



Scandomestic A/S

Linåvej 20
8600 Silkeborg
CVR No. 29774242

Annual report 2023

The Annual General Meeting adopted the annual report on 11.04.2024

Jon Skovhus Knudsen
Chairman of the General Meeting

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Entity details

Entity

Scandomestic A/S

Linåvej 20

8600 Silkeborg

Business Registration No.: 29774242

Registered office: Silkeborg

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Jon Skovhus Knudsen, Chairman

Preben Lindbjerg Mehlsen

Peter Dornonville de la Cour Andsager

Jan Petersen

Niels Henrik Kinch

Mette Skaarup Aasberg

Executive Board

Lars Overby

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Papirfabrikken 26

8600 Silkeborg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Scandomestic 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 consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows 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.

Silkeborg, 11.04.2024

Executive Board

Lars Overby

Board of Directors

Jon Skovhus Knudsen
Chairman

Preben Lindbjerg Mehlsen

Peter Dornonville de la Cour Andsager

Jan Petersen

Niels Henrik Kinch

Mette Skaarup Aasberg

Independent auditor's report

To the shareholders of Scandomestic A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Scandomestic 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, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows 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 consolidated financial statements and the parent financial statements" section of this auditor's 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Silkeborg, 11.04.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Peter Mølkjær

State Authorised Public Accountant

Identification No (MNE) mne24821

Rasmus Volert Madsen

State Authorised Public Accountant

Identification No (MNE) mne45822

Management commentary

Financial highlights

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|--------------------------------------|---------|----------|----------|----------|----------|
| | DKK'000 | DKK'000 | DKK'000 | DKK'000 | DKK'000 |
| Key figures | | | | | |
| Gross profit/loss | 24,860 | 26,379 | 32,105 | 30,969 | 29,983 |
| Operating profit/loss | 6,109 | 8,524 | 14,183 | 14,574 | 14,861 |
| Net financials | (3,300) | (1,536) | (510) | (978) | (491) |
| Profit/loss for the year | 2,183 | 5,441 | 10,679 | 10,484 | 11,198 |
| Balance sheet total | 85,200 | 90,469 | 109,723 | 82,460 | 102,853 |
| Equity | 27,488 | 25,051 | 31,437 | 29,955 | 31,106 |
| Cash flows from operating activities | 9,564 | 13,766 | (11,422) | 23,851 | 7,585 |
| Cash flows from investing activities | (305) | (932) | (2,438) | (25) | (60) |
| Cash flows from financing activities | (9,808) | (14,091) | (10,000) | (11,000) | (10,370) |
| Average number of employees | 27 | 28 | 29 | 29 | 27 |
| Ratios | | | | | |
| Return on equity (%) | 8.31 | 19.26 | 34.79 | 34.34 | 36.25 |
| Equity ratio (%) | 32.26 | 27.69 | 28.65 | 36.33 | 30.24 |

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

Balance sheet total

Primary activities

Scandomestic's main activities are import, warehousing, and sales of Major Domestic Appliances and Coolers for commercial use.

Development in activities and finances

Profit before tax was 2,8m DKK (7,0m DKK in 2022).

A negative change of 7,4m DKK compared to 2022 was related to financial markets. Interest expenses increased 1,2m DKK and change of currency rates led to a loss from hedging derivatives of 4,3m DKK (+1,9m DKK in 2022).

Trade receivables were increased by 20,0m DKK whereas Stock for resale was reduced to 34,2m DKK as intended (62,5m DKK by end of 2022). Total assets by year-end were reduced to 85,2m DKK (90,5m DKK end of 2022).

Profit/loss for the year in relation to expected developments

Despite inflation and uncertain macro economy at the beginning of the year, we were cautiously optimistic about 2023. However, the year was dominated by a continued market slowdown and significant price competition.

Like many other companies, Scandomestic had larger than normal inventory at the beginning of the year, and since the goods were imported at record-high freight rates in 2022, maintaining a normal gross margin would be challenging. However, the inventory has successfully been reduced to a normal level during the year, and we have managed to maintain acceptable gross margins.

Despite the difficult business conditions and the rise in Financial Expenses, the Profit for the year was not satisfactory in 2023.

Outlook

As of January 1, 2024, the group's ocean freight price agreements from Asia have been temporarily suspended as shipping lines and freight forwarders have cited force majeure. The background is the Houthi militia's attacks on commercial vessels, which have obstructed the passage through the Suez Canal.

The direct consequence has been delays in goods to Scandomestic's and customers' warehouses, as well as a sudden shortage of shipping capacity from the Far East. Consequently, ocean freight rates have been unusually high in the first quarter of 2024. Delays combined with high freight rates will negatively impact operations and profit in the first half of 2024.

Though the global uncertainty in 2023 will continue throughout 2024, the result for the year is expected to be on par with or better than 2023.

Environmental performance

The group is aware of initiatives that can contribute positively to reducing the overall environmental impact of its business activities. For example, the group's headquarters with warehouse and office meet the latest standards in terms of energy consumption, the fleet of vehicles in Denmark is gradually being converted to electric cars, and the company has invested in equipment for recycling packaging.

Scandomestic A/S prepares a climate report with external assistance, and the group is a member of the Danish association Elretur, which handles the producer responsibility for electrical and electronic equipment as well as batteries. We have entered into similar memberships in other countries.

Events after the balance sheet date

No event or change of circumstances since 31.12.2023 give reason to affect the evaluation of the annual report.

Consolidated income statement for 2023

| | Notes | 2023 DKK | 2022 DKK |
|--|-------|-------------------|-------------------|
| Gross profit/loss | | 24,859,980 | 26,378,658 |
| Staff costs | 1 | (17,783,412) | (17,113,818) |
| Depreciation, amortisation and impairment losses | 2 | (967,103) | (740,809) |
| Operating profit/loss | | 6,109,465 | 8,524,031 |
| Other financial income | | 16,591 | 0 |
| Financial expenses from group enterprises | | (9,556) | (36,250) |
| Other financial expenses | 3 | (3,306,822) | (1,500,099) |
| Profit/loss before tax | | 2,809,678 | 6,987,682 |
| Tax on profit/loss for the year | 4 | (626,846) | (1,547,019) |
| Profit/loss for the year | 5 | 2,182,832 | 5,440,663 |

Consolidated balance sheet at 31.12.2023

Assets

| | Notes | 2023 DKK | 2022 DKK |
|--|-------|-------------------|-------------------|
| Acquired intangible assets | | 1,076,117 | 1,403,382 |
| Intangible assets | 6 | 1,076,117 | 1,403,382 |
| Other fixtures and fittings, tools and equipment | | 601,953 | 899,588 |
| Leasehold improvements | | 81,049 | 118,456 |
| Property, plant and equipment | 7 | 683,002 | 1,018,044 |
| Deposits | | 4,564,244 | 4,178,000 |
| Financial assets | 8 | 4,564,244 | 4,178,000 |
| Fixed assets | | 6,323,363 | 6,599,426 |
| Manufactured goods and goods for resale | | 34,190,861 | 62,501,988 |
| Prepayments for goods | | 7,391,064 | 5,207,149 |
| Inventories | | 41,581,925 | 67,709,137 |
| Trade receivables | | 34,265,260 | 14,232,956 |
| Receivables from group enterprises | | 1,402,650 | 0 |
| Deferred tax | 9 | 317,000 | 313,000 |
| Other receivables | | 833,589 | 664,229 |
| Joint taxation contribution receivable | | 0 | 161,560 |
| Prepayments | 10 | 395,883 | 159,442 |
| Receivables | | 37,214,382 | 15,531,187 |
| Cash | | 80,233 | 628,789 |
| Current assets | | 78,876,540 | 83,869,113 |
| Assets | | 85,199,903 | 90,468,539 |

Equity and liabilities

| | Notes | 2023 DKK | 2022 DKK |
|--|--------------|---------------------------|---------------------------|
| Contributed capital | 11 | 1,500,000 | 1,500,000 |
| Retained earnings | | 23,787,946 | 23,551,122 |
| Proposed dividend for the financial year | | 2,200,000 | 0 |
| Equity | | 27,487,946 | 25,051,122 |
| Other provisions | 12 | 2,366,000 | 2,624,000 |
| Provisions | | 2,366,000 | 2,624,000 |
| Bank loans | | 39,553,877 | 49,361,970 |
| Prepayments received from customers | | 267,908 | 307,921 |
| Trade payables | | 10,799,983 | 7,446,548 |
| Payables to group enterprises | | 0 | 2,010,000 |
| Tax payable | | 0 | 65,029 |
| Joint taxation contribution payable | | 671,642 | 0 |
| Other payables | 13 | 3,718,310 | 3,601,949 |
| Deferred income | 14 | 334,237 | 0 |
| Current liabilities other than provisions | | 55,345,957 | 62,793,417 |
| Liabilities other than provisions | | 55,345,957 | 62,793,417 |
| Equity and liabilities | | 85,199,903 | 90,468,539 |
| Unrecognised rental and lease commitments | 16 | | |
| Contingent liabilities | 17 | | |
| Assets charged and collateral | 18 | | |
| Transactions with related parties | 19 | | |
| Group relations | 20 | | |
| Subsidiaries | 21 | | |

Consolidated statement of changes in equity for 2023

| | Contributed capital DKK | Reserve for fair value adjustments of hedging instruments DKK | Retained earnings DKK | Proposed dividend for the financial year DKK | Total DKK |
|---------------------------|-------------------------------|--|-----------------------------|--|-------------------|
| Equity beginning of year | 1,500,000 | 0 | 23,551,122 | 0 | 25,051,122 |
| Other entries on equity | 0 | 325,631 | 0 | 0 | 325,631 |
| Tax of entries on equity | 0 | (71,639) | 0 | 0 | (71,639) |
| Transfer to reserves | 0 | (253,992) | 253,992 | 0 | 0 |
| Profit/loss for the year | 0 | 0 | (17,168) | 2,200,000 | 2,182,832 |
| Equity end of year | 1,500,000 | 0 | 23,787,946 | 2,200,000 | 27,487,946 |

Consolidated cash flow statement for 2023

| | Notes | 2023 DKK | 2022 DKK |
|---|-------|--------------------|---------------------|
| Operating profit/loss | | 6,109,465 | 8,524,031 |
| Operating profit/loss from discontinued operations | | 967,103 | 740,809 |
| Working capital changes | 15 | 5,910,869 | 9,803,679 |
| Cash flow from ordinary operating activities | | 12,987,437 | 19,068,519 |
| Financial income received | | 16,591 | 0 |
| Financial expenses paid | | (3,427,600) | (1,588,880) |
| Taxes refunded/(paid) | | (337,915) | (2,272,367) |
| Other cash flows from operating activities | | 325,820 | (1,440,829) |
| Cash flows from operating activities | | 9,564,333 | 13,766,443 |
| Acquisition etc. of intangible assets | | (304,796) | (806,218) |
| Acquisition etc. of property, plant and equipment | | 0 | (125,548) |
| Cash flows from investing activities | | (304,796) | (931,766) |
| Free cash flows generated from operations and investments before financing | | 9,259,537 | 12,834,677 |
| Dividend paid | | 0 | (10,650,000) |
| Change in short-term debt to banks | | (9,808,093) | (3,441,355) |
| Cash flows from financing activities | | (9,808,093) | (14,091,355) |
| Increase/decrease in cash and cash equivalents | | (548,556) | (1,256,678) |
| Cash and cash equivalents beginning of year | | 628,789 | 1,885,467 |
| Cash and cash equivalents end of year | | 80,233 | 628,789 |
| Cash and cash equivalents at year-end are composed of: | | | |
| Cash | | 80,233 | 628,789 |
| Cash and cash equivalents end of year | | 80,233 | 628,789 |

Notes to consolidated financial statements

1 Staff costs

| | 2023 | 2022 |
|---------------------------------------|-------------------|-------------------|
| | DKK | DKK |
| Wages and salaries | 15,382,614 | 14,814,180 |
| Pension costs | 1,901,129 | 1,879,015 |
| Other social security costs | 305,008 | 256,098 |
| Other staff costs | 194,661 | 164,525 |
| | 17,783,412 | 17,113,818 |
| Average number of full-time employees | 27 | 28 |

| | Remuneration of management 2023 DKK | Remuneration of management 2022 DKK |
|--|--|--|
| Total amount for management categories | 2,207,257 | 2,115,324 |
| | 2,207,257 | 2,115,324 |

2 Depreciation, amortisation and impairment losses

| | 2023 | 2022 |
|---|----------------|----------------|
| | DKK | DKK |
| Amortisation of intangible assets | 632,061 | 403,310 |
| Depreciation on property, plant and equipment | 335,042 | 337,499 |
| | 967,103 | 740,809 |

3 Other financial expenses

| | 2023 | 2022 |
|---------------------------|------------------|------------------|
| | DKK | DKK |
| Other interest expenses | 2,493,055 | 1,310,883 |
| Exchange rate adjustments | 494,224 | 0 |
| Other financial expenses | 319,543 | 189,216 |
| | 3,306,822 | 1,500,099 |

4 Tax on profit/loss for the year

| | 2023 | 2022 |
|------------------------|----------------|------------------|
| | DKK | DKK |
| Current tax | 630,846 | 1,340,019 |
| Change in deferred tax | (4,000) | 207,000 |
| | 626,846 | 1,547,019 |

5 Proposed distribution of profit/loss

| | 2023 | 2022 |
|--|------------------|------------------|
| | DKK | DKK |
| Ordinary dividend for the financial year | 2,200,000 | 0 |
| Retained earnings | (17,168) | 5,440,663 |
| | 2,182,832 | 5,440,663 |

6 Intangible assets

| | Acquired intangible assets DKK |
|---|---|
| Cost beginning of year | 1,814,732 |
| Additions | 304,796 |
| Cost end of year | 2,119,528 |
| Amortisation and impairment losses beginning of year | (411,350) |
| Amortisation for the year | (632,061) |
| Amortisation and impairment losses end of year | (1,043,411) |
| Carrying amount end of year | 1,076,117 |

7 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment DKK | Leasehold improvements DKK |
|---|---|---|
| Cost beginning of year | 1,998,181 | 187,035 |
| Cost end of year | 1,998,181 | 187,035 |
| Depreciation and impairment losses beginning of year | (1,098,593) | (68,579) |
| Depreciation for the year | (297,635) | (37,407) |
| Depreciation and impairment losses end of year | (1,396,228) | (105,986) |
| Carrying amount end of year | 601,953 | 81,049 |

8 Financial assets

| | Deposits DKK |
|------------------------------------|-------------------------|
| Cost beginning of year | 4,178,000 |
| Additions | 386,244 |
| Cost end of year | 4,564,244 |
| Carrying amount end of year | 4,564,244 |

9 Deferred tax

| | 2023 DKK | 2022 DKK |
|------------------------------------|---------------------|---------------------|
| Property, plant and equipment | (219,000) | (317,000) |
| Provisions | 520,000 | 577,000 |
| Liabilities other than provisions | 16,000 | 53,000 |
| Deferred tax | 317,000 | 313,000 |
| | 2023 DKK | 2022 DKK |
| Changes during the year | | |
| Beginning of year | 313,000 | 515,217 |
| Recognised in the income statement | 4,000 | (207,000) |
| Other regulations | 0 | 4,783 |
| End of year | 317,000 | 313,000 |

Deferred tax assets

Deferred tax assets consist of unused tax deductions which is regarding intangible assets, property, plant and equipment and provisions.

10 Prepayments

Prepayments and accrued income includes prepaid costs per status day.

11 Contributed capital

The share capital consists of 3,000 shares of DKK 500 and multiples thereof. The capital is not divided into classes.

12 Other provisions

Other provisions consist of expected costs for complaints.

13 Other payables

| | 2023 | 2022 |
|--|------------------|------------------|
| | DKK | DKK |
| VAT and duties | 873,049 | 525,079 |
| Wages and salaries, personal income taxes, social security costs, etc. payable | 605,801 | 564,084 |
| Holiday pay obligation | 803,055 | 743,022 |
| Derivative financial instruments | 365,141 | 690,772 |
| Other costs payable | 1,071,264 | 1,078,992 |
| | 3,718,310 | 3,601,949 |

The parent company has entered into forward exchange contracts to hedge future purchases of goods. It has been entered into forward exchange contracts for a total of CNY 5,800 thousand. In relation to the forward rate on the balance sheet date, there is a preliminary capital loss of DKK 365 thousand, which is recognized under other payables and adjusted over equity. The forward exchange contracts expire in the period March to July 2024.

14 Deferred income

Deferred income comprises freight revenue related to subsequent accounting years.

15 Changes in working capital

| | 2023 | 2022 |
|--|------------------|------------------|
| | DKK | DKK |
| Increase/decrease in inventories | 26,127,212 | (12,142,320) |
| Increase/decrease in receivables | (20,824,350) | 30,290,306 |
| Increase/decrease in trade payables etc. | 866,007 | (7,793,307) |
| Other changes | (258,000) | (551,000) |
| | 5,910,869 | 9,803,679 |

16 Unrecognised rental and lease commitments

| | 2023 | 2022 |
|---|-------------|-------------|
| | DKK | DKK |
| Total liabilities under rental or lease agreements until maturity | 43,406,102 | 47,299,660 |

17 Contingent liabilities

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which Appliance, Silkeborg ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends 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.

18 Assets charged and collateral

As security for debt to banks, DKK 39,554 thousand, the group has provided a corporate mortgage with a nominal value of DKK 50.000 thousand. The corporate mortgage comprises the following assets whose carrying amount at the balance sheet date is:

Other fixtures and fittings, tools and equipment, DKK 683 thousand

Inventories, DKK 31,582 thousand

Receivables from sales and services, DKK 34,191 thousand

19 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

20 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Appliance, Silkeborg ApS, Linåvej 20, 8600 Silkeborg

21 Subsidiaries

| | Registered in | Ownership % |
|-------------------------|----------------------|------------------------|
| Scandomestic Sverige AB | Sweden | 100.00 |

Parent income statement for 2023

| | Notes | 2023 DKK | 2022 DKK |
|--|-------|-------------------|-------------------|
| Gross profit/loss | | 23,868,200 | 25,338,930 |
| Staff costs | 1 | (16,913,281) | (16,468,213) |
| Depreciation, amortisation and impairment losses | 2 | (967,103) | (740,809) |
| Operating profit/loss | | 5,987,816 | 8,129,908 |
| Income from investments in group enterprises | | 103,811 | 307,064 |
| Other financial income | | 3,498 | 0 |
| Financial expenses from group enterprises | | (9,556) | (36,250) |
| Other financial expenses | 3 | (3,306,734) | (1,494,002) |
| Profit/loss before tax | | 2,778,835 | 6,906,720 |
| Tax on profit/loss for the year | 4 | (596,003) | (1,466,057) |
| Profit/loss for the year | 5 | 2,182,832 | 5,440,663 |

Parent balance sheet at 31.12.2023

Assets

| | Notes | 2023 DKK | 2022 DKK |
|--|-------|-------------------|-------------------|
| Acquired intangible assets | | 1,076,117 | 1,403,382 |
| Intangible assets | 6 | 1,076,117 | 1,403,382 |
| Other fixtures and fittings, tools and equipment | | 601,953 | 899,588 |
| Leasehold improvements | | 81,049 | 118,456 |
| Property, plant and equipment | 7 | 683,002 | 1,018,044 |
| Investments in group enterprises | | 305,574 | 703,195 |
| Deposits | | 4,564,244 | 4,178,000 |
| Financial assets | 8 | 4,869,818 | 4,881,195 |
| Fixed assets | | 6,628,937 | 7,302,621 |
| Manufactured goods and goods for resale | | 34,190,861 | 62,501,988 |
| Prepayments for goods | | 7,391,064 | 5,207,149 |
| Inventories | | 41,581,925 | 67,709,137 |
| Trade receivables | | 32,980,225 | 13,111,629 |
| Receivables from group enterprises | | 1,472,942 | 193,454 |
| Deferred tax | 9 | 317,000 | 313,000 |
| Other receivables | | 483,675 | 664,258 |
| Joint taxation contribution receivable | | 0 | 161,560 |
| Prepayments | 10 | 395,883 | 159,442 |
| Receivables | | 35,649,725 | 14,603,343 |
| Cash | | 24,232 | 521,532 |
| Current assets | | 77,255,882 | 82,834,012 |
| Assets | | 83,884,819 | 90,136,633 |

Equity and liabilities

| | Notes | 2023 DKK | 2022 DKK |
|--|--------------|---------------------|---------------------|
| Contributed capital | | 1,500,000 | 1,500,000 |
| Reserve for net revaluation according to equity method | | 265,288 | 1,638,912 |
| Retained earnings | | 23,522,658 | 21,912,210 |
| Proposed dividend for the financial year | | 2,200,000 | 0 |
| Equity | | 27,487,946 | 25,051,122 |
| Other provisions | 11 | 2,366,000 | 2,624,000 |
| Provisions | | 2,366,000 | 2,624,000 |
| Bank loans | | 39,553,877 | 49,361,970 |
| Prepayments received from customers | | 267,908 | 307,921 |
| Trade payables | | 10,632,179 | 7,256,422 |
| Payables to group enterprises | | 0 | 2,942,219 |
| Joint taxation contribution payable | | 671,642 | 0 |
| Other payables | 12 | 2,761,214 | 2,592,979 |
| Deferred income | 13 | 144,053 | 0 |
| Current liabilities other than provisions | | 54,030,873 | 62,461,511 |
| Liabilities other than provisions | | 54,030,873 | 62,461,511 |
| Equity and liabilities | | 83,884,819 | 90,136,633 |
| Unrecognised rental and lease commitments | 14 | | |
| Contingent liabilities | 15 | | |
| Assets charged and collateral | 16 | | |
| Related parties with controlling interest | 17 | | |
| Transactions with related parties | 18 | | |

Parent statement of changes in equity for 2023

| | Contributed capital DKK | Reserve for fair value adjustments of hedging instruments DKK | Reserve for net revaluation according to the equity method DKK | Retained earnings DKK | Proposed dividend for the year DKK |
|---------------------------|----------------------------|--|---|--------------------------|---------------------------------------|
| Equity beginning of year | 1,500,000 | 0 | 1,638,912 | 21,912,210 | 0 |
| Other entries on equity | 0 | 325,631 | 0 | 0 | 0 |
| Tax of entries on equity | 0 | (71,639) | 0 | 0 | 0 |
| Transfer to reserves | 0 | (253,992) | 0 | 253,992 | 0 |
| Profit/loss for the year | 0 | 0 | (1,373,624) | 1,356,456 | 2,200,000 |
| Equity end of year | 1,500,000 | 0 | 265,288 | 23,522,658 | 2,200,000 |

| | Total DKK |
|---------------------------|-------------------|
| Equity beginning of year | 25,051,122 |
| Other entries on equity | 325,631 |
| Tax of entries on equity | (71,639) |
| Transfer to reserves | 0 |
| Profit/loss for the year | 2,182,832 |
| Equity end of year | 27,487,946 |

Notes to parent financial statements

1 Staff costs

| | 2023 | 2022 |
|---------------------------------------|-------------------|-------------------|
| | DKK | DKK |
| Wages and salaries | 14,747,418 | 14,343,650 |
| Pension costs | 1,901,129 | 1,879,015 |
| Other social security costs | 87,475 | 91,357 |
| Other staff costs | 177,259 | 154,191 |
| | 16,913,281 | 16,468,213 |
| Average number of full-time employees | 26 | 27 |

| | Remuneration of Manage- ment 2023 DKK | Remuneration of Manage- ment 2022 DKK |
|--|--|--|
| Total amount for management categories | 2,207,257 | 2,115,324 |
| | 2,207,257 | 2,115,324 |

2 Depreciation, amortisation and impairment losses

| | 2023 | 2022 |
|---|----------------|----------------|
| | DKK | DKK |
| Amortisation of intangible assets | 632,061 | 403,310 |
| Depreciation on property, plant and equipment | 335,042 | 337,499 |
| | 967,103 | 740,809 |

3 Other financial expenses

| | 2023 | 2022 |
|---------------------------|------------------|------------------|
| | DKK | DKK |
| Other interest expenses | 2,493,055 | 1,310,883 |
| Exchange rate adjustments | 494,224 | 0 |
| Other financial expenses | 319,455 | 183,119 |
| | 3,306,734 | 1,494,002 |

4 Tax on profit/loss for the year

| | 2023 | 2022 |
|------------------------|----------------|------------------|
| | DKK | DKK |
| Current tax | 600,003 | 1,259,057 |
| Change in deferred tax | (4,000) | 207,000 |
| | 596,003 | 1,466,057 |

5 Proposed distribution of profit and loss

| | 2023 | 2022 |
|--|------------------|------------------|
| | DKK | DKK |
| Ordinary dividend for the financial year | 2,200,000 | 0 |
| Retained earnings | (17,168) | 5,440,663 |
| | 2,182,832 | 5,440,663 |

6 Intangible assets

| | Acquired intangible assets DKK |
|---|---|
| Cost beginning of year | 1,814,732 |
| Additions | 304,796 |
| Cost end of year | 2,119,528 |
| Amortisation and impairment losses beginning of year | (411,350) |
| Amortisation for the year | (632,061) |
| Amortisation and impairment losses end of year | (1,043,411) |
| Carrying amount end of year | 1,076,117 |

7 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment DKK | Leasehold improvements DKK |
|---|---|---|
| Cost beginning of year | 1,998,181 | 187,035 |
| Cost end of year | 1,998,181 | 187,035 |
| Depreciation and impairment losses beginning of year | (1,098,593) | (68,579) |
| Depreciation for the year | (297,635) | (37,407) |
| Depreciation and impairment losses end of year | (1,396,228) | (105,986) |
| Carrying amount end of year | 601,953 | 81,049 |

8 Financial assets

| | Investments in group enterprises DKK | Deposits DKK |
|------------------------------------|---|-------------------------|
| Cost beginning of year | 9,692 | 4,178,000 |
| Transfers | 52,750 | 0 |
| Additions | 0 | 386,244 |
| Disposals | (22,156) | 0 |
| Cost end of year | 40,286 | 4,564,244 |
| Revaluations beginning of year | 693,503 | 0 |
| Exchange rate adjustments | (3,101) | 0 |
| Transfers | (52,750) | 0 |
| Share of profit/loss for the year | 106,913 | 0 |
| Dividend | (263,050) | 0 |
| Reversal regarding disposals | (216,227) | 0 |
| Revaluations end of year | 265,288 | 0 |
| Carrying amount end of year | 305,574 | 4,564,244 |

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

9 Deferred tax

| | 2023 DKK | 2022 DKK |
|-----------------------------------|---------------------|---------------------|
| Property, plant and equipment | (219,000) | (317,000) |
| Provisions | 520,000 | 577,000 |
| Liabilities other than provisions | 16,000 | 53,000 |
| Deferred tax | 317,000 | 313,000 |

| Changes during the year | 2023 DKK | 2022 DKK |
|------------------------------------|---------------------|---------------------|
| Beginning of year | 313,000 | 520,000 |
| Recognised in the income statement | 4,000 | (207,000) |
| End of year | 317,000 | 313,000 |

Deferred tax assets

Deferred tax assets consist of unused tax deductions which is regarding intangible assets, property, plant and equipment and provisions.

10 Prepayments

Prepayments and accrued income comprise prepaid costs per status day.

11 Other provisions

Other provisions consist of expected costs for complaints.

12 Other payables

| | 2023 | 2022 |
|--|------------------|------------------|
| | DKK | DKK |
| VAT and duties | 873,049 | 525,079 |
| Wages and salaries, personal income taxes, social security costs, etc. payable | 605,801 | 564,084 |
| Holiday pay obligation | 803,055 | 743,022 |
| Derivative financial instruments | 365,141 | 690,772 |
| Other costs payable | 114,168 | 70,022 |
| | 2,761,214 | 2,592,979 |

The parent company has entered into forward exchange contracts to hedge future purchases of goods. It has been entered into forward exchange contracts for a total of CNY 5,800 thousand. In relation to the forward rate on the balance sheet date, there is a preliminary capital loss of DKK 365 thousand, which is recognized under other payables and adjusted over equity. The forward exchange contracts expire in the period March to July 2024.

13 Deferred income

Deferred income comprises freight revenue related to subsequent accounting years.

14 Unrecognised rental and lease commitments

| | 2023 | 2022 |
|---|-------------|-------------|
| | DKK | DKK |
| Total liabilities under rental or lease agreements until maturity | 43,406,102 | 47,299,660 |

15 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Appliance, Silkeborg 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends 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.

16 Assets charged and collateral

As security for debt to banks, DKK 39,554 thousand, the company has provided a corporate mortgage with a nominal value of DKK 50.000 thousand. The corporate mortgage comprises the following assets whose carrying amount at the balance sheet date is:

Other fixtures and fittings, tools and equipment, DKK 683 thousand

Inventories, DKK 31,582 thousand

Receivables from sales and services, DKK 34,191 thousand

17 Related parties with controlling interest

Appliance, Silkeborg ApS owns all shares in the Entity, thus exercising control.

18 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

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 consolidated financial statements and parent financial statements are consistent with those applied last year.

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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

The subsidiaries' accounting items are recognized 100% in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value.

Derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in the reserve for fair value adjustments of hedging instruments in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, costs of raw materials and consumables 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 from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary writedowns of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from management fee.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal 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 wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets

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, including interest income on receivables from group enterprises-

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, including 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 Parent is jointly taxed with all of its 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 acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

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

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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 |
| Leasehold improvements | 3-5 years |

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, 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 in the parent financial statements 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. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

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 if its lower.

Cost consists of purchase price plus delivery 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.

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.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises cash in hand and 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.

Other provisions

Other provisions comprise anticipated costs of returned goods, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

Other financial liabilities

Other financial liabilities 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.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including the acquisition of financially leased assets.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents include cash and cash equivalents less current liabilities.