



## Kebe Holding A/S

Knastvej 3  
7860 Spøttrup  
CVR No. 31071402

## Annual report 01.05.2023 - 30.04.2024

The Annual General Meeting adopted the annual  
report on 16.09.2024

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**Henrik Schougaard Pedersen**  
Chairman of the General Meeting

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# Entity details

## Entity

Kebe Holding A/S

Knastvej 3

7860 Spøttrup

Business Registration No.: 31071402

Registered office: Skive

Financial year: 01.05.2023 - 30.04.2024

## Board of Directors

Hans Houliind, chairman

Henrik Schougaard Pedersen

Jakob Willumsen

## Executive Board

Henrik Schougaard Pedersen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Kebe Holding A/S for the financial year 01.05.2023 - 30.04.2024.

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 30.04.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.05.2023 - 30.04.2024.

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.

Spøttrup, 16.09.2024

## Executive Board

**Henrik Schougaard Pedersen**

## Board of Directors

**Hans Houliind**  
chairman

**Henrik Schougaard Pedersen**

**Jakob Willumsen**

# Independent auditor's report

## To the shareholders of Kebe Holding A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Kebe Holding A/S for the financial year 01.05.2023 - 30.04.2024, 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 30.04.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.05.2023 - 30.04.2024 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.

Aarhus, 16.09.2024

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Michael Bach**

State Authorised Public Accountant  
Identification No (MNE) mne19691

**Nikolaj Dyregaard Nielsen**

State Authorised Public Accountant  
Identification No (MNE) mne47838

# Management commentary

## Financial highlights

	2023/24	2022/23	2021/22	2020/21	2019/20
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Gross profit/loss	30,988	33,891	39,297	34,313	22,989
Operating profit/loss	(1,027)	811	9,457	12,978	2,382
Net financials	(2,452)	(2,044)	(894)	(749)	(969)
Profit/loss for the year	(2,563)	(1,011)	7,430	10,060	1,098
Balance sheet total	53,350	54,241	59,630	45,823	32,593
Investments in property, plant and equipment	1,795	4,642	4,577	2,823	2,092
Equity	12,537	13,938	18,572	14,968	5,016
<b>Ratios</b>					
Return on equity (%)	(19.36)	(6.22)	44.31	100.68	23.42
Equity ratio (%)	23.50	25.70	31.15	32.66	15.39

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

### Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

### Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$



### Primary activities

Kebe Holding ApS is a holding company, holding the shares of the companies Kebe A/S, Kebe Shenzhen LTD, Shenzhen Yingjin Home Co Ltd, Lexpo ApS, Abrace ApS and via Kebe A/S owning Kebe Poland Sp. Z.o.o.

Kebe A/S and Kebe Poland Sp. z.o.o. produce and distribute upholstered furniture in own brand and for larger OEM customers.

Kebe Shenzhen LTD and Shenzhen Yingjin Home Co Ltd, produce upholstered furniture in Kebe's own brand, and for larger OEM customers, from facilities in Shenzhen, China.

With the set up in Poland and China, the Kebe group can supply the same products, in the same high quality, to customers and groups in the retail market both in Europe, Asia and the US. The production close to the customer, supports the growing global demand for sustainable local production, and stable supply chains.

Lexpo ApS develop, import and distribute primarily in Denmark, finished upholstery furniture from China and Eastern Europe.

Abrace ApS has closed its activities during the year, and will be liquidated the coming year.

### Development in activities and finances

The annual result is a loss of 2.563 t.kr, against a loss of 1.011 t.kr the year before.

2023/24 has been a year in which the negative market development from 2022/23 has continued. The effects of high inflation and high interest rates have eroded the purchasing power of the consumers. Together with the increased global tensions, this has put further pressure on global furniture sales.

At the same time this development has provided some great market opportunities, if you can navigate in the uncertain environment and are able to adapt to the situation.

For Kebe A/S, Kebe Shenzhen LTD and Shenzhen Yingjin Home Co Ltd, 2023/24 has therefore been a year in which, on the one hand, tight cost management and careful adaption of capacity have had to take place, and on the other hand has been heavily invested in the development of new products and the development of cooperation with new customers.

In 2023/24 Lexpo ApS has built up a wider and stronger collection and prepared the company for export sales.

### Profit/loss for the year in relation to expected developments

The continued decline in the market has had a negative impact on the year's result, which is lower than expected at the start of the financial year.

## Outlook

The continued decline in the market i 2023/24 appears to have flattened out in spring 2024, and a slightly positive market development is expected in 2024/25.

In Kebe A/S, Kebe Shenzhen LTD and Shenzhen Yingjun Home Co Ltd, a number of development collaborations with new customers that have been worked on in 2023/24 have been completed and production and delivery are expected to start in autumn 2024. These will contribute positively to the turnover and result for 2024/25. Both Kebe A/S, Kebe Shenzhen LTD and Shenzhen Yingjun Home Co Ltd are expected to make profit in 2024/25. In Lexpo Aps, the new products have been positively received by the market: in Lexpo ApS, a profit is also expected in 2024/25.

A result between DKK 500k and 2,500k before tax is expected for 2024/25.

## 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.

# Consolidated income statement for 2023/24

	Notes	2023/24 DKK	2022/23 DKK
<b>Gross profit/loss</b>	1	<b>30,987,924</b>	<b>33,891,120</b>
Staff costs	2	(27,937,733)	(30,122,752)
Depreciation, amortisation and impairment losses	3	(4,077,363)	(2,957,464)
<b>Operating profit/loss</b>		<b>(1,027,172)</b>	<b>810,904</b>
Other financial income		683,164	268,169
Impairment losses on financial assets		(235,000)	0
Other financial expenses		(2,899,696)	(2,312,082)
<b>Profit/loss before tax</b>		<b>(3,478,704)</b>	<b>(1,233,009)</b>
Tax on profit/loss for the year	4	915,386	222,243
<b>Profit/loss for the year</b>	5	<b>(2,563,318)</b>	<b>(1,010,766)</b>

# Consolidated balance sheet at 30.04.2024

## Assets

	Notes	2023/24 DKK	2022/23 DKK
Acquired intangible assets		1,871,140	2,173,599
Acquired rights		0	0
<b>Intangible assets</b>	<b>6</b>	<b>1,871,140</b>	<b>2,173,599</b>
Plant and machinery		6,294,810	7,421,759
Other fixtures and fittings, tools and equipment		2,145,484	1,554,352
Property, plant and equipment in progress		0	119,276
<b>Property, plant and equipment</b>	<b>7</b>	<b>8,440,294</b>	<b>9,095,387</b>
Investments in participating interests		1,916,173	2,151,173
Receivables from participating interests		390,000	390,000
Deposits		879,028	839,346
Deferred tax	9	2,855,694	1,271,300
<b>Financial assets</b>	<b>8</b>	<b>6,040,895</b>	<b>4,651,819</b>
<b>Fixed assets</b>		<b>16,352,329</b>	<b>15,920,805</b>
Raw materials and consumables		16,779,719	17,447,504
Manufactured goods and goods for resale		2,156,298	2,062,595
Prepayments for goods		387,926	167,611
<b>Inventories</b>		<b>19,323,943</b>	<b>19,677,710</b>

Trade receivables		13,262,421	12,653,921
Other receivables		1,948,457	2,331,533
Tax receivable		322,869	0
Prepayments	10	377,411	243,618
<b>Receivables</b>		<b>15,911,158</b>	<b>15,229,072</b>
<hr/>			
<b>Cash</b>		<b>1,762,097</b>	<b>3,413,159</b>
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<b>Current assets</b>		<b>36,997,198</b>	<b>38,319,941</b>
<hr/>			
<b>Assets</b>		<b>53,349,527</b>	<b>54,240,746</b>
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**Equity and liabilities**

	<b>Notes</b>	<b>2023/24</b> <b>DKK</b>	<b>2022/23</b> <b>DKK</b>
Contributed capital		400,000	400,000
Retained earnings		12,137,226	13,538,117
<b>Equity</b>		<b>12,537,226</b>	<b>13,938,117</b>
Bank loans		24,759,321	21,673,192
Lease liabilities		364,633	0
Payables to other credit institutions		74,775	107,459
Trade payables		9,425,817	12,054,854
Payables to owners and management		2,625,000	2,630,208
Tax payable		0	844,874
Other payables	11	3,562,755	2,992,042
<b>Current liabilities other than provisions</b>		<b>40,812,301</b>	<b>40,302,629</b>
<b>Liabilities other than provisions</b>		<b>40,812,301</b>	<b>40,302,629</b>
<b>Equity and liabilities</b>		<b>53,349,527</b>	<b>54,240,746</b>
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		
Non-arm's length related party transactions	16		
Subsidiaries	17		

# Consolidated statement of changes in equity for 2023/24

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	400,000	13,538,117	13,938,117
Exchange rate adjustments	0	1,162,427	1,162,427
Profit/loss for the year	0	(2,563,318)	(2,563,318)
<b>Equity end of year</b>	<b>400,000</b>	<b>12,137,226</b>	<b>12,537,226</b>

# Consolidated cash flow statement for 2023/24

	Notes	2023/24 DKK	2022/23 DKK
Operating profit/loss		(1,027,172)	810,904
Amortisation, depreciation and impairment losses		3,477,363	2,957,464
Writedown of current assets		600,000	0
Working capital changes	12	(1,689,223)	292,704
<b>Cash flow from ordinary operating activities</b>		<b>1,360,968</b>	<b>4,061,072</b>
Financial income received		683,166	268,169
Financial expenses paid		(2,899,696)	(2,312,082)
Taxes refunded/(paid)		(1,204,910)	(1,508,756)
<b>Cash flows from operating activities</b>		<b>(2,060,472)</b>	<b>508,403</b>
Acquisition etc. of intangible assets		(809,001)	(653,411)
Acquisition etc. of property, plant and equipment		(1,795,352)	(2,571,485)
Acquisition of fixed asset investments		(39,682)	(434,052)
<b>Cash flows from investing activities</b>		<b>(2,644,035)</b>	<b>(3,658,948)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(4,704,507)</b>	<b>(3,150,545)</b>
Dividend paid		0	(4,000,000)
Other cash flows from financing activities		3,053,445	4,180,908
<b>Cash flows from financing activities</b>		<b>3,053,445</b>	<b>180,908</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(1,651,062)</b>	<b>(2,969,637)</b>
Cash and cash equivalents beginning of year		3,413,159	6,382,796
<b>Cash and cash equivalents end of year</b>		<b>1,762,097</b>	<b>3,413,159</b>
Cash and cash equivalents at year-end are composed of:			
Cash		1,762,097	3,413,159
<b>Cash and cash equivalents end of year</b>		<b>1,762,097</b>	<b>3,413,159</b>



# Notes to consolidated financial statements

## 1 Gross profit/loss

Other operating income under gross profit/loss includes income of a secondary nature as viewed in relation to the Entity's primary activity and salary refunds.

## 2 Staff costs

	<b>2023/24</b>	<b>2022/23</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	23,702,521	25,520,056
Pension costs	315,655	671,261
Other social security costs	3,919,557	3,931,435
	<b>27,937,733</b>	<b>30,122,752</b>
Average number of full-time employees	177	209

Remuneration for the board of directors and management is undisclosed with reference to section 98, subsection of the Annual Accounts Act. 3, No. 2.

## 3 Depreciation, amortisation and impairment losses

	<b>2023/24</b>	<b>2022/23</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	511,460	353,791
Impairment losses on intangible assets	600,000	0
Depreciation on property, plant and equipment	2,965,903	2,603,673
	<b>4,077,363</b>	<b>2,957,464</b>

## 4 Tax on profit/loss for the year

	<b>2023/24</b>	<b>2022/23</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	631,841	601,176
Change in deferred tax	(1,584,394)	(888,944)
Adjustment concerning previous years	37,167	65,525
	<b>(915,386)</b>	<b>(222,243)</b>

## 5 Proposed distribution of profit/loss

	2023/24 DKK	2022/23 DKK
Retained earnings	(2,563,318)	(1,010,766)
	<b>(2,563,318)</b>	<b>(1,010,766)</b>

## 6 Intangible assets

	Acquired intangible assets DKK	Acquired rights DKK
Cost beginning of year	2,557,296	0
Additions	209,001	600,000
<b>Cost end of year</b>	<b>2,766,297</b>	<b>600,000</b>
Amortisation and impairment losses beginning of year	(383,697)	0
Impairment losses for the year	0	(600,000)
Amortisation for the year	(511,460)	0
<b>Amortisation and impairment losses end of year</b>	<b>(895,157)</b>	<b>(600,000)</b>
<b>Carrying amount end of year</b>	<b>1,871,140</b>	<b>0</b>

## 7 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	16,037,578	5,840,364	119,276
Exchange rate adjustments	444,417	63,680	7,361
Transfers	126,637	0	(126,637)
Additions	737,357	1,057,995	0
<b>Cost end of year</b>	<b>17,345,989</b>	<b>6,962,039</b>	<b>0</b>
Depreciation and impairment losses beginning of year	(8,615,819)	(4,286,012)	0
Depreciation for the year	(2,435,360)	(530,543)	0
<b>Depreciation and impairment losses end of year</b>	<b>(11,051,179)</b>	<b>(4,816,555)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>6,294,810</b>	<b>2,145,484</b>	<b>0</b>

## 8 Financial assets

	Investments in participating interests DKK	Receivables from participating interests DKK
Cost beginning of year	2,151,173	390,000
<b>Cost end of year</b>	<b>2,151,173</b>	<b>390,000</b>
Impairment losses for the year	(235,000)	0
<b>Impairment losses end of year</b>	<b>(235,000)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>1,916,173</b>	<b>390,000</b>

Investments in participating interests	Registered in	Ownership %
Abrace ApS	Aalborg, Denmark	37.50
Lexpo ApS	Spøttrup, Denmark	32.50
Shenzhen Ying Jin Furniture Co. Ltd.	Shenzhen, China	40.00

## 9 Deferred tax

	2023/24 DKK	2022/23 DKK
Intangible assets	(30,000)	(56,000)
Property, plant and equipment	371,425	310,852
Inventories	49,228	0
Receivables	(38,519)	(19,130)
Liabilities other than provisions	69,280	151,578
Tax losses carried forward	2,434,280	884,000
<b>Deferred tax</b>	<b>2,855,694</b>	<b>1,271,300</b>

Changes during the year	2023/24 DKK	2022/23 DKK
Beginning of year	1,271,300	382,356
Recognised in the income statement	1,584,394	888,944
<b>End of year</b>	<b>2,855,694</b>	<b>1,271,300</b>

### Deferred tax assets

The management expect to utilise this deferred tax assets in future taxable income within the 3-5 years, therefore the carrying amount has been recognised in the financial statements.

## 10 Prepayments

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

## 11 Other payables

	<b>2023/24</b>	<b>2022/23</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries, personal income taxes, social security costs, etc. payable	2,516,810	2,472,959
Holiday pay obligation	1,019,456	511,099
Other costs payable	26,489	7,984
	<b>3,562,755</b>	<b>2,992,042</b>

## 12 Changes in working capital

	<b>2023/24</b>	<b>2022/23</b>
	<b>DKK</b>	<b>DKK</b>
Increase/decrease in inventories	343,767	(342,238)
Increase/decrease in receivables	(359,228)	4,555,216
Increase/decrease in trade payables etc.	(1,673,762)	(3,920,274)
	<b>(1,689,223)</b>	<b>292,704</b>

## 13 Unrecognised rental and lease commitments

	<b>2023/24</b>	<b>2022/23</b>
	<b>DKK</b>	<b>DKK</b>
Total liabilities under rental or lease agreements until maturity	1,628,995	1,979,487

## 14 Contingent liabilities

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which Kebe Holding 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. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## 15 Assets charged and collateral

Bank loans in Kebe Poland Sp. Z.o.o are secured by way of a deposited mortgage deed registered to the mortgagor on properties and inventories.

The carrying amount of mortgaged properties is DKK 0k and the carrying amount of mortgaged inventories is DKK 19,324k.

Bank guarantees in Kebe Poland Sp. Z.o.o for PLN 3.495k have been given from external bank.

Bank loans in Kebe A/S are secured by way of a deposited mortgage deed registered to the mortgagor on receivables of DKK 11,000k nominal.

## 16 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.

## 17 Subsidiaries

	<b>Registered in</b>	<b>Corporate form</b>	<b>Ownership %</b>
Kebe A/S	Spøttrup, Denmark	A/S	100.00
Kebe Poland Sp. z.o.o.	Częstochowa, Poland	Sp. z.o.o.	100.00
Cube Import Sp. z.o.o.	Częstochowa, Poland	Sp. z.o.o.	100.00

# Parent income statement for 2023/24

	Notes	2023/24 DKK	2022/23 DKK
<b>Gross profit/loss</b>		<b>(234,606)</b>	<b>256,214</b>
Depreciation, amortisation and impairment losses	1	(600,000)	0
<b>Operating profit/loss</b>		<b>(834,606)</b>	<b>256,214</b>
Income from investments in group enterprises		(1,552,054)	(1,070,638)
Other financial income	2	34,822	25,136
Impairment losses on financial assets		(235,000)	0
Other financial expenses	3	(147,313)	(120,584)
<b>Profit/loss before tax</b>		<b>(2,734,151)</b>	<b>(909,872)</b>
Tax on profit/loss for the year	4	170,833	(100,894)
<b>Profit/loss for the year</b>	5	<b>(2,563,318)</b>	<b>(1,010,766)</b>

# Parent balance sheet at 30.04.2024

## Assets

	Notes	2023/24 DKK	2022/23 DKK
Acquired intangible assets		0	0
<b>Intangible assets</b>	6	<b>0</b>	<b>0</b>
Investments in group enterprises		13,968,834	14,653,997
Investments in participating interests		1,916,173	2,151,173
Receivables from participating interests		390,000	390,000
<b>Financial assets</b>	7	<b>16,275,007</b>	<b>17,195,170</b>
<b>Fixed assets</b>		<b>16,275,007</b>	<b>17,195,170</b>
Receivables from group enterprises		86,894	385,986
Deferred tax	8	208,000	0
Other receivables		163,689	358,637
Tax receivable		238,000	119,000
Joint taxation contribution receivable		0	808,956
<b>Receivables</b>		<b>696,583</b>	<b>1,672,579</b>
<b>Cash</b>		<b>455,498</b>	<b>95,413</b>
<b>Current assets</b>		<b>1,152,081</b>	<b>1,767,992</b>
<b>Assets</b>		<b>17,427,088</b>	<b>18,963,162</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2023/24</b> <b>DKK</b>	<b>2022/23</b> <b>DKK</b>
Contributed capital		400,000	400,000
Reserve for net revaluation according to equity method		8,796,890	9,482,053
Retained earnings		3,340,336	4,056,064
<b>Equity</b>		<b>12,537,226</b>	<b>13,938,117</b>
Trade payables		40,000	35,000
Payables to group enterprises		4,813,649	4,113,776
Tax payable		0	845,079
Joint taxation contribution payable		35,369	0
Other payables		844	31,190
<b>Current liabilities other than provisions</b>		<b>4,889,862</b>	<b>5,025,045</b>
<b>Liabilities other than provisions</b>		<b>4,889,862</b>	<b>5,025,045</b>
<b>Equity and liabilities</b>		<b>17,427,088</b>	<b>18,963,162</b>
Employees	9		
Contingent liabilities	10		
Assets charged and collateral	11		
Non-arm's length related party transactions	12		



# Parent statement of changes in equity for 2023/24

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	400,000	9,482,053	4,056,064	13,938,117
Exchange rate adjustments	0	1,162,427	0	1,162,427
Other entries on equity	0	(295,536)	295,536	0
Profit/loss for the year	0	(1,552,054)	(1,011,264)	(2,563,318)
<b>Equity end of year</b>	<b>400,000</b>	<b>8,796,890</b>	<b>3,340,336</b>	<b>12,537,226</b>

# Notes to parent financial statements

## 1 Depreciation, amortisation and impairment losses

	2023/24	2022/23
	DKK	DKK
Impairment losses on intangible assets	600,000	0
	<b>600,000</b>	<b>0</b>

## 2 Other financial income

	2023/24	2022/23
	DKK	DKK
Financial income from group enterprises	0	10,087
Financial income from participating interests	34,684	0
Exchange rate adjustments	0	15,049
Other financial income	138	0
	<b>34,822</b>	<b>25,136</b>

## 3 Other financial expenses

	2023/24	2022/23
	DKK	DKK
Financial expenses from group enterprises	145,278	107,682
Other interest expenses	2,032	1,235
Exchange rate adjustments	3	11,667
	<b>147,313</b>	<b>120,584</b>

## 4 Tax on profit/loss for the year

	2023/24	2022/23
	DKK	DKK
Current tax	0	35,369
Change in deferred tax	(208,000)	0
Adjustment concerning previous years	37,167	65,525
	<b>(170,833)</b>	<b>100,894</b>

## 5 Proposed distribution of profit and loss

	2023/24	2022/23
	DKK	DKK
Retained earnings	(2,563,318)	(1,010,766)
	<b>(2,563,318)</b>	<b>(1,010,766)</b>

## 6 Intangible assets

	<b>Acquired intangible assets DKK</b>
Additions	600,000
<b>Cost end of year</b>	<b>600,000</b>
Impairment losses for the year	(600,000)
<b>Amortisation and impairment losses end of year</b>	<b>(600,000)</b>
<b>Carrying amount end of year</b>	<b>0</b>

## 7 Financial assets

	<b>Investments in group enterprises DKK</b>	<b>Investments in participating interests DKK</b>	<b>Receivables from participating interests DKK</b>
Cost beginning of year	5,171,944	2,151,173	390,000
<b>Cost end of year</b>	<b>5,171,944</b>	<b>2,151,173</b>	<b>390,000</b>
Revaluations beginning of year	9,482,053	0	0
Exchange rate adjustments	1,162,427	0	0
Share of profit/loss for the year	(1,552,054)	0	0
Investments with negative equity value depreciated over receivables	(295,536)	0	0
<b>Revaluations end of year</b>	<b>8,796,890</b>	<b>0</b>	<b>0</b>
Impairment losses for the year	0	(235,000)	0
<b>Impairment losses end of year</b>	<b>0</b>	<b>(235,000)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>13,968,834</b>	<b>1,916,173</b>	<b>390,000</b>

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

<b>Investments in participating interests</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Ownership %</b>
Abrace ApS	Aalborg, Denmark	ApS	37.50
Lexpo ApS	Spøttrup, Denmark	ApS	32.50
Shenzhen Ying Jin Furniture Co. Ltd.	Shenzhen, China	Co. Ltd.	40.00

## 8 Deferred tax

	<b>2023/24</b>
	<b>DKK</b>
Tax losses carried forward	208,000
<b>Deferred tax</b>	<b>208,000</b>

	<b>2023/24</b>
	<b>DKK</b>
<b>Changes during the year</b>	
Recognised in the income statement	208,000
<b>End of year</b>	<b>208,000</b>

### Deferred tax assets

The management expect to utilise this deferred tax assets in future taxable income within the 3-5 years, therefore the carrying amount has been recognised in the financial statements.

## 9 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

## 10 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 these entities.

## 11 Assets charged and collateral

The company has provided a self-sufficiency guarantee for bank debt in the subsidiary Kebe A/S to the group's primary bank connection. Bank debt in the subsidiary amounts to DKK 12,568k as per 30.04.2024.

The company is part of a Chinese joint venture cooperation with Shenzhen Ying Jin Furniture Co. Ltd. As a part of the agreement, the Kebe group has set a credit maximum of RMB 1,000k available for cooperation. The utilized share of the credit amounts to RMB 960k as per 30.04.2024.

## 12 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.

Subsidiaries' financial statement items are recognised in full 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.

## **Income statement**

### **Gross profit or loss**

Gross profit or loss comprises revenue, 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 is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### **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 the sale of intangible assets and property, plant and equipment, and salary refunds.

### **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 property, plant and 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 dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, 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.

### **Impairment losses on financial assets**

Impairment losses on financial assets comprises impairment losses on financial assets which are not measured at fair value on a current basis.

### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies,

amortisation of financial liabilities, 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 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.

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.

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:

	<b>Useful life</b>
Plant and machinery	10 years
Other fixtures and fittings, tools and equipment	3-5 years

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 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.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to 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.

**Investments in participating interests**

Investments in participating interests are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

**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.

**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.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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

**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.

**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.

**Lease liabilities**

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Other financial liabilities**

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

**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.

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 comprise cash and short-term securities with an insignificant price risk less short-term bank loans.