company has not experienced major difficulties in attracting qualified labor, and the central location in the Triangle area ensures a continued good recruitment basis.

With regard to HR policy, DSHwood A/S has worked out an employee handbook, as well as a process for evaluating work environment. The Company's policy is to provide equal recruitment and other opportunities for all employees, regardless of sex, religion, color, age, race and disability. Furthermore, the policy focuses on avoiding work-related accidents as transportation of goods includes heavy wooden logs.

The company has not carried out a formal employee survey during 2023/24, but review and assessment of employee satisfaction takes place via annual employee development interviews. Based on these interviews the Management considers the work environment to be positive and supported by the number of employees leaving the Company is lower than in prior years. During 2023/24 four male employees have left the Company and have been replaced by three males and one female. The change in distribution on gender is not considered unusual due to the size of the Company with activities within the forest and trading industry.

During 2023/24 the Company has continued acquiring protective equipment such as shoes and vests. No major work-related accidents have happened during the year.

In 2024/25, the Company will implement the legally required rules on registration of working hours. Besides that, no new measures have been decided, but the Company continuously monitors the need for changes and measures to ensure a good working environment.

Management's review

Statement on gender composition

The management has drawn up a gender policy with the aim of - towards 2026 - ensuring a better balance. The goal is a 60/40 distribution so that there is no gender underrepresentation. The gender policy has been approved by the board, which will also continuously follow up on this.

DSHwood A/S' board consists of 4 people, one of whom is a female, and the relatively low number of board members taken into consideration, the distribution according to gender is achieved.

	2023/24
Top management	
Total number of members	4
Underrepresented gender %	25%
Other management levels	
Total number of members	6
Underrepresented gender %	17%

During the year the number of employees in DSHwood A/S has been below 50 full-time employees. The entity is therefore not required to set targets and prepare a policy to increase the share of the underrepresented gender.

Statement on data ethics

DSHwood A/S has drawn up a policy for data ethics in the current financial year. The Policy for Data Ethics has been approved by the board.

DSHwood A/S is dedicated to being conscious of its social responsibility. Data ethics are evolving in parallel to the values of the surrounding community, which is why the principles should be continuously evaluated and revised to avoid a behavior that is not in accordance with the data ethical principles.

DSHwood A/S collects and processes the following information in its operations:
•Customer- and vendor details (including name, address, area information and email address)
•Employee details in terms of salary related administration
•Information that DSHwood A/S receives regarding to purchases and sales of our products

The Policy for Data Ethics further describes how DSHwood A/S handle data in relation to Privacy, Human Dignity, Responsibility and Security, Equality and Diversity.

In 2023/24, the company has focused on continued compliance with the GDPR legislation. In the course of 2023/24, there has been no use of new technologies, such as AI, which necessitates the adjustment of the Company's Policies for Data Ethics.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position 30 of June 2024 of the Group and the results of the activities and cash flows of the Group for the financial year for 2023/24 have not been affected by any unusual events.

Management's review

Subsequent events

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

Income statement 1 July 2023 - 30 June 2024

		Group		Parent company	
	Note	2023/24	2022/23	2023/24	2022/23
		TDKK	TDKK	TDKK	TDKK
Revenue	1	574,595	864,350	210,753	328,352
Other operating income		874	4,305	15,408	12,386
Expenses for raw materials and consumables		-512,814	-747,760	-209,215	-313,201
Other external expenses		-44,207	-77,372	-12,475	-12,027
Gross profit		**18,448**	**43,523**	**4,471**	**15,510**
Staff expenses	2	-34,159	-32,792	-17,121	-12,430
Depreciation and impairment losses of property, plant and equipment		-667	-599	-254	-215
Profit/loss before financial income and expenses		**-16,378**	**10,132**	**-12,904**	**2,865**
Income from investments in subsidiaries		0	0	-4,849	1,482
Income from investments in associates		-1	-10	-1	-10
Financial income	3	402	851	631	1,102
Financial expenses	4	-6,168	-6,451	-5,191	-3,554
Profit/loss before tax		**-22,145**	**4,522**	**-22,314**	**1,885**
Tax on profit/loss for the year	5	-169	-2,637	0	0
Net profit/loss for the year	6	**-22,314**	**1,885**	**-22,314**	**1,885**

Balance sheet 30 June 2024

Assets

	Note	Group 2023/24	Group 2022/23	Parent company 2023/24	Parent company 2022/23
		TDKK	TDKK	TDKK	TDKK
Other fixtures and fittings, tools and equipment		733	1,308	331	401
Leasehold improvements		8	38	8	38
Property, plant and equipment	7	**741**	**1,346**	**339**	**439**
Investments in subsidiaries	8	0	0	65,363	60,483
Investments in associates	9	0	0	0	0
Receivables from group enterprises	10	0	0	0	1,735
Other receivables	10	378	421	0	0
Fixed asset investments		**378**	**421**	**65,363**	**62,218**
Fixed assets		**1,119**	**1,767**	**65,702**	**62,657**
Finished goods and goods for resale		43,559	88,117	11,954	54,434
Inventories		**43,559**	**88,117**	**11,954**	**54,434**
Trade receivables		57,317	95,476	17,564	33,429
Receivables from group enterprises		0	0	8,698	2,583
Other receivables		9,358	20,955	3,234	9,180
Deferred tax asset	11	0	17	0	0
Prepayments	12	145	412	0	0
Receivables		**66,820**	**116,860**	**29,496**	**45,192**
Cash at bank and in hand		**17,499**	**6,187**	**56**	**8**
Current assets		**127,878**	**211,164**	**41,506**	**99,634**
Assets		**128,997**	**212,931**	**107,208**	**162,291**

Balance sheet 30 June 2024

Liabilities and equity

	Note	Group 2023/24	Group 2022/23	Parent company 2023/24	Parent company 2022/23
		TDKK	TDKK	TDKK	TDKK
Share capital		6,000	6,000	6,000	6,000
Reserve for net revaluation under the equity method		0	0	38,975	43,834
Reserve for exchange rate conversion		-11	-1	0	0
Retained earnings		23,696	46,010	-15,290	2,175
Equity		**29,685**	**52,009**	**29,685**	**52,009**
Credit institutions		0	281	0	281
Payables to group enterprises		9,000	4,000	9,000	4,000
Other payables		826	801	826	801
Long-term debt	13	**9,826**	**5,082**	**9,826**	**5,082**
Credit institutions	13	16,009	81,943	12,467	55,087
Lease obligations		27	206	0	0
Prepayments received from customers		8,099	2,736	5,717	1,950
Trade payables		55,034	50,583	14,826	16,189
Payables to group enterprises	13	665	8,635	31,816	27,824
Corporation tax		3,818	4,943	0	0
Other payables	13	5,834	6,794	2,871	4,150
Short-term debt		**89,486**	**155,840**	**67,697**	**105,200**
Debt		**99,312**	**160,922**	**77,523**	**110,282**
Liabilities and equity		**128,997**	**212,931**	**107,208**	**162,291**

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Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 July	6,000	-1	46,010	52,009
Exchange adjustments	0	-10	0	-10
Net profit/loss for the year	0	0	-22,314	-22,314
Equity at 30 June	**6,000**	**-11**	**23,696**	**29,685**

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 July	6,000	43,834	2,175	52,009
Exchange adjustments	0	-10	0	-10
Net profit/loss for the year	0	-4,849	-17,465	-22,314
Equity at 30 June	**6,000**	**38,975**	**-15,290**	**29,685**

Cash flow statement 1 July 2023 - 30 June 2024

		Group	
	Note	2023/24	2022/23
		TDKK	TDKK
Result of the year		-22,314	1,885
Adjustments	15	6,593	8,739
Change in working capital	16	103,435	-49,239
Cash flow from operations before financial items		**87,714**	**-38,615**
Financial income		402	851
Financial expenses		-6,168	-6,451
Cash flows from ordinary activities		**81,948**	**-44,215**
Corporation tax paid		-1,277	-8,815
Cash flows from operating activities		**80,671**	**-53,030**
Purchase of property, plant and equipment		-62	-546
Fixed asset investments made etc		42	-421
Cash flows from investing activities		**-20**	**-967**
Repayment of loans from credit institutions		-66,215	51,438
Reduction of lease obligations		-179	-238
Repayment of payables to group enterprises		-2,970	4,558
Repayment of other long-term debt		25	51
Dividend paid		0	-4,000
Cash flows from financing activities		**-69,339**	**51,809**
Change in cash and cash equivalents		**11,312**	**-2,188**
Cash and cash equivalents at 1 July		6,187	8,375
Cash and cash equivalents at 30 June		**17,499**	**6,187**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		17,499	6,187
Cash and cash equivalents at 30 June		**17,499**	**6,187**

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Geographical segments				
Denmark	135,792	251,528	147,516	244,300
United Kingdom	146,348	159,729	0	0
France	29,928	34,129	0	0
Germany	26,880	25,255	8,660	10,135
Europe, other	40,865	48,719	1,186	7,209
Asia	193,174	344,276	53,391	66,629
Rest of World	1,608	714	0	79
	574,595	**864,350**	**210,753**	**328,352**

The Group only has one business segment, trade of raw wood.

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
2. Staff Expenses				
Wages and salaries	26,505	22,596	15,360	10,957
Pensions	2,181	1,863	1,630	1,346
Other social security expenses	2,296	2,124	131	127
Other staff expenses	3,177	6,209	0	0
	34,159	**32,792**	**17,121**	**12,430**
Including remuneration to the Executive Board and Board of Directors	**3,685**	**2,447**	**3,685**	**2,447**
Average number of employees	**57**	**56**	**23**	**22**

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
3. Financial income				
Interest received from group enterprises	0	0	463	709
Other financial income	204	229	24	14
Exchange gains	198	622	144	379
	402	**851**	**631**	**1,102**

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
4. Financial expenses				
Interest paid to group enterprises	578	0	1,897	410
Other financial expenses	5,491	6,314	3,294	3,144
Exchange loss	99	137	0	0
	6,168	**6,451**	**5,191**	**3,554**

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
5. Income tax expense				
Current tax for the year	186	2,883	0	0
Deferred tax for the year	-17	138	0	0
Adjustment of tax concerning previous years	0	-384	0	0
	169	**2,637**	**0**	**0**

6. Profit allocation

	Parent company	
	2023/24	2022/23
	TDKK	TDKK
Reserve for net revaluation under the equity method	-4,849	1,482
Retained earnings	-17,465	403
	-22,314	**1,885**

7. Property, plant and equipment

	Group		Parent company	
	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	TDKK	TDKK	TDKK	TDKK
Cost at 1 July	9,226	121	4,954	121
Exchange adjustment	81	0	0	0
Additions for the year	227	0	155	0
Disposals for the year	-528	0	0	0
Cost at 30 June	9,006	121	5,109	121
Impairment losses and depreciation at 1 July	7,918	83	4,553	83
Exchange adjustment	12	0	0	0
Depreciation for the year	457	30	225	30
Impairment and depreciation of sold assets for the year	-114	0	0	0
Impairment losses and depreciation at 30 June	8,273	113	4,778	113
Carrying amount at 30 June	**733**	**8**	**331**	**8**

8. Investments in subsidiaries

	Parent company 2023/24 TDKK	Parent company 2022/23 TDKK
Cost at 1 July	15,713	9,248
Additions for the year	10,675	6,465
Cost at 30 June	26,388	15,713
Value adjustments at 1 July	43,834	42,459
Exchange adjustment	-10	-107
Net profit/loss for the year	-4,849	1,482
Value adjustments at 30 June	38,975	43,834
Equity investments with negative net asset value amortised over receivables	0	936
Carrying amount at 30 June	**65,363**	**60,483**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
DSHwood GmbH	Wietze, Germany	EUR 700.000	100%
DSHwood UK Ltd	Inverness, Scotland	GBP 2.011.557	100%
DSHwood Impex Private Limited	Mumbai, India	INR 1.600.000	100%
DSHwood France SAS	Villefranche Sur Saone, France	EUR 50.000	100%

Notes to the Financial Statements

9. Investments in associates

	Group 2023/24 TDKK	Group 2022/23 TDKK	Parent company 2023/24 TDKK	Parent company 2022/23 TDKK
Cost at 1 July	40	40	40	40
Cost at 30 June	40	40	40	40
Value adjustments at 1 July	-40	-30	-40	-30
Net profit/loss for the year	0	-10	0	-10
Value adjustments at 30 June	-40	-40	-40	-40
Carrying amount at 30 June	**0**	**0**	**0**	**0**

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership
Dansk Skovcertificering ApS	Slagelse	80.000	50%

10. Other fixed asset investments

Group

	Other receivables TDKK
Cost at 1 July	421
Disposals for the year	-43
Cost at 30 June	378
Carrying amount at 30 June	**378**

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK

11. Deferred tax asset

Deferred tax asset at 1 July	17	155	0	0
Amounts recognised in the income statement for the year	-17	-138	0	0
Deferred tax asset at 30 June	**0**	**17**	**0**	**0**

Due to uncertainty about future earnings, deferred tax assets of total DKK 8.1 million have not been capitalized.

12. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and travel.

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK

13. Long-term debt

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

The debt falls due for payment as specified below:

Credit institutions				
After 5 years	0	0	0	0
Between 1 and 5 years	0	281	0	281
Long-term part	0	281	0	281
Within 1 year	43	1,125	0	1,125
Other short-term debt to credit institutions	15,966	80,818	12,467	53,962
	16,009	**82,224**	**12,467**	**55,368**

Payables to group enterprises				
After 5 years	0	0	0	0
Between 1 and 5 years	9,000	4,000	9,000	4,000
Long-term part	9,000	4,000	9,000	4,000
Other short-term debt to group enterprises	665	8,635	31,816	27,824
	9,665	**12,635**	**40,816**	**31,824**

Notes to the Financial Statements

13. Long-term debt

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	826	801	826	801
Long-term part	826	801	826	801
Other short-term payables	5,834	6,794	2,871	4,150
	6,660	**7,595**	**3,697**	**4,951**

14. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

15. Cash flow statement - Adjustments

	Group	
	2023/24	2022/23
	TDKK	TDKK
Financial income	-402	-851
Financial expenses	6,168	6,451
Depreciation, amortisation and impairment losses, including losses and gains on sales	667	599
Income from investments in associates	1	10
Tax on profit/loss for the year	169	2,637
Exchange adjustments	-10	-107
	6,593	**8,739**

16. Cash flow statement - Change in working capital

	Group	
	2023/24	2022/23
	TDKK	TDKK
Change in inventories	44,558	-6,578
Change in receivables	50,023	96
Change in trade payables, etc	8,854	-42,757
	103,435	**-49,239**

17. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

The parent company has issued letter of indemnity (company charge) of TDKK 58,500, which grants a charge on the company's and DSHwood GmbH´s assets with a carriyng value of TDKK 37.282.

The following assets have been placed as security with banks and others:

The parent company has provided a bank guarantee of TDKK 500 to a third party. The related debt at 30 June 2024 has been booked at TDKK 0.

The parent company has provided a bank guarantee of TDKK 8,949 to DSHwood France.

The parent company has issued a guarantee of payment of maximum TDKK 21.000 for subsidiaries' balances with credit institutions.

Other contingent liabilities

The group has entered lease contracts of TDKK 1.770 in the non-cancellable period.

The group has entered into operating lease with total lease payments of TDKK 1.736.

The parent company has agreements to deliver wood in the coming period. The value of these agreements in terms of money does not exceed DKK 65,6 million. The agreements, which are in accordance with standard practice, are expected to be profitable to the contribution margin.

Notes to the Financial Statements

18. Related parties

	Basis
Controlling interest	
Dansk Skovforening Rådhuspladsen 16,4 1550 København V.	Sole shareholder of DSHwood A/S
Other related parties	
DSHwood GmbH	100% owned subsidiary
DSHwood UK Ltd	100% owned subsidiary
DSHwood Impex Private Limited	100% owned subsidiary
DSHwood France SAS	100% owned subsidiary
Lasse Skovlund Bech	CEO
Peter Arndrup Poulsen	Chairman of the Board of Directors
Poul Fløe Leineweber	Member of the Board of Directors
Henning Kruse Lorentzen	Member of the Board of Directors
Anne Mette Aaby Aaes	Member of the Board of Directors

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

All transactions in the financial year were made on an arm's length basis

19. Fee to auditors appointed at the general meeting

	Group	
	2023/24	2022/23
	TDKK	TDKK
PricewaterhouseCoopers		
Audit fee	298	220
Tax advisory services	313	127
Non-audit services	827	1,166
	1,438	**1,513**

Notes to the Financial Statements

20. Accounting policies

The Annual Report of DSHwood A/S for 2023/24 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 Financial Statements and the Parent Company Financial Statements for 2023/24 are presented in TDKK.

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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Notes to the Financial Statements

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, DSHwood 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.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straightline basis over its estimated useful life, but not exceeding 20 years. Any remaining negative differences are recognised in deferred income in the balance sheet as negative goodwill. Amounts attributable to expected losses or expenses are recognised as income in the income statement as the affairs and conditions to which the amounts relate materialise. Negative goodwill not related to expected losses or expenses is recognised at an amount equal to the fair value of non-monetary assets in the income statement over the average useful life of the non-monetary assets.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related.

Amortisation of goodwill is recognised in "Amortisation, depreciation and impairment losses".

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Notes to the Financial Statements

Income statement

Revenue

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 the consolidated revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Staff expenses

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

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 property, plant and equipment.

Income from investments in subsidiaries and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include 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.

Balance sheet

Intangible fixed assets

Brandnames are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Notes to the Financial Statements

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.

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	2-8 years
Leasehold improvements	4 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 property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

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

Investments in subsidiaries and associates

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

The items "Investments in subsidiaries" and "Investments in associates" 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 and associates 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 and the associates.

Subsidiaries and associates 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.

Other fixed asset investments

Other fixed asset investments consist of other receivables.

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 and costs of completion. 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.

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 Dividend item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

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

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

Current tax receivables and liabilities

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

Financial liabilities

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.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Notes to the Financial Statements

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".

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

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity