



Contour Design Nordic A/S

Nyropsgade 43, 1.
1602 København V
CVR No. 27651240

Annual report 2023

The Annual General Meeting adopted the annual report on 28.06.2024

Erik Stannow

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2023	18
Balance sheet at 31.12.2023	19
Statement of changes in equity for 2023	21
Notes	22
Accounting policies	28

Entity details

Entity

Contour Design Nordic A/S

Nyropsgade 43, 1.

1602 København V

Business Registration No.: 27651240

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Erik Stannow, Chairman

Niels-Christian Worning

Jesper Mailind

Kenneth Schach

Executive Board

Kenneth Nielsen

Marianne Iversen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Contour Design Nordic A/S for the financial year 01.01.2023 - 31.12.2023.

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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 28.06.2024

Executive Board

Kenneth Nielsen

Marianne Iversen

Board of Directors

Erik Stannow
Chairman

Niels-Christian Worning

Jesper Mailind

Kenneth Schach

Independent auditor's report

To the shareholder of Contour Design Nordic A/S

Opinion

We have audited the financial statements of Contour Design Nordic A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including 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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the 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 the management commentary.

Copenhagen, 28.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Haugegaard Albrechtsen

State Authorised Public Accountant
Identification No (MNE) mne45846

Leon Thomas Ravn Fagerlind

State Authorised Public Accountant
Identification No (MNE) mne49914

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Key figures					
Gross profit/loss	11,243	11,687	7,880	3,293	2,541
Operating profit/loss	7,055	8,312	4,739	1,899	130
Net financials	(72)	(52)	(74)	(50)	(6)
Profit/loss for the year	5,571	6,269	3,463	1,494	84
Total assets	10,623	10,163	9,795	9,474	9,066
Investments in property, plant and equipment	0	14	0	45	1
Equity	6,000	5,279	4,999	2,532	1,353
Ratios					
Return on equity (%)	98.79	121.99	91.97	76.91	6.36
Equity ratio (%)	56.48	51.94	51.04	26.73	14.92

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

Primary activities

The company's primary activities are the design, production and sale of high-quality products challenging the norms of computer interaction and improving human performance. It is the company's goal to achieve the highest level of ergonomics and usability through innovation and design. The Company offers a range of premium mice and keyboards, which are among the world's most ergonomic and comfortable.

Development in activities and finances

The main business activities in 2023 have been focused on further optimization of the go to market strategy for the new products launched late 2022: RollerMouse Pro and SliderMouse Pro, as well as investments in digital marketing initiatives to increase brand awareness.

Production and back-office process optimization continues to be a priority and has also through 2023 undergone significant changes to meet future requirements.

The investments in the organization, new products optimization and digital marketing activities drove the higher fixed cost, which remained within the expected range.

The prior year's investment in inventory has been depleted and in general the supply situation has been stable throughout the year, and the company has been able to increase inventory turn while reducing the use of airfreight significantly.

During the year, the company refinanced its debt facilities. Over time the new terms are more favorable but short-term cost impacts the financial results for 2023.

Although the nature of the company's business is to a degree resilient to macro-economic development the company experienced some loss of momentum through Q3 and Q4. B2B product transition is usually rather long and Contour Design was impacted by a slow adaption rate for part of the new product portfolio which also impacted the result for 2023. The result is an income before tax of kEUR 7,121 for the accounting period.

The management considers the result satisfactory.

Profit/loss for the year in relation to expected developments

The realized operational results for the year are slightly lower than anticipated.

Uncertainty relating to recognition and measurement

Recognition and measurement in the annual report has not been subject to any material uncertainty.

Outlook

We carefully follow the uncertainties arising from the current macroeconomic environment.

We continue the focus on geographical expansion and value chain optimization, but we realize that due to the B2B market dynamics with slower adaptation of new products and general uncertain macroeconomic, the level of growth is more uncertain. Consequently, we expect earnings in 2024 to be at the same level as in 2023.

Use of financial instruments

Market risks

The company's products are primarily positioned in the Business-to-Business high-end segment. The economic development in the professional and private consumer markets, as well as governmental budget frames will likely affect the financial results.

Foreign exchange risks

Due to sales activities in foreign markets, cash flow and equity might be influenced by changes in interest levels and exchange rates for certain currencies. It is not the company policy to hedge commercial exchange risks. Hedging is not used to hedge open foreign exchange positions related to trading activities in foreign currencies, the company does not use speculative hedging. The company's foreign currency policy advocates reducing risk by limiting the need for exchange rate conversions in daily business. As the company grows, we will be revising our policy to mitigate risk.

Credit risks

The company's credit risks relate to trade receivables included in the balance sheet. The company has no vital risks related to a single customer or business partner. The company's credit risk policy involves assessing the creditworthiness of all major customers and business partners and applying terms in accordance with individual risks.

Capital structure and Ownership

Contour Design Group share capital is not divided into classes.

Management regularly assesses whether Contour Design Group has an adequate capital structure, the Board of Directors continuously assesses that the company's capital structure is consistent with the company's and its stakeholders' interests. The overall objective is to ensure a capital structure that supports profitable long-term growth.

Management believes that the current capital structure provides sufficient flexibility to address the future strategy of the Group.

Knowledge resources

The employees are the Group's most important resource, with the main emphasis on design and product development.

Research and development activities

Contour Design continuously invests in development, updates, and improvements of its product portfolio. Internal costs related to development of products are expensed in the income statement, while external costs are accounted for as an asset following the accounting policies.

Group relations

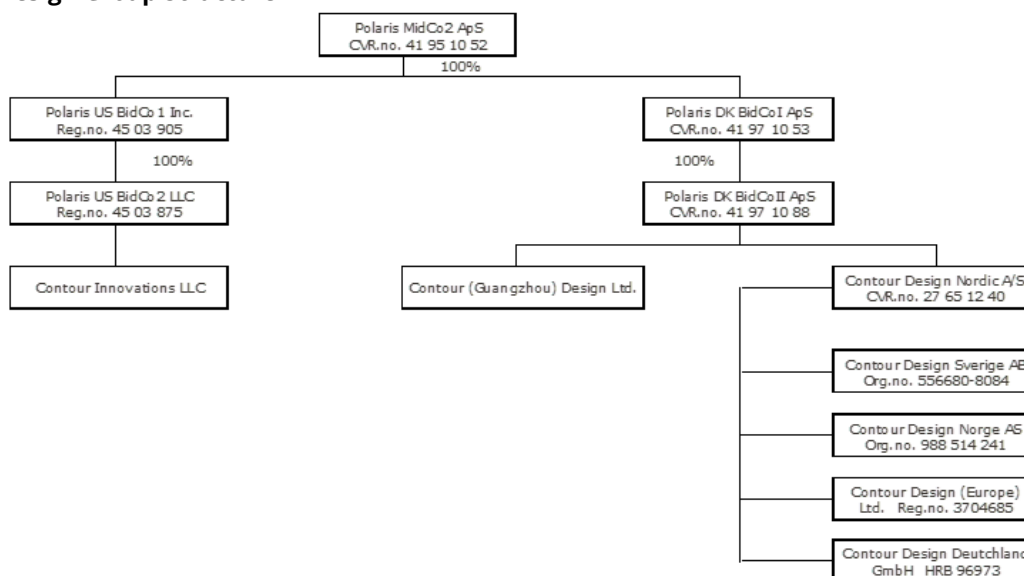
The Consolidated Annual Report of the Contour Design Group is prepared by the parent company, Polaris MidCo2 ApS and Polaris HoldCo ApS.

The private equity fund Polaris owns most of the shares of Contour Design Group through Polaris MidCo2. Polaris is a member of the Active Owners Denmark (Previously DVCA) and hence compliant with the associated guidelines; please see <https://aktiveejere.dk/>. These guidelines, published in June 2015, recommend a thorough review regarding corporate governance, financial risks, employee relations and strategy.

The company sells its products through distributors and wholesalers in the local markets.

Contour Design in Denmark has 40 employees, of whom 27 are employed in Denmark, and 13 are employed in the subsidiaries.

Contour Design Group Structure



Corporate governance

The Board of Directors and the Executive Board constantly strive to ensure that appropriate and sufficient control systems are in place managed by a robust management team structure. The Board of Directors and the Executive Board have several duties being defined in, amongst others, the Companies Act, the Danish Financial Statements Act, the Articles of Association, and good practice for companies of the same size and with the same international scope as Designer Company. On this basis, an ongoing series of internal procedures are developed and maintained to ensure active, reliable, and profitable management of the company.

Audit Committee

No audit committee is established due to the modest size and complexity of the company.

Remuneration to management

To attract and retain Contour Design Group’s management competencies, the remuneration of management and senior employees is based on tasks, value creation and conditions in comparable companies. An incentive program is implemented in the form of bonus schemes and share and warrant-based incentive programs.

Board of directors

The Board of Directors ensures that the Executive Board complies with the approved objectives, strategies, and business procedures. Information to the Executive Board is provided systematically before and during meetings and through written and oral reports. These reports include market development, the company's development, and profitability. The Board of Directors and Executive Management have overall responsibility for risk management and internal controls related to financial reporting.

The Board of Directors of the company meets at least four times a year. Furthermore, information about the company and the Group's results and financial position is shared with the Board of Directors at least monthly. If relevant, extraordinary meetings are held.

Board of directors in Contour Design Group including Contour Design A/S:

Name	Executive Board Role in Contour Design Group	Other Board roles:
Erik Stannow	Chairman	Zensai International Aps, Wired Relations Aps, Various Companies related to Polaris
Jesper Mailind	Board Member	Leo Pharma A/S, RTX A/S, Etac AB, Aidian Oy, Various companies related to Polaris
Kenneth Schach	Board Member	Various companies related to Polaris
Niels-Christian Worning	Board Member	Various companies related to Polaris

Statutory report on corporate social responsibility

In the Danish Financials Statements Act (ÅRL) Corporate Social Responsibility is defined in section 99a, according to which large companies are required to provide a non-financial statement accounting for environmental considerations, including the company's efforts to reduce the climate impact of the company activities, social responsibility working conditions as well as considerations in relation to the respect for human rights and the prevention of bribery and corruption.

Although not considered a large company in legal terms Contour Design is preemptively following the Danish law and therefore including its CSR progress and policy in the management statement in accordance with / ÅRL §99a, §99b, & §99d. Disclaimer: When reporting on the ÅRL §99a, §99b, & §99d Contour Design is covering the holding company Contour Design and not the Midco2 level due to the legislation. Contour Design are early adopters of the Statutory reporting in the financial management review. The differentiation of Midco2 and Contour Design will mainly affect our results and targets in §99b for underrepresented gender for the size of the company.

Contour Design has several policies for CSR in relation to the United Nations Sustainable Development Goals (SDG). Contour Design's core business strategy is mainly covering goals; SDG 5 (Gender equality), SDG 8 (Decent work and economic growth), SDG 12 (Responsible consumption and production), SDG 13 (Climate action), SDG 16 (Peace, justice, and strong institutions). Contour Design is also using The UN Sustainable development goals for tracking of social commitments but choose not to disclose in the management review. But the goals are published and are available to our stakeholders and employees. Please refer to pages 13-15 in our Sustainability report 2023 Contour Design Sustainability report 2023 (https://cdn.shopify.com/s/files/1/0625/9965/9766/files/Contour_Design_Sustainability_report_2023_1.pdf?v=1713768783).

During 2023 Contour Design has taken a big leap towards a more structured approach to our sustainability work and implemented a management system covering all three areas of sustainability: human rights (including labor rights), environment and economy. The work has been aligned with internationally agreed principles and vetted by experts.

Find the latest 2023 ESG/Sustainable report and future expectations here covering reporting requirements under §99a in the Danish Financials Statements Act (ÅRL):

Page 3: Contour Design Sustainability report 2023 (https://cdn.shopify.com/s/files/1/0625/9965/9766/files/Contour_Design_Sustainability_report_2023_1.pdf?v=1713768783).

Contour policies for CSR and other topics related can be found on the group website:

<https://contourdesign.dk/pages/documentation>

Basic Business model

The company's primary activities are the design, production and sale of high-quality products challenging the norms of computer interaction and improving human performance. It is the company's goal to achieve the highest level of ergonomics and usability through innovation and design. The Company offers a range of premium mice and keyboards, which are among the world's most ergonomic and comfortable.

The company is present in Denmark, America and China and has local employees in several European countries.

Environmental and climate-related considerations (§99a)**Contours Policy**

At Contour Design, we are committed to doing our part to mitigate the effects of climate change and protect the environment for future generations. That is why in 2022 we signed up to the Science Based Targets initiative, a collaboration between the United Nations Global Compact, the World Resources Institute, the Worldwide Fund for Nature, and the Carbon Disclosure Project. The Science Based Targets initiative provides a framework for companies to set targets to reduce their greenhouse gas emissions in line with the latest climate research. By aligning our emissions reduction targets with the latest climate research, we can ensure that our efforts contribute to the global goal of keeping warming well below 1.5-2.5 degrees Celsius. As part of our commitment to the Science Based Targets initiative, we have set ambitious emissions reduction targets that cover our entire value chain.

Implementation

Contour Design is annually assessing our company carbon footprint for all scopes 1, 2, and 3. The Assessment is made in collaboration with a third-party company ensuring unbiased calculations and share of results. Contour Design has a strategy on decarbonization of scopes 1 and 2 and are working on reducing scope 3 through product Life Cycle Assessments. The Company carbon footprint is mainly covering Green House Gases (CO₂) for GHG reporting purposes. Contour Design has been reducing its carbon footprint from a 2022 to 2023 baseline with approximately 50% See page 8 in the sustainability report 2023: Contour Design Sustainability report 2023 (https://cdn.shopify.com/s/files/1/0625/9965/9766/files/Contour_Design_Sustainability_report_2023_1.pdf?v=1713768783).

Contour Design is in addition to this conducting comprehensive Product Life Cycle Assessments following the ISO 14067 and ISO 14044 guidelines. The studies are a part of the decarbonization strategy for our scope 3 focusing on material purchases, manufacturing, assembly, packaging, distribution, usage, and recycling.

Results and future expectations

As mentioned, the carbon footprint of Contour Design was reduced with approximately 50% during 2023. The change is mainly due to better material sourcing of 100% recycled Aluminum and plastics. Contour Design expects these materials becoming more available to other Contour Design products (Applied in approx. 50% of the portfolio) and will therefore have potential reduction for 2024. Contour Design strives for growth in business while reducing our CO₂ which incentivize us to continue developing products with even lesser carbon footprint. Contour Design will continuously reduce scope 1 & 2 according to our commitment to the science based targets.

Identified Risks and mitigation actions

Being a company producing goods, the dependency on recycled materials will be a risk if availability declines and we therefore have to use less sustainable alternatives and more virgin material. The company is doing its utmost to monitor the supply situation and secure at the least 2 sources of supply as well as placing orders well ahead of delivery.

With possible disruption of global supply, the need to use air freight is a risk in the future for our logistics, which would be a more carbon heavy mean of transportation versus sea freight which is preferred. To mitigate the possible risks, we do our utmost to plan and forecast our inventory levels as well as utilizing full containers for sea freight.

Company Policies for sustainability and social responsibility (§99a) :

The CSR policies contains information about policies for and activities and risks related to the following areas:

- Gender Equality Policy
- Biodiversity Policy
- Anti-Bribery and Corruption Policy
- Whistleblower Policy
- Due Diligence Policy
- Code of Conduct

Tracking of policy and commitments (§99a)

Contour Designs **Gender Equality policy** ensuring equal rights for underrepresented genders is tracked through various means.

- Investigate and address any reports of discrimination, harassment, or violence in the workplace promptly.
- Conduct regular reviews of pay and promotion practices to ensure that they are fair and equitable.
- Establish a reporting mechanism to enable employees to report any concerns or issues related to gender equality.

The policy description, risks and mitigation is described in detail on page 10 of the management review.

Contour Designs Biodiversity Policy is tracked through:

- GHG (Greenhouse Gas) reduction targets.
- Waste monitoring.
- % of sustainable materials sourced.
- Product Life Cycle assessments.

All tracking of environmental, biodiversity, and social responsibility are mentioned in the yearly Contour Design Sustainability report 3-4. And pages 13-15 for United Nations sustainable development goals. Link: Contour Design Sustainability report 2023 (https://cdn.shopify.com/s/files/1/0625/9965/9766/files/Contour_Design_Sustainability_report_2023_1.pdf?v=1713768783).

Due diligence methodology (§99a)

Contour Design has a methodology for due diligence and follows each step, in collaboration with our operations and supply chain. Link: Due diligence methodology (https://cdn.shopify.com/s/files/1/0625/9965/9766/files/Sustainability_due_diligence_methodology.pdf?v=1713525578).

Company assessment of results in social and environmental responsibility (§99a)

Main Company KPIs and results of social and environmental responsibility are explained in our sustainability report pages 3-4: Contour Design Sustainability report 2023 (https://cdn.shopify.com/s/files/1/0625/9965/9766/files/Contour_Design_Sustainability_report_2023_1.pdf?v=1713768783).

Staff and working conditions (§99a)

Contour design conducts yearly Social, Environmental, and Economic self-assessments of all owned entities. All of these are conducted through the csrcloud.com platform. The results of the assessments are shared with relevant stakeholders including management and the Board. CSR CLOUD (<https://csrcloud.app/uix/tbl/soc/reports/corporate>) can be downloaded and shared with reviewer on demand.

Risks related to employee and social matters;

The main risks related to employee and social matters are related to work-related accidents in our production and employee stress related sick leave.

Mitigations related to employee and social matters;

Contour Design is conducting annual facility audits through occupational health and safety inspections for both production and office. Contour Design is training all personal with physical jobs in good and safe working practices. It is mandatory to report any near misses and accidents both physical and mentally. In 2023 no accidents were reported. We conduct employee satisfaction (Pulse check) twice a year to monitor mental health and working conditions in the offices. Based on this information concrete mitigating actions are taken.

Human Rights and business ethics (§99a)

Contour Design is committed to upholding human rights and ensuring that our operations and products do not contribute to human rights violations. Our initial human rights assessments have been conducted in accordance with the United Nations Guiding Principles on Business and Human Rights (UNPGs). To ensure the thoroughness and comprehensiveness of our human rights assessments, we have partnered with trusted experts who possess expertise in the area of business and human rights. These experts have assisted us in identifying potential human rights risks linked to our operations and products and have provided recommendations on how to mitigate these risks. We recognize, prevent, and alleviate the potential negative human rights effects of our operations, following the structure offered by the UNPGs. We have incorporated these principles into our process of assessing human rights in 2023. Contour Design conducted a comprehensive review of our policies, practices, and supply chain, engaging with stakeholders such as employees, customers, and local communities. We have identified areas for improvement in our human rights performance and developed an action plan to address these issues.

Risks related to human rights and business ethics

Contour Design risks that employees and/or suppliers fail to follow and comply with Contour Designs code of conduct covering human rights and business ethics. Human rights violations are completely unacceptable from a business ethics point of view and we will terminate contracts and operations with partners who are violating human rights.

Mitigation related to human rights and business ethics

We request that all suppliers and business partners sign our Code of Conduct including all human rights. This is an incorporated part of our business contracts. Code of Conduct Business Relationships (https://cdn.shopify.com/s/files/1/0625/9965/9766/files/Signed_Code_of_Conduct_for_Business_Relationships_-_Contour_Design.pdf?v=1667901903)

Our Employees are expected to comply with our employee code of conduct covering all aspects of the human rights. Understanding and agreeing to our code of conduct is part of our onboarding and further training of employees will be initiated as a brush up. Code of Conduct Employees (https://cdn.shopify.com/s/files/1/0625/9965/9766/files/Signed_Code_of_Conduct_for_Employees_-_Contour_Design.pdf?v=1667901903).

Anti-Corruption policy (§99a)

Contour Design is committed to conducting business with integrity and opposes bribery and corruption. We prohibit all forms of bribery or corruption, direct or indirect. This includes improper inducements, preferential treatment, misusing company assets, conflicts of interest, and concealing or falsifying information. All employees, contractors, agents, and third parties must comply with this policy and report any suspected or actual incidents of bribery or corruption. We have an anti-bribery policy, conduct risk assessments, provide training, and periodically review our Anti-Bribery Management System.

Risks of bribery and corruption

In any business relation there is a risk of violating the anti-corruption policy: Offering, giving, or receiving bribes, gifts, or any other improper inducements to any person, including government officials, customers, suppliers, agents, consultants, or other third parties.

Making or accepting payments or other financial or non-financial advantages in exchange for preferential treatment, influence, or business opportunities as well as Misusing company assets or resources for personal gain or benefit. Failing to disclose conflicts of interest or engaging in activities that could create conflicts of interest. Concealing or falsifying information or documentation to cover up bribery or corruption.

At Contour design, we will respond appropriately to any incidents of bribery or corruption, and corrective and preventive actions will be taken. We are committed to upholding the highest ethical standards and complying with all applicable laws and regulations.

Mitigation of anti-bribery and corruption:

Contour Design has created a gift policy in line with the UK and EU bribery act. Furthermore, Contour Design has created a gift registry for transparency of gifting of every kind between stakeholders, employees, and partners.

Anti bribery and corruption policy

(https://cdn.shopify.com/s/files/1/0625/9965/9766/files/Anti_Bribery_and_Corruption_Policy_-_Contour_Design.pdf?v=1681219872).

Contour Design has whistle policy available on our website. Allowing stakeholders, customers, employees etc. to report any suspicious circumstances in our value-chain. Whistleblower policy

(https://cdn.shopify.com/s/files/1/0625/9965/9766/files/Whistleblower_Policy_-_Contour_Design.pdf?v=1681219872).

Non-financial KPIs (§99a)

Main Company KPIs and results of social and environmental responsibility are explained in our sustainability report pages 3-4: Contour Design Sustainability report 2023 (https://cdn.shopify.com/s/files/1/0625/9965/9766/files/Contour_Design_Sustainability_report_2023_1.pdf?v=1713768783).

Target gender equality and underrepresented genders (§99b)

As part of Contour Design's commitment to gender equality, the total number of female employees is tracked on an annual basis. Contour Design is committed to having an equal and diverse workplace that is inclusive for all.

Recruitment processes have as far as possible been designed to ensure unbiased onboarding. This means a diverse recruitment pool is prioritized in the recruitment process. At Contour Design the underrepresented gender is female. The reporting of §99b

Statutory report on the underrepresented gender

	2023	2022	2021
Supreme management body			
Total number of members	4	4	4
Underrepresented gender (%)	-	-	-

Contour Design in the past 3 years (base year) been monitoring 2 genders for our employees (male or female). The 3 levels that Contour Design is monitoring are the Board (in the table above) and the management level (reporting to the CEO). In the table below:

	2023	2022	2021
Other management levels			
Total number of members	25	20	12
Underrepresented gender (%)	44.00	45.00	16.00

Contour Design contributes to SDG 5.5, which calls for women's full participation and equal leadership opportunities by 2030, and SDG 8.5, which aims to achieve equal pay for work of equal value by 2030. Contour Design Nordics CFO, Head of Sustainability & Compliance, and HR completed the UN Global Compact target gender equality course in 2023. The course has helped us set ambitious corporate targets for women's representation, equal pay, and leadership in our operations. The first initiative of Contour Design gender equality is to create Diversity and inclusion training including gender equality targets for all employees to complete every year. Also Contour Design is considering the gender pay gap in yearly salary reviews.

Mitigations of underrepresented gender

Contour Design supports the recommendation of our owners which indicates a short term target of 20% (1 out of 5) by 2025 and a long term target of 40% representation of female in our board with specific target years to be defined. At the moment there are no females represented in the board. The board has a relatively short seniority and by default represented by our owners.

Contour Design has set a target of >40% underrepresented genders in other management levels. Contour Design has in 2023 had a total of 44% of the underrepresented gender which is meeting our target for gender distribution for other management level in 2023 and is an equal gender distribution.

Contour Design is publishing our underrepresented gender gaps in our yearly sustainability report as a non-financial KPI required by investors and shareholders.

Contour Design complies to the reporting law including every fiscal year since the baseline year was conducted in 2020.

Our Gender equality policy can be found here: [Gender equality policy \(https://cdn.shopify.com/s/files/1/0625/9965/9766/files/Gender_Equality_Policy_-_Contour_Design.pdf?v=1681219872\)](https://cdn.shopify.com/s/files/1/0625/9965/9766/files/Gender_Equality_Policy_-_Contour_Design.pdf?v=1681219872).

Statutory report on data ethics policy

Contour Design has a policy for data called privacy policy. The privacy policy includes Whistle blower data ethics, how we store data and for how long, references to the General data Protection Regulation (GDPR) and the rights that data providers (Personal/professional) have to their data. Link: Privacy Policy (https://cdn.shopify.com/s/files/1/0625/9965/9766/files/Privacy_Policy_-_Contour_design_2023.pdf?v=1681219872).

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 EUR	2022 EUR
Gross profit/loss		11,242,718	11,686,916
Staff costs	1	(4,078,118)	(3,338,526)
Depreciation, amortisation and impairment losses	2	(109,104)	(36,808)
Operating profit/loss		7,055,496	8,311,582
Income from investments in group enterprises		138,167	57,281
Other financial income	3	115,395	75
Financial expenses from group enterprises		(4,387)	0
Other financial expenses	4	(183,396)	(52,524)
Profit/loss before tax		7,121,275	8,316,414
Tax on profit/loss for the year	5	(1,550,543)	(2,047,223)
Profit/loss for the year	6	5,570,732	6,269,191

Balance sheet at 31.12.2023

Assets

	Notes	2023 EUR	2022 EUR
Completed development projects	8	198,346	258,501
Development projects in progress	8	230,866	136,208
Intangible assets	7	429,212	394,709
Other fixtures and fittings, tools and equipment		11,186	13,799
Property, plant and equipment	9	11,186	13,799
Investments in group enterprises		451,548	295,300
Deposits		91,792	91,468
Financial assets	10	543,340	386,768
Fixed assets		983,738	795,276
Manufactured goods and goods for resale		4,068,727	4,332,737
Prepayments for goods		0	1,020,594
Inventories		4,068,727	5,353,331
Trade receivables		1,675,945	1,643,639
Receivables from group enterprises		268,493	15,781
Other receivables		213,688	136,489
Prepayments	11	241,064	164,904
Receivables		2,399,190	1,960,813
Cash		3,171,194	2,053,540
Current assets		9,639,111	9,367,684
Assets		10,622,849	10,162,960

Equity and liabilities

	Notes	2023 EUR	2022 EUR
Contributed capital	12	67,236	67,236
Translation reserve		(23,774)	(17,430)
Reserve for development expenditure		334,785	303,814
Retained earnings		1,121,797	756,686
Proposed dividend		4,500,000	4,168,628
Equity		6,000,044	5,278,934
Deferred tax	13	91,105	89,695
Other provisions	14	660,627	206,295
Provisions		751,732	295,990
Bank loans		24,425	18,573
Prepayments received from customers		0	594,133
Trade payables		537,540	963,804
Payables to group enterprises		2,419,713	1,893,207
Joint taxation contribution payable		415,918	793,664
Other payables		473,477	324,655
Current liabilities other than provisions		3,871,073	4,588,036
Liabilities other than provisions		3,871,073	4,588,036
Equity and liabilities		10,622,849	10,162,960
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
Assets charged and collateral	17		
Group relations	18		

Statement of changes in equity for 2023

	Contributed capital EUR	Translation reserve EUR	Reserve for development expenditure EUR	Retained earnings EUR	Proposed extraordinary dividend EUR
Equity beginning of year	67,236	(17,430)	303,814	756,686	0
Ordinary dividend paid	0	0	0	0	0
Extraordinary dividend paid	0	0	0	0	(670,880)
Exchange rate adjustments	0	(6,344)	0	(3,770)	0
Transfer to reserves	0	0	30,971	(30,971)	0
Profit/loss for the year	0	0	0	399,852	670,880
Equity end of year	67,236	(23,774)	334,785	1,121,797	0

	Proposed dividend EUR	Total EUR
Equity beginning of year	4,168,628	5,278,934
Ordinary dividend paid	(4,168,628)	(4,168,628)
Extraordinary dividend paid	0	(670,880)
Exchange rate adjustments	0	(10,114)
Transfer to reserves	0	0
Profit/loss for the year	4,500,000	5,570,732
Equity end of year	4,500,000	6,000,044

Notes

1 Staff costs

	2023	2022
	EUR	EUR
Wages and salaries	3,551,983	2,897,625
Pension costs	415,407	347,497
Other social security costs	40,461	31,049
Other staff costs	70,267	62,355
	4,078,118	3,338,526
Average number of full-time employees	31	26

	Remuneration of Management 2023 EUR	Remuneration of Management 2022 EUR
Executive Board	478,204	449,663
Board of Directors	39,135	28,015
	517,339	477,678

Special incentive programmes

In June 2021, an incentive scheme was established comprising both the Board of Directors, the Executive Board and other executives and the scheme is made to maintain the management. The scheme runs from 3rd June 2021 to 27th May 2026.

The Company's board of directors is authorized to issue Warrant, each of them entitle the holder to sub-scribe for one share of nominally DKK 0.01. Each Warrant gives the Warrant Holder a right, but not an obligation, to sub-scribe for one (1) share in the Company of nominally DKK 0.01 against payment to the Company of an exercise price, which amounts to DKK 0.1 added a hurdle rate of 10 per cent p.a. from 3 June 2021. As it is the Company's practice to settle the schemes by way of shares (equity-settled share-based payment arrangements), no costs have been recognized in 2021, 2022 og 2023.

Warrants is granted in Polaris MidCo1 ApS. A total of 118.286.603 warrants have been granted.

2 Depreciation, amortisation and impairment losses

	2023	2022
	EUR	EUR
Amortisation of intangible assets	106,522	33,174
Depreciation of property, plant and equipment	2,582	735
Profit/loss from sale of intangible assets and property, plant and equipment	0	2,899
	109,104	36,808

3 Other financial income

	2023	2022
	EUR	EUR
Financial income from group enterprises	1,377	0
Other financial income	114,018	75
	115,395	75

4 Other financial expenses

	2023	2022
	EUR	EUR
Exchange rate adjustments	147,157	47,362
Other financial expenses	36,239	5,162
	183,396	52,524

5 Tax on profit/loss for the year

	2023	2022
	EUR	EUR
Current tax	1,542,337	1,737,818
Change in deferred tax	1,410	85,273
Adjustment concerning previous years	6,796	224,132
	1,550,543	2,047,223

6 Proposed distribution of profit and loss

	2023	2022
	EUR	EUR
Ordinary dividend for the financial year	4,500,000	4,168,628
Extraordinary dividend distributed in the financial year	671,053	1,131,183
Retained earnings	399,679	969,380
	5,570,732	6,269,191

Dividend distributed after the balance sheet date

Extraordinary dividend	0	5,000,000
------------------------	---	-----------

7 Intangible assets

	Completed development projects EUR	Development projects in progress EUR
Cost beginning of year	291,686	136,208
Exchange rate adjustments	(639)	(300)
Transfers	46,909	(46,908)
Additions	0	141,866
Cost end of year	337,956	230,866
Amortisation and impairment losses beginning of year	(33,185)	0
Exchange rate adjustments	97	0
Amortisation for the year	(106,522)	0
Amortisation and impairment losses end of year	(139,610)	0
Carrying amount end of year	198,346	230,866

8 Development projects

The company has launched a webshop and developed new products which has been launched during 2022 and 2023. This has been capitalized with a useful life of 3 and 4 years respectively.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR
Cost beginning of year	57,215
Exchange rate adjustments	(126)
Cost end of year	57,089
Depreciation and impairment losses beginning of year	(43,416)
Exchange rate adjustments	95
Depreciation for the year	(2,582)
Depreciation and impairment losses end of year	(45,903)
Carrying amount end of year	11,186

10 Financial assets

	Investments in group enterprises EUR	Deposits EUR
Cost beginning of year	365,828	91,468
Additions	0	2,274
Disposals	0	(1,950)
Cost end of year	365,828	91,792
Revaluations beginning of year	(70,528)	0
Exchange rate adjustments	(6,884)	0
Share of profit/loss for the year	83,552	0
Other adjustments	79,580	0
Revaluations end of year	85,720	0
Carrying amount end of year	451,548	91,792

Investments in subsidiaries	Registered in	Equity interest %
Contour Design Norge A/S	Norway, Oslo	100.00
Contour Design Sverige AB	Sweden, Helsingborg	100.00
Contour Design (Europe) Limited	England	100.00
Contour Design Deutschland GmbH	Germany	100.00

11 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

12 Share capital

The share capital consists of 50 shares of a nominal value of DKK 10,000. No shares carry any special rights. There have been no changes in the share capital during the last 5 years

13 Deferred tax

	2023	2022
	EUR	EUR
Intangible assets	94,426	86,835
Property, plant and equipment	(3,376)	(4,764)
Liabilities other than provisions	55	7,624
Deferred tax	91,105	89,695

	2023	2022
	EUR	EUR
Changes during the year		
Beginning of year	89,695	4,387
Recognised in the income statement	1,410	85,308
End of year	91,105	89,695

14 Other provisions

Other provisions consist of the company's expected obligation to pay discounts for goods sold to distributors in the financial year, of which the discounts are only paid to the distributors when the distributors have resold the goods to the end customer.

15 Unrecognised rental and lease commitments

	2023	2022
	EUR	EUR
Liabilities under rental or lease agreements until maturity in total	1,188,903	1,221,302

The unrecognised rental and lease commitments consists of rental and lease agreements with an expiration date between 1 and 5 years.

16 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Polaris HoldCo ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

17 Assets charged and collateral

As guarantee for debt to credit institutions the company has deposited DKK 1.015k of its cash. Consequently this cash is not at the company's disposal. The company's' debt to the credit institutions concerned amounts to DKK 0 at the balance sheet date.

18 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Polaris HoldCo ApS, Denmark

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Polaris Midco 2 ApS, Denmark

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, other operating income, cost of raw materials and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to equipment comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects in progress and completed projects.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-4 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities, including bank loans are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, no cash flow statements have been prepared.