



MBL DENMARK A/S
GLARMESTERVEJ 18B ST. TH., 8600 SILKEBORG
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 30 April 2024**

Lars Bichel Lüneborg

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COMPANY DETAILS

Company	MBL Denmark A/S Garmestervej 18B st. th. 8600 Silkeborg
	CVR No.: 27 38 65 98 Established: 11 June 2003 Municipality: Silkeborg Financial Year: 1 January - 31 December
Board of Directors	Ingelise Nygaard Lauritsen, chairman Mogens Bichel Lauritsen Lars Bichel Lüneborg Nerijus Drobavicius Ashwin Roy Anatolijus Faktorovicius
Executive Board	Martin Bichel Lauritsen
Auditor	KPMG P/S Statsautoriseret Revisionspartnerselskab Frederiks Plads 42 8000 Aarhus C

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of MBL Denmark A/S for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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.

Silkeborg, 30 April 2024

Executive Board

Martin Bichel Lauritsen

Board of Directors

Ingelise Nygaard Lauritsen
Chairman

Mogens Bichel Lauritsen

Lars Bichel Lüneborg

Nerijus Drobavicius

Ashwin Roy

Anatolijus Faktorovicus

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of MBL Denmark A/S

Opinion

We have audited the Financial Statements of MBL Denmark A/S for the financial year 1 January - 31 December 2023, comprising 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 Company's assets, liabilities and financial position of 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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 (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.

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 that 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 as to 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 Financial Statement users made 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 company 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.

INDEPENDENT AUDITOR'S REPORT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- 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 C, 30 April 2024

KPMG P/S
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen
State Authorised Public Accountant
MNE no. mne34459

Michael E. K. Rasmussen
State Authorised Public Accountant
MNE no. mne41364

MANAGEMENT COMMENTARY

Principal activities

The principal activities of MBL Group comprise like in previous years of production and trade in products related to the wheelchair/rehabilitation and aged care markets. The production is performed in the foreign subsidiaries in Poland and China. Product development and sale of the Group's products is also performed by the foreign subsidiaries.

The products are sold globally, primarily in Europe and the Asia Pacific region. MBL has continued to further develop the US market in 2023. During 2023 MBL's products have been sold to more than 35 countries.

Exceptional matters

There were no exceptional matters in 2023.

Development in activities and financial and economic position

In 2023 MBL realized a reduction in costs of raw materials and transoceanic shipping. Another positive impact on MBL's results came from decreasing energy costs. MBL Group delivered modest turnover growth with the increase of Group consolidated revenues from EUR 89m to EUR 93m. MBL Group's financial results also improved significantly. In 2023 MBL Group served its debt to financing partners in line with the agreed schedule. At the end of 2023 MBL Group had available cash assets of EUR 7.4m.

In 2023, the profit before tax in MBL Denmark A/S was EUR +12.6m against EUR 6.0m in 2022. Income from investments in subsidiaries was EUR +12.8m and it was 6.5m higher vs last year.

In terms of standalone MBL Denmark A/S results (excl. subsidiaries results), loss before tax of EUR 0,1m was recorded driven largely by financial costs.

In 2023 MBL Denmark A/S received dividend from its subsidiary MBL A/S of EUR 3.9m and paid dividend to parent company MBL Denmark 2020 A/S of EUR 3.6m.

Outlook

Most likely in 2024 the current geo-political situation following Russia's invasion of Ukraine and the general inflationary environment will have a smaller impact on the global economy compared to 2023. The current market environment allows MBL Group to recover margins. In Q1 2024 Group turnover of EUR 24.6m was 22% higher than in Q1 2023. Thanks to decreasing material, energy and transportation costs and sales prices increases margins have improved significantly and allowed MBL Group to deliver EBITDA of 4.2m in Q1 2024 which is 49% higher than in Q1 2023.

For MBL Denmark A/S it is budgeted to deliver neutral net profit level in 2024 (excl. subsidiaries).

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.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 EUR '000	2022 EUR '000
GROSS PROFIT		0	0
Administrative expenses.....		-15	-140
OPERATING LOSS		-15	-140
Income from investments in subsidiaries.....		12.767	6.244
Other financial income.....	1	14	1
Other financial expenses.....	2	-145	-130
PROFIT BEFORE TAX		12.621	5.975
Tax on profit for the year.....		32	37
PROFIT FOR THE YEAR		12.653	6.012
 PROPOSED DISTRIBUTION OF PROFIT			
Proposed dividend for the year.....		0	3.600
Extraordinary dividend.....		0	792
Allocation to reserve for net revaluation under the equity method.....		12.767	6.244
Retained earnings.....		-114	-4.624
TOTAL		12.653	6.012

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 EUR '000	2022 EUR '000
Investments in subsidiaries.....		22.294	14.267
Financial non-current assets.....	3	22.294	14.267
NON-CURRENT ASSETS.....		22.294	14.267
Receivables from Group companies.....		126	0
Corporation tax receivable.....		32	100
Receivables.....		158	100
Cash and cash equivalents.....		6	0
CURRENT ASSETS.....		164	100
ASSETS.....		22.458	14.367
EQUITY AND LIABILITIES			
Share Capital.....		74	74
Reserve for net revaluation under the equity method.....		20.056	8.096
Retained earnings.....		62	176
Proposed dividend.....		0	3.600
EQUITY.....		20.192	11.946
Debt to Group companies.....		2.222	2.378
Other liabilities.....		44	43
Current liabilities.....		2.266	2.421
LIABILITIES.....		2.266	2.421
EQUITY AND LIABILITIES.....		22.458	14.367
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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 2023.....	74	8.097	176	3.600	11.947
Proposed profit allocation.....		12.767	-114		12.653
Transactions with owners					
Dividend paid.....				-3.600	-3.600
Other legal bindings					
Foreign exchange adjustments.....		-551			-551
Other adjustments to equity value.....		-257			-257
Equity at 31 December 2023.....	74	20.056	62	0	20.192

NOTES

	2023 EUR '000	2022 EUR '000	Note
Other financial income			1
Interest, Group companies.....	14	0	
Other interest income.....	0	1	
	14	1	
 Other financial expenses			 2
Interest, Group companies.....	145	129	
Other interest expenses.....	0	1	
	145	130	
 Financial non-current assets			 3
		Investments in subsidiaries	
Cost at 1 January 2023.....		2.238	
Cost at 31 December 2023.....		2.238	
Revaluation at 1 January 2023.....		12.030	
Exchange adjustment at closing rate.....		-551	
Dividend.....		-3.933	
Profit/loss for the year.....		12.767	
Equity movements.....		-257	
Revaluation at 31 December 2023.....		20.056	
 Carrying amount at 31 December 2023.....		 22.294	
 Contingencies etc.			 4
Contingent liabilities			
MBL Denmark A/S have issued a guarantee in relation to MBL A/S and MBL Poland Sp. z o.o debt to mBank - lender of loan. Maximum level in light of loan agreement is EUR ('000) 21.677.			
 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 MBL Denmark 2020 A/S, which serves as management Company for the joint taxation.			
 Charges and securities			 5
	Carrying amount of assets	Nominal value of mortgage or outstanding debt	
	EUR '000	EUR '000	
The following assets have been provided as security for debt:			
Equity investment in group enterprises under fixed assets investments (MBL A/S).....	22.294	20.839	

NOTES**Note****Consolidated Financial Statements****6**

The company is included in the consolidated financial statements of MBL Denmark 2020 A/S, Glarmestervej 18B st. 8600 Silkeborg, CVR no: 41 64 20 68.

ACCOUNTING POLICIES

The Annual Report of MBL Denmark A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

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 MBL Denmark 2020 A/S, Glarmestervej 18B st. th., 8600 Silkeborg, CVR No. 41 64 20 68.

INCOME STATEMENT

Administrative expenses

Administrative expenses recognise costs incurred during the year regarding management and administration of the group, inclusive of costs relating to the administrative staff, executives, office premises, office expenses, etc. and related amortisation.

Income from investments in subsidiaries

The proportional share of the results of subsidiaries, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold subsidiaries 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 securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised 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 share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Financial non-current assets

Investments in Equity interests in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Equity 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 calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Received dividend is deducted in the carrying amount of the equity investment.

ACCOUNTING POLICIES

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

Profit and loss at disposal of investments in subsidiaries are determined as the difference between the net selling price and the carrying amount of the disposed investment at the time of sale, including non-depreciated excess values and goodwill. Profit and loss are recognised in the Income Statement under income from investments.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down 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 has a legal or actual liability to cover the subsidiaries deficit.

Impairment of fixed assets

The carrying amount of fixed assets, which are not measured at fair value,, are assessed annually 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 recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity

Reserve for net revaluation under the equity method

At recognition and measurement of subsidiaries according to the equity method, the ordinary dividend suggested in subsidiaries is presented, which is expected to be received from subsidiaries, so that it flows from the net revaluation reserve according to the equity value and is transferred to the free reserves.

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 tax-on-account 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 carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 will 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

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

There is company policy to set up accruals to recognize the costs in the period when they are incurred based on already known amounts. Company also recognizes the provisions for possible futures expenses on condition that they would be present obligation arisen as a result of past event, payment is probable and the amounts can be reliably estimated.

ACCOUNTING POLICIES

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

At recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the Balance Sheet date. Non-monetary items are translated at the rate at the date of acquisition or at the date of a subsequent revaluation or writedown of the asset. The items of the Income Statement are translated at the rate on the transaction date, items derived from non-monetary items being translated at the historic rates of the non-monetary item.

The Income Statements of foreign subsidiaries and associates fulfilling the conditions for being independent entities are translated at an average exchange rate for the year and the Balance Sheet items are translated at the rate of exchange on the Balance Sheet date. Exchange differences arising from translation of the equity of foreign subsidiaries at the beginning of the year to the rates of the Balance Sheet date and from translation of Income Statements from average rate to the rates of the Balance Sheet date are recognised directly in the equity.

Exchange adjustment of intercompany accounts with foreign subsidiaries that are deemed to be an addition to or deduction from the equity of independent subsidiaries are recognised directly in the equity.