



## Kebe Holding A/S

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

## Annual report 01.05.2022 - 30.04.2023

The Annual General Meeting adopted the annual  
report on 09.08.2023

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

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# Entity details

## Entity

Kebe Holding A/S  
Niels Bohrs Vej 23, st.  
8660 Skanderborg

Business Registration No.: 31071402  
Registered office: Skanderborg  
Financial year: 01.05.2022 - 30.04.2023

## Board of Directors

Hans Houkind, 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 A/S for the financial year 01.05.2022 - 30.04.2023.

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 30.04.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.05.2022 - 30.04.2023.

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.

Skanderborg, 09.08.2023

## 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 A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Kebe Holding A/S for the financial year 01.05.2022 - 30.04.2023, 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 30.04.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.05.2022 - 30.04.2023 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 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, 09.08.2023

**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

	2022/23	2021/22	2020/21	2019/20	2018/19
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Gross profit/loss	33,891	39,297	34,313	22,989	21,480
Operating profit/loss	811	9,457	12,978	2,382	608
Net financials	(2,044)	(894)	(749)	(969)	(1,407)
Profit/loss for the year	(1,011)	7,430	10,060	1,098	(619)
Balance sheet total	54,241	59,630	45,823	32,593	35,774
Investments in property, plant and equipment	4,642	4,577	2,823	2,092	49
Equity	13,938	18,572	14,968	5,016	4,359
<b>Ratios</b>					
Return on equity (%)	(6.22)	44.31	100.68	23.42	(13.14)
Equity ratio (%)	25.70	31.15	32.66	15.39	12.18

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

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. 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 longterm 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 volumebased 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.

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

### Development in activities and finances

The annual result is a loss of DKK 1,011k, against a profit of DKK 7,430k the year before.

2022/23 has been a year with a high degree of global insecurity, following the war in Europe and very high inflation. This has impacted the global furniture sales heavily, which has been decreasing through the year, at the same time as the high inflation has put pressure on the raw material and salary costs.

The companies in the Kebe Holding portfolio, have in various ways been influenced by the market conditions, and have seen decreasing activities especially over the summer and fall of 2022. The capacity and costs have been adapted over the span of the time, but it has not been able to adjust these matching the speed of the falling activity. A following increase in a more competitive marketplace, has made it impossible to increase sales prices further.

The accumulated result therefore shows a loss.

It is the impression that the markets have stabilized in the spring of 2023 at a level close to the pre covid period sales, that heavily increased global furniture sales. The supply chain and raw material price insecurities have dropped and there are no shortages in global supply.

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

The fast drop in market activity and pressure on costs has had a negative impact on the annual result, which is significantly lower than expected.

**Outlook**

Global inflation seems to be headed to be under control and raw material prices general picture is expected to continue to stabilize. There is a surplus of capacity among suppliers which puts sales prices under pressure.

There is a higher activity in 2023/24 compared to 2022/23 and following the secured costs- and capacity cuts, a positive result is expected.

A positive result before tax of DKK 2,100k is expected.

**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 2022/23

	Notes	2022/23 DKK	2021/22 DKK
<b>Gross profit/loss</b>	1	<b>33,891,120</b>	<b>39,297,409</b>
Staff costs	2	(30,122,752)	(27,909,425)
Depreciation, amortisation and impairment losses	3	(2,957,464)	(1,931,139)
<b>Operating profit/loss</b>		<b>810,904</b>	<b>9,456,845</b>
Income from investments in participating interests		0	487,500
Other financial income		268,169	109,584
Other financial expenses		(2,312,082)	(1,003,963)
<b>Profit/loss before tax</b>		<b>(1,233,009)</b>	<b>9,049,966</b>
Tax on profit/loss for the year	4	222,243	(1,619,885)
<b>Profit/loss for the year</b>	5	<b>(1,010,766)</b>	<b>7,430,081</b>

# Consolidated balance sheet at 30.04.2023

## Assets

	Notes	2022/23 DKK	2021/22 DKK
Acquired intangible assets		2,173,599	1,873,979
<b>Intangible assets</b>	6	<b>2,173,599</b>	<b>1,873,979</b>
Plant and machinery		7,421,759	6,878,494
Other fixtures and fittings, tools and equipment		1,554,352	1,370,849
Property, plant and equipment in progress		119,276	685,100
<b>Property, plant and equipment</b>	7	<b>9,095,387</b>	<b>8,934,443</b>
Investments in participating interests		2,151,173	2,151,173
Receivables from participating interests		390,000	0
Deposits		839,346	795,294
Deferred tax	9	1,271,300	382,356
<b>Financial assets</b>	8	<b>4,651,819</b>	<b>3,328,823</b>
<b>Fixed assets</b>		<b>15,920,805</b>	<b>14,137,245</b>
Raw materials and consumables		17,447,504	16,708,299
Manufactured goods and goods for resale		2,062,595	2,364,579
Prepayments for goods		167,611	252,594
<b>Inventories</b>		<b>19,677,710</b>	<b>19,325,472</b>
Trade receivables		12,653,921	17,424,771
Other receivables		2,331,533	2,168,545
Prepayments	10	243,618	190,972
<b>Receivables</b>		<b>15,229,072</b>	<b>19,784,288</b>
<b>Cash</b>		<b>3,413,159</b>	<b>6,382,796</b>
<b>Current assets</b>		<b>38,319,941</b>	<b>45,492,556</b>
<b>Assets</b>		<b>54,240,746</b>	<b>59,629,801</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022/23 DKK</b>	<b>2021/22 DKK</b>
Contributed capital		400,000	117,162
Retained earnings		13,538,117	14,454,760
Proposed dividend for the financial year		0	4,000,000
<b>Equity</b>		<b>13,938,117</b>	<b>18,571,922</b>
Tax payable		0	845,079
<b>Non-current liabilities other than provisions</b>		<b>0</b>	<b>845,079</b>
Bank loans		21,673,192	17,475,638
Payables to other credit institutions		107,459	124,105
Trade payables		12,054,854	14,739,962
Payables to owners and management		2,630,208	2,646,875
Tax payable		844,874	1,443,026
Other payables	11	2,992,042	3,783,194
<b>Current liabilities other than provisions</b>		<b>40,302,629</b>	<b>40,212,800</b>
<b>Liabilities other than provisions</b>		<b>40,302,629</b>	<b>41,057,879</b>
<b>Equity and liabilities</b>		<b>54,240,746</b>	<b>59,629,801</b>
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		
Transactions with related parties	16		
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# Consolidated statement of changes in equity for 2022/23

	Contributed capital DKK	Retained earnings DKK	Proposed dividend for the financial year DKK	Total DKK
Equity beginning of year	117,162	14,454,760	4,000,000	18,571,922
Increase of capital	282,838	(282,838)	0	0
Ordinary dividend paid	0	0	(4,000,000)	(4,000,000)
Exchange rate adjustments	0	376,961	0	376,961
Profit/loss for the year	0	(1,010,766)	0	(1,010,766)
<b>Equity end of year</b>	<b>400,000</b>	<b>13,538,117</b>	<b>0</b>	<b>13,938,117</b>

# Consolidated cash flow statement for 2022/23

	Notes	2022/23 DKK	2021/22 DKK
Operating profit/loss		810,904	9,456,845
Amortisation, depreciation and impairment losses		2,957,464	1,931,139
Working capital changes	12	292,704	(3,666,509)
<b>Cash flow from ordinary operating activities</b>		<b>4,061,072</b>	<b>7,721,475</b>
Financial income received		268,169	109,584
Financial expenses paid		(2,312,082)	(1,003,961)
Taxes refunded/(paid)		(1,508,756)	(907,242)
<b>Cash flows from operating activities</b>		<b>508,403</b>	<b>5,919,856</b>
Acquisition etc. of intangible assets		(653,411)	(1,715,809)
Acquisition etc. of property, plant and equipment		(2,571,485)	(4,577,449)
Sale of property, plant and equipment		0	1,384,050
Acquisition of fixed asset investments		(434,052)	(210,730)
<b>Cash flows from investing activities</b>		<b>(3,658,948)</b>	<b>(5,119,938)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(3,150,545)</b>	<b>799,918</b>
Dividend paid		(4,000,000)	(3,500,000)
Other cash flows from financing activities		4,180,908	6,580,032
<b>Cash flows from financing activities</b>		<b>180,908</b>	<b>3,080,032</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(2,969,637)</b>	<b>3,879,950</b>
Cash and cash equivalents beginning of year		6,382,796	2,502,846
<b>Cash and cash equivalents end of year</b>		<b>3,413,159</b>	<b>6,382,796</b>
Cash and cash equivalents at year-end are composed of:			
Cash		3,413,159	6,382,796
<b>Cash and cash equivalents end of year</b>		<b>3,413,159</b>	<b>6,382,796</b>

# 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 i 2021/22.

## 2 Staff costs

	2022/23 DKK	2021/22 DKK
Wages and salaries	25,520,056	23,614,202
Pension costs	671,261	703,453
Other social security costs	3,931,435	3,591,770
	<b>30,122,752</b>	<b>27,909,425</b>
Average number of full-time employees	209	208

	Remuneration of management 2021/22 DKK
Total amount for management categories	1,401,623
	<b>1,401,623</b>

## 3 Depreciation, amortisation and impairment losses

	2022/23 DKK	2021/22 DKK
Amortisation of intangible assets	353,791	89,906
Depreciation on property, plant and equipment	2,603,673	1,864,549
Profit/loss from sale of intangible assets and property, plant and equipment	0	(23,316)
	<b>2,957,464</b>	<b>1,931,139</b>

## 4 Tax on profit/loss for the year

	2022/23 DKK	2021/22 DKK
Current tax	601,176	1,613,337
Change in deferred tax	(888,944)	6,548
Adjustment concerning previous years	65,525	0
	<b>(222,243)</b>	<b>1,619,885</b>



## 5 Proposed distribution of profit/loss

	2022/23 DKK	2021/22 DKK
Ordinary dividend for the financial year	0	4,000,000
Retained earnings	(1,010,766)	3,430,081
	<b>(1,010,766)</b>	<b>7,430,081</b>

## 6 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	1,903,885
Additions	653,411
<b>Cost end of year</b>	<b>2,557,296</b>
Amortisation and impairment losses beginning of year	(29,906)
Amortisation for the year	(353,791)
<b>Amortisation and impairment losses end of year</b>	<b>(383,697)</b>
<b>Carrying amount end of year</b>	<b>2,173,599</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	13,693,674	5,344,142	685,100
Exchange rate adjustments	0	0	15,591
Transfers	0	0	(2,070,063)
Additions	2,516,333	636,567	1,488,648
Disposals	(172,429)	(140,345)	0
<b>Cost end of year</b>	<b>16,037,578</b>	<b>5,840,364</b>	<b>119,276</b>
Depreciation and impairment losses beginning of year	(6,815,180)	(3,973,293)	0
Exchange rate adjustments	156,534	21,007	0
Depreciation for the year	(2,129,602)	(474,071)	0
Reversal regarding disposals	172,429	140,345	0
<b>Depreciation and impairment losses end of year</b>	<b>(8,615,819)</b>	<b>(4,286,012)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>7,421,759</b>	<b>1,554,352</b>	<b>119,276</b>

## 8 Financial assets

	Investments in participating interests DKK	Receivables from participating interests DKK
Cost beginning of year	2,151,173	0
Additions	0	390,000
<b>Cost end of year</b>	<b>2,151,173</b>	<b>390,000</b>
<b>Carrying amount end of year</b>	<b>2,151,173</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

	2022/23 DKK	2021/22 DKK
Intangible assets	(56,000)	(53,000)
Property, plant and equipment	310,852	235,871
Receivables	(19,130)	(42,000)
Liabilities other than provisions	151,578	241,485
Tax losses carried forward	884,000	0
<b>Deferred tax</b>	<b>1,271,300</b>	<b>382,356</b>

Changes during the year	2022/23 DKK	2021/22 DKK
Beginning of year	382,356	375,808
Recognised in the income statement	888,944	6,548
<b>End of year</b>	<b>1,271,300</b>	<b>382,356</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>2022/23</b>	<b>2021/22</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries, personal income taxes, social security costs, etc. payable	2,472,959	3,078,517
Holiday pay obligation	511,099	704,677
Other costs payable	7,984	0
	<b>2,992,042</b>	<b>3,783,194</b>

**12 Changes in working capital**

	<b>2022/23</b>	<b>2021/22</b>
	<b>DKK</b>	<b>DKK</b>
Increase/decrease in inventories	(342,238)	(4,967,082)
Increase/decrease in receivables	4,555,216	(2,046,996)
Increase/decrease in trade payables etc.	(3,920,274)	3,347,569
	<b>292,704</b>	<b>(3,666,509)</b>

**13 Unrecognised rental and lease commitments**

	<b>2022/23</b>	<b>2021/22</b>
	<b>DKK</b>	<b>DKK</b>
Total liabilities under rental or lease agreements until maturity	1,979,487	2,148,532

**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 19,678k.

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	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 2022/23

	Notes	2022/23 DKK	2021/22 DKK
<b>Gross profit/loss</b>		<b>256,214</b>	<b>108,004</b>
Income from investments in group enterprises		(1,070,638)	6,939,907
Income from investments in participating interests		0	487,500
Other financial income	1	25,136	84,403
Other financial expenses	2	(120,584)	(188,979)
<b>Profit/loss before tax</b>		<b>(909,872)</b>	<b>7,430,835</b>
Tax on profit/loss for the year	3	(100,894)	(754)
<b>Profit/loss for the year</b>	4	<b>(1,010,766)</b>	<b>7,430,081</b>

# Parent balance sheet at 30.04.2023

## Assets

	Notes	2022/23 DKK	2021/22 DKK
Investments in group enterprises		14,653,997	18,052,137
Investments in participating interests		2,151,173	2,151,173
Receivables from participating interests		390,000	0
<b>Financial assets</b>	5	<b>17,195,170</b>	<b>20,203,310</b>
<b>Fixed assets</b>		<b>17,195,170</b>	<b>20,203,310</b>
Receivables from group enterprises		385,986	1,458,682
Other receivables		358,637	551,313
Tax receivable		119,000	0
Joint taxation contribution receivable		808,956	844,325
<b>Receivables</b>		<b>1,672,579</b>	<b>2,854,320</b>
<b>Cash</b>		<b>95,413</b>	<b>870,940</b>
<b>Current assets</b>		<b>1,767,992</b>	<b>3,725,260</b>
<b>Assets</b>		<b>18,963,162</b>	<b>23,928,570</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022/23 DKK</b>	<b>2021/22 DKK</b>
Contributed capital		400,000	117,162
Reserve for net revaluation according to equity method		9,482,053	12,880,193
Retained earnings		4,056,064	1,574,567
Proposed dividend for the financial year		0	4,000,000
<b>Equity</b>		<b>13,938,117</b>	<b>18,571,922</b>
Tax payable		0	845,079
<b>Non-current liabilities other than provisions</b>		<b>0</b>	<b>845,079</b>
Trade payables		35,000	40,000
Payables to group enterprises		4,113,776	3,010,245
Tax payable		845,079	1,430,324
Other payables		31,190	31,000
<b>Current liabilities other than provisions</b>		<b>5,025,045</b>	<b>4,511,569</b>
<b>Liabilities other than provisions</b>		<b>5,025,045</b>	<b>5,356,648</b>
<b>Equity and liabilities</b>		<b>18,963,162</b>	<b>23,928,570</b>
Employees	6		
Contingent liabilities	7		
Assets charged and collateral	8		
Transactions with related parties	9		

# Parent statement of changes in equity for 2022/23

	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	117,162	12,880,193	1,574,567	4,000,000	18,571,922
Increase of capital	282,838	0	(282,838)	0	0
Ordinary dividend paid	0	0	0	(4,000,000)	(4,000,000)
Exchange rate adjustments	0	376,961	0	0	376,961
Other entries on equity	0	295,537	(295,537)	0	0
Dividends from group enterprises	0	(3,000,000)	3,000,000	0	0
Profit/loss for the year	0	(1,070,638)	59,872	0	(1,010,766)
<b>Equity end of year</b>	<b>400,000</b>	<b>9,482,053</b>	<b>4,056,064</b>	<b>0</b>	<b>13,938,117</b>



# Notes to parent financial statements

## 1 Other financial income

	2022/23 DKK	2021/22 DKK
Financial income from group enterprises	10,087	77,309
Other interest income	0	7,094
Exchange rate adjustments	15,049	0
	<b>25,136</b>	<b>84,403</b>

## 2 Other financial expenses

	2022/23 DKK	2021/22 DKK
Financial expenses from group enterprises	107,682	143,751
Other interest expenses	1,235	2,719
Exchange rate adjustments	11,667	42,509
	<b>120,584</b>	<b>188,979</b>

## 3 Tax on profit/loss for the year

	2022/23 DKK	2021/22 DKK
Current tax	35,369	754
Adjustment concerning previous years	65,525	0
	<b>100,894</b>	<b>754</b>

## 4 Proposed distribution of profit and loss

	2022/23 DKK	2021/22 DKK
Ordinary dividend for the financial year	0	4,000,000
Retained earnings	(1,010,766)	3,430,081
	<b>(1,010,766)</b>	<b>7,430,081</b>

## 5 Financial assets

	Investments in group enterprises DKK	Investments in participating interests DKK	Receivables from participating interests DKK
Cost beginning of year	5,171,944	2,151,173	0
Additions	0	0	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	12,880,193	0	0
Exchange rate adjustments	376,961	0	0
Share of profit/loss for the year	(1,070,638)	0	0
Dividend	(3,000,000)	0	0
Investments with negative equity value depreciated over receivables	295,537	0	0
<b>Revaluations end of year</b>	<b>9,482,053</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>14,653,997</b>	<b>2,151,173</b>	<b>390,000</b>

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 Employees

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

## 7 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.

### **8 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 8,833k as per 30.04.2023.

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 30.04.2023.

### **9 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:

	Useful life
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.

**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.

**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.