



Kebe Holding ApS

Niels Bohrs Vej 23, st.
8660 Skanderborg
CVR No. 31071402

Annual report 01.05.2021 - 30.04.2022

The Annual General Meeting adopted the
annual report on 09.09.2022

Henrik Schougaard Pedersen
Chairman of the General Meeting

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Entity details

Entity

Kebe Holding ApS
Niels Bohrs Vej 23, st.
8660 Skanderborg

Business Registration No.: 31071402
Registered office: Skanderborg
Financial year: 01.05.2021 - 30.04.2022

Board of Directors

Hans Houlind, chairman
Henrik Schougaard Pedersen
Jakob Willumsen
Torben Thodsen Petersen

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 ApS for the financial year 01.05.2021 - 30.04.2022.

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 30.04.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.05.2021 - 30.04.2022.

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.

Skanderborg, 09.09.2022

Executive Board

Henrik Schougaard Pedersen

Board of Directors

Hans Houliind
chairman

Henrik Schougaard Pedersen

Jakob Willumsen

Torben Thodsen Petersen

Independent auditor's report

To the shareholders of Kebe Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Kebe Holding ApS for the financial year 01.05.2021 - 30.04.2022, 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 30.04.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.05.2021 - 30.04.2022 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 under the Danish Financial Statements Act.

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 09.09.2022

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

	2021/22	2020/21	2019/20	2018/19	2017/18
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	37,663	34,313	22,989	21,480	19,480
Operating profit/loss	9,457	12,978	2,382	608	1,724
Net financials	(894)	(749)	(969)	(1,407)	(1,168)
Profit/loss for the year	7,430	10,060	1,098	(619)	333
Balance sheet total	59,630	45,823	32,593	35,774	34,801
Investments in property, plant and equipment	4,577	2,823	2,092	49	16
Equity	18,572	14,968	5,016	4,359	5,061
Ratios					
Return on equity (%)	44.31	100.68	23.42	(13.14)	681.00
Equity ratio (%)	31.15	32.66	15.39	12.18	14.54

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

Return on equity (%):

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

Average equity

Equity ratio (%):

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

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, Cube Import Sp. Z.o.o., 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. Kebe Shenzhen Ltd. is a parallel company to Kebe A/S placed in China. Shenzhen Yingjin Home Co. Ltd. produce upholstered furniture from its facilities in Shenzhen, China. The long term plans for Kebe Shenzhen Ltd., is to continue the development of an unit, that can supply the same products, in the same high quality, to customers and groups in the retail market in Asia. With the growing global demand for sustainable local production, Kebe Shenzhen can regionally supply our existing Asian customers, and activate new markets in the region from China, and supply volume based products to European customers, where quality and price is at focus. With a focused global branding, Kebe in the future will be a strong supplier of finished high quality recliner, lounge and dining chairs based on cold cure moulded foam, from its own high technology production site, based on the same plant and quality technology as in Poland.

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

Cube Import Sp. Z.o.o develop, import and distribute finished upholstery furniture from China and distribute these to furniture stores and groups in Europe.

Abrace ApS develop and distribute specially designed handicap friendly upholstered chairs, which is distributed primarily in Scandinavia.

Development in activities and finances

The financial result of the year shows earnings of DKK 7,430k, compared to earnings of DKK 10,060k in the previous financial year.

2021/22 has been another year navigating in harsh conditions, with early in the year closures on markets as well as great challenges and insecurities on raw material supplies and prices, which only continued to grow as the year went on.

The second half of the year ended in a battle with time, to land sales price increases to cover the rapidly growing raw material prices, following the supply chain situation. By immediate actions and close dialogue with major customers, a strong supplier network and optimal use of the production capacity, we succeeded in minimizing the negative effects on the gross margin.

Profit/loss for the year in relation to expected developments

The combined effect of all these actions mentioned above have had positive influence on the years result, which is better than expected.

Outlook

The effects of the ongoing COVID-19 pandemic are not easy to predict and therefore the insecurity about the future development are higher than normal.

For the investments of all of the companies, a financial preparedness has been established for both falling and growing activities.

Kebe A/S

The insecurities about the expected developments are higher than normal.

Global travel activity has re-started and consumers are finding more opportunities to spend their income than in their homes, which is why spending within long lasting consumer goods in general are expected to drop.

Development in prices on raw material and transportation is also unclear. We do not expect delivery issues on all raw material, but especially wood (FSC certified) will be a challenge to source for the next foreseeable future.

Collection and market expansions will be continued in the coming year and also the investments in digitalization, supporting the change in sales over to an increased share from on-line btb sales.

Kebe through they years has achieved a strong position on the OEM market for cold cure moulded foam relax-, dining- and lounge chairs. The position comes with an high increase in interest from existing and new customers for development of new products. At the same time, Kebe in our own brand, have developed configureable sofa series, which have been sold to both groups and free customers on our markets. There is high interest in sofa products from the large OEM customers and the first projects are on their way into the pipeline, which is why we expect strong growth in both market segments long term. As always the timing depends on the implementation in the markets of new products, market development and capacity in the PD pipeline.

For 2022/23 we expect similar or higher activity as 2021/22, following the heavy investments in digitalization, product development, customer- and market expansions. However, based on the insecurities the world economy is facing and the war in the Ukraine, the results of these activities must be expected delayed. Therefore we do not expect to be able to repeat the strong results from 2020/21 and 2021/22, but this will land on a significant lower level, however still with positive results.

Kebe Shenzhen Ltd./Shenzhen Yingjin Home Co. Ltd.

Harsh market conditions with continued factory closures and regional lockdowns as well as supply disruptions challenges the operations and turnover of the company.

We continue to expand the general Kebe collection to larger Asian markets and will intensify this in 2022/23.

Lexpo ApS

The activities on the Danish markets are demanding but a positive result for 2022/23 is still expected.

Abrace ApS

The sales in 2022/23 is expected to still be challenged by the market conditions and a minor negative result is expected for the company.

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 2021/22

	Notes	2021/22 DKK	2020/21 DKK
Gross profit/loss	1	37,662,799	34,313,423
Staff costs	2	(26,274,815)	(19,758,116)
Depreciation, amortisation and impairment losses	3	(1,931,139)	(1,577,620)
Operating profit/loss		9,456,845	12,977,687
Income from investments in participating interests		487,500	422,500
Other financial income		109,584	50,134
Other financial expenses		(1,003,963)	(798,873)
Profit/loss before tax		9,049,966	12,651,448
Tax on profit/loss for the year	4	(1,619,885)	(2,591,909)
Profit/loss for the year	5	7,430,081	10,059,539

Consolidated balance sheet at 30.04.2022

Assets

	Notes	2021/22 DKK	2020/21 DKK
Acquired intangible assets		1,873,979	188,076
Intangible assets	6	1,873,979	188,076
Land and buildings		0	1,573,997
Plant and machinery		6,878,494	4,628,633
Other fixtures and fittings, tools and equipment		1,370,849	1,128,898
Property, plant and equipment in progress		685,100	593,097
Property, plant and equipment	7	8,934,443	7,924,625
Investments in participating interests		2,151,173	2,151,173
Deposits		795,294	584,564
Deferred tax	9	382,356	375,808
Financial assets	8	3,328,823	3,111,545
Fixed assets		14,137,245	11,224,246
Raw materials and consumables		16,708,299	12,057,936
Manufactured goods and goods for resale		2,364,579	2,217,268
Prepayments for goods		252,594	83,186
Inventories		19,325,472	14,358,390
Trade receivables		17,424,771	15,751,320
Other receivables		2,168,545	1,751,774
Prepayments	10	190,972	234,198
Receivables		19,784,288	17,737,292
Cash		6,382,796	2,502,846
Current assets		45,492,556	34,598,528
Assets		59,629,801	45,822,774

Equity and liabilities

	Notes	2021/22 DKK	2020/21 DKK
Contributed capital		117,162	125,000
Retained earnings		14,454,760	11,342,783
Proposed dividend for the financial year		4,000,000	3,500,000
Equity		18,571,922	14,967,783
Bank loans		734,903	752,506
Tax payable		845,079	1,430,324
Non-current liabilities other than provisions	11	1,579,982	2,182,830
Bank loans		16,740,735	10,219,731
Payables to other credit institutions		124,105	47,474
Trade payables		14,739,962	9,906,799
Payables to owners and management		2,646,875	2,630,208
Tax payable		1,443,026	524,037
Other payables	12	3,783,194	5,343,912
Current liabilities other than provisions		39,477,897	28,672,161
Liabilities other than provisions		41,057,879	30,854,991
Equity and liabilities		59,629,801	45,822,774
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Assets charged and collateral	16		
Transactions with related parties	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2021/22

	Contributed capital DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Total DKK
Equity beginning of year	125,000	11,342,783	3,500,000	14,967,783
Decrease of capital	(7,838)	7,838	0	0
Ordinary dividend paid	0	0	(3,500,000)	(3,500,000)
Exchange rate adjustments	0	(325,942)	0	(325,942)
Profit/loss for the year	0	3,430,081	4,000,000	7,430,081
Equity end of year	117,162	14,454,760	4,000,000	18,571,922

Consolidated cash flow statement for 2021/22

	Notes	2021/22 DKK	2020/21 DKK
Operating profit/loss		9,456,845	12,977,687
Amortisation, depreciation and impairment losses		1,931,139	1,577,620
Working capital changes	13	(3,666,509)	(6,218,308)
Cash flow from ordinary operating activities		7,721,475	8,336,999
Financial income received		109,584	50,134
Financial expenses paid		(1,003,961)	(798,873)
Taxes refunded/(paid)		(907,242)	(434,560)
Cash flows from operating activities		5,919,856	7,153,700
Acquisition etc. of intangible assets		(1,715,809)	(188,076)
Acquisition etc. of property, plant and equipment		(4,577,449)	(2,822,566)
Sale of property, plant and equipment		1,384,050	0
Acquisition of fixed asset investments		(210,730)	(358,881)
Cash flows from investing activities		(5,119,938)	(3,369,523)
Free cash flows generated from operations and investments before financing		799,918	3,784,177
Dividend paid		(3,500,000)	0
Other cash flows from financing activities		6,580,032	(2,502,735)
Cash flows from financing activities		3,080,032	(2,502,735)
Increase/decrease in cash and cash equivalents		3,879,950	1,281,442
Cash and cash equivalents beginning of year		2,502,846	1,221,404
Cash and cash equivalents end of year		6,382,796	2,502,846
Cash and cash equivalents at year-end are composed of:			
Cash		6,382,796	2,502,846
Cash and cash equivalents end of year		6,382,796	2,502,846

Notes to consolidated financial statements

1 Gross profit/loss

Other operating income under gross profit/loss includes redeemed loans from support schemes in Poland that were established as a result of the outbreak and spread of COVID-19, with DKK 1,316k.

2 Staff costs

	2021/22 DKK	2020/21 DKK
Wages and salaries	24,681,986	18,458,807
Pension costs	703,453	527,643
Other social security costs	889,376	771,666
	26,274,815	19,758,116
Average number of full-time employees	208	175

	Remuneration of manage- ment 2021/22 DKK	Remuneration of manage- ment 2020/21 DKK
Total amount for management categories	1,401,623	932,000
	1,401,623	932,000

3 Depreciation, amortisation and impairment losses

	2021/22 DKK	2020/21 DKK
Amortisation of intangible assets	89,906	60,000
Depreciation on property, plant and equipment	1,864,549	1,541,456
Profit/loss from sale of intangible assets and property, plant and equipment	(23,316)	(23,836)
	1,931,139	1,577,620

4 Tax on profit/loss for the year

	2021/22 DKK	2020/21 DKK
Current tax	1,613,337	2,337,566
Change in deferred tax	6,548	254,343
	1,619,885	2,591,909

5 Proposed distribution of profit/loss

	2021/22 DKK	2020/21 DKK
Ordinary dividend for the financial year	4,000,000	3,500,000
Retained earnings	3,430,081	6,559,539
	7,430,081	10,059,539

6 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	188,076
Additions	1,715,809
Cost end of year	1,903,885
Amortisation for the year	(29,906)
Amortisation and impairment losses end of year	(29,906)
Carrying amount end of year	1,873,979

7 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	1,639,418	10,886,252	4,867,389	593,097
Exchange rate adjustments	0	0	0	(13,874)
Transfers	0	2,769,940	0	(2,769,940)
Additions	0	1,075,886	476,753	3,024,810
Disposals	(1,639,418)	(1,038,404)	0	(148,993)
Cost end of year	0	13,693,674	5,344,142	685,100
Depreciation and impairment losses beginning of year	(65,421)	(6,257,619)	(3,738,491)	0
Exchange rate adjustments	(36,818)	(108,271)	(11,076)	0
Depreciation for the year	(1,333)	(1,473,577)	(389,639)	0
Reversal regarding disposals	103,572	1,024,287	165,913	0
Depreciation and impairment losses end of year	0	(6,815,180)	(3,973,293)	0
Carrying amount end of year	0	6,878,494	1,370,849	685,100

8 Financial assets

	Investments in participating interests DKK
Cost beginning of year	2,151,173
Cost end of year	2,151,173
Carrying amount end of year	2,151,173

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

	2021/22 DKK	2020/21 DKK
Intangible assets	(53,000)	0
Property, plant and equipment	235,871	270,873
Receivables	(42,000)	(52,000)
Liabilities other than provisions	241,485	156,935
Deferred tax	382,356	375,808

Changes during the year	2021/22 DKK	2020/21 DKK
Beginning of year	375,808	121,465
Recognised in the income statement	6,548	254,343
End of year	382,356	375,808

Deferred tax assets

Deferred tax assets primarily comprise the difference between accounting and tax depreciation on the Group's fixed assets, which are expected to be utilizable in future taxable income.

10 Prepayments

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

11 Non-current liabilities other than provisions

	Due after more than 12 months 2021/22 DKK
Bank loans	734,903
Tax payable	845,079
	1,579,982

12 Other payables

	2021/22 DKK	2020/21 DKK
Wages and salaries, personal income taxes, social security costs, etc. payable	3,078,517	4,347,170
Holiday pay obligation	704,677	814,098
Other costs payable	0	182,644
	3,783,194	5,343,912

13 Changes in working capital

	2021/22 DKK	2020/21 DKK
Increase/decrease in inventories	(4,967,082)	(2,461,685)
Increase/decrease in receivables	(2,046,996)	(7,999,369)
Increase/decrease in trade payables etc.	3,347,569	4,242,746
	(3,666,509)	(6,218,308)

14 Unrecognised rental and lease commitments

	2021/22 DKK	2020/21 DKK
Total liabilities under rental or lease agreements until maturity	2,148,164	1,812,129

15 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.

16 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 19,325k.

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 6,000k nominal.

17 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.

18 Subsidiaries

	Registered in	Corporate form	Ownership %
Kebe A/S	Skanderborg, 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 2021/22

	Notes	2021/22 DKK	2020/21 DKK
Gross profit/loss		108,004	712,948
Income from investments in group enterprises		6,939,907	9,167,973
Income from investments in participating interests		487,500	422,500
Other financial income	1	84,403	28,705
Other financial expenses	2	(188,979)	(140,289)
Profit/loss before tax		7,430,835	10,191,837
Tax on profit/loss for the year	3	(754)	(132,298)
Profit/loss for the year	4	7,430,081	10,059,539

Parent balance sheet at 30.04.2022

Assets

	Notes	2021/22 DKK	2020/21 DKK
Investments in group enterprises		18,052,137	14,938,172
Investments in participating interests		2,151,173	2,151,173
Financial assets	5	20,203,310	17,089,345
Fixed assets		20,203,310	17,089,345
Receivables from group enterprises		1,458,682	1,216,436
Other receivables		551,313	584,529
Joint taxation contribution receivable		844,325	1,298,026
Receivables		2,854,320	3,098,991
Cash		870,940	724,127
Current assets		3,725,260	3,823,118
Assets		23,928,570	20,912,463

Equity and liabilities

	Notes	2021/22 DKK	2020/21 DKK
Contributed capital		117,162	125,000
Reserve for net revaluation according to equity method		12,880,193	9,766,228
Retained earnings		1,574,567	1,576,555
Proposed dividend for the financial year		4,000,000	3,500,000
Equity		18,571,922	14,967,783
Tax payable		845,079	1,430,324
Non-current liabilities other than provisions	6	845,079	1,430,324
Trade payables		40,000	20,000
Payables to group enterprises		3,010,245	4,464,520
Tax payable		1,430,324	0
Other payables		31,000	29,836
Current liabilities other than provisions		4,511,569	4,514,356
Liabilities other than provisions		5,356,648	5,944,680
Equity and liabilities		23,928,570	20,912,463
Employees	7		
Contingent liabilities	8		
Assets charged and collateral	9		
Transactions with related parties	10		

Parent statement of changes in equity for 2021/22

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	125,000	9,766,228	1,576,555	3,500,000	14,967,783
Decrease of capital	(7,838)	0	7,838	0	0
Ordinary dividend paid	0	0	0	(3,500,000)	(3,500,000)
Exchange rate adjustments	0	(325,942)	0	0	(325,942)
Dividends from group enterprises	0	(3,500,000)	3,500,000	0	0
Profit/loss for the year	0	6,939,907	(3,509,826)	4,000,000	7,430,081
Equity end of year	117,162	12,880,193	1,574,567	4,000,000	18,571,922

Notes to parent financial statements

1 Other financial income

	2021/22	2020/21
	DKK	DKK
Financial income from group enterprises	77,309	5,594
Other interest income	7,094	23,111
	84,403	28,705

2 Other financial expenses

	2021/22	2020/21
	DKK	DKK
Financial expenses from group enterprises	143,751	134,354
Other interest expenses	2,718	3,837
Exchange rate adjustments	42,510	2,098
	188,979	140,289

3 Tax on profit/loss for the year

	2021/22	2020/21
	DKK	DKK
Current tax	754	132,298
	754	132,298

4 Proposed distribution of profit and loss

	2021/22	2020/21
	DKK	DKK
Ordinary dividend for the financial year	4,000,000	3,500,000
Retained earnings	3,430,081	6,559,539
	7,430,081	10,059,539

5 Financial assets

	Investments in group enterprises DKK	Investments in participating interests DKK
Cost beginning of year	5,171,944	2,151,173
Cost end of year	5,171,944	2,151,173
Revaluations beginning of year	9,766,228	0
Exchange rate adjustments	(325,942)	0
Share of profit/loss for the year	6,939,907	0
Dividend	(3,500,000)	0
Revaluations end of year	12,880,193	0
Carrying amount end of year	18,052,137	2,151,173

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

Investments in participating interests	Registered in	Corporate form	Ownership %
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

6 Non-current liabilities other than provisions

	Due after more than 12 months 2021/22 DKK
Tax payable	845,079
	845,079

7 Employees

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

8 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.

9 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 6.336k as per 30.04.2022.

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 30.04.2022.

10 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.

Cost of sales

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

Other external expenses

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

Staff costs

Staff costs comprise 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.

Income from investments in joint ventures

Income from investments in joint ventures comprises dividends etc. received from the individual joint ventures in the financial year.

Income from investments in participating interests

Income from investments in participating interests comprises dividends etc. received from the individual participating interests in the financial year.

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.

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:

Buildings	100 years
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.

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.

Receivables

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

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.

Other financial liabilities

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

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.

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.