



Nordic Houseware Group A/S

Knud Hoejgaards Vej 2
2860 Soeborg
CVR No. 31479363

Annual report 2023

The Annual General Meeting adopted the annual report on 02.05.2024

René Dethlefsen

Chairman of the General Meeting

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Entity details

Entity

Nordic Houseware Group A/S
Knud Hoejgaards Vej 2
2860 Soeborg

Business Registration No.: 31479363
Registered office: Gladsaxe
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Morten Pitzner, chairman
Jacob Andersen, vice chairman
Allan Carsten Bülow
Anders Bjørn Thieffoldt

Executive Board

Jacob Eberhard, President & Group CEO
René Dethlefsen, Executive Vice President & Group CFO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

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

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

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

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

Soeborg, 15.04.2024

Executive Board

Jacob Eberhard
President & Group CEO

René Dethlefsen
Executive Vice President & Group CFO

Board of Directors

Morten Pitzner
chairman

Jacob Andersen
vice chairman

Allan Carsten Bülow

Anders Bjørn Thielholdt

Independent auditor's report

To the shareholders of Nordic Houseware Group A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Nordic Houseware Group A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 15.04.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Hans Tauby

State Authorised Public Accountant
Identification No (MNE) mne44339

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	516,064	592,783	613,635	527,037	478,360
Gross profit/loss	80,099	80,478	85,104	98,491	89,774
EBITDA	29,677	24,674	35,137	49,773	47,586
Operating profit/loss	6,966	1,905	16,774	27,273	32,378
Net financials	(9,260)	(4,041)	(4,427)	(6,677)	(3,606)
Profit/loss for the year	(3,434)	(978)	8,874	15,293	22,824
Balance sheet total	427,942	484,103	513,952	338,611	274,198
Investments in property, plant and equipment	13,895	13,699	27,332	20,127	20,722
Equity	112,296	109,713	114,509	106,152	93,798
Ratios					
Return on equity (%)	(3.09)	(0.87)	8.04	15.30	27.84
Equity ratio (%)	26.24	22.66	22.28	31.35	34.21

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

The Company's primary activity is to design, produce, distribute and offer sustainable and innovative products that help consumer keep their homes organized. Products are offered under the Plast Team, Room Copenhagen, LEGO, and Crayola brands. The products are sold in Europe, North America, Latin America, Middle East, Australia, New Zealand, and certain countries in Asia.

Development in activities and finances

In the financial year 2023, the Group realized revenues of DKK 516,064k compared to DKK 592,783k prior year. The Group realized a gross profit DKK 80,099k and realized an EBITDA of DKK 26,778k.

The revenues, gross profit and EBITDA was impacted by the geopolitical disruptions reducing demands and increasing the inflation and costs in general.

Realized impairment losses of DKK 2,536k on tangible assets were the result of implementing a new strategy late 2021 with a more focused product portfolio offering solutions for organized living as well a result of general impairment assessments.

The negative result after tax of DKK -3,434k is considered unsatisfactory but is a consequence of the changed geopolitical conditions and the impairment losses realized.

Profit/loss for the year in relation to expected developments

The expectation last year, was to have a profit before tax in the range of DKK 2M-5M. The expectations were not met due to the geopolitical disruptions, the lower demand in the markets and the continuous inflation.

Outlook

Management expects the Group to show positive development in profit before tax for 2024 based on continued focus on profitable business, launch of new products, customer gains and benefits captured from previously implemented initiatives, and expect to be in the range of DKK 5M-10M.

The continuous geopolitical disruptions might impact the outlook for 2024 in a way that Management cannot foresee at this time.

Environmental performance

The primary risk regarding environment and climate is that our suppliers may not seek to lower their CO2 emissions. This may impact our reputation, as clients and other stakeholders may perceive that we are not doing enough to minimize our impact on the environment.

Nordic Houseware Group is committed to a Sustainability strategy, where products are designed to be recyclable. The Group is committed to use regenerated plastic wherever possible and has established cooperations with key customers in this area.

Nordic Houseware Group cooperates with its suppliers on compliance with safety measures and focus on optimizing environmental conditions, including reduction of CO2 emissions. All factories are subject to agreements which allow Nordic Houseware Group to perform audits at any time. It is our conclusion that our work has contributed positively to environment and climate in 2023.

Statutory report on corporate social responsibility

Our focus on corporate social responsibility is connected to our business model. For a description of our business model, please refer to the section on primary activities on page 8.

Nordic Houseware Group focuses on performing and enhancing its efforts relating to the Group's corporate ethical, social, and environmental responsibility.

Nordic Houseware Group is compliant to all legal requirements in relation to social and environmental considerations, human rights, the fight against corruption and works with the group CSR policy.

It is management's assessment that the efforts within employees and working conditions, environmental issues and food security have been successful.

Employees and working environment

The primary risk in this area is if employees are not motivated and if we do not have a pleasant work environment. The consequence may be that we are not able to attract or retain employees. By way of their knowhow, network and competences, the Nordic Houseware Group employees are a significant competitive factor to the Group. Job satisfaction is therefore of great importance to the Group.

The Group has an open and clear staff policy accommodating diversity and development. Moreover, employees are offered benefits to improve their mental, physical, and social welfare.

The Group also focuses continuously on improving working conditions and environment in the Group with a view to retain motivated employees and create a positive work environment. It is our conclusion that our efforts have contributed positively to our working environment in 2023.

Human rights

Our primary risk in relation to human rights could be if employees feel discriminated against and not treated fairly. The consequence may be that we are not able to attract or retain employees as well as impact our reputation. We do not have a separate policy regarding human rights, as we have decided to follow the Danish state law and rules in this area. Furthermore, we are not aware of any breaches of human rights in the current year in Nordic Houseware Group.

Food safety

The primary risk regarding food safety is if our products could cause harm to consumers. This could have an impact on our reputation and the perceived safety of our products.

To ensure that the Group's products meet EU requirements for food safety, Nordic Houseware Group maintain a continuous test program for its products.

It is our conclusion that our work has contributed positively to food safety in the current year.

Anti-corruption and bribery

The primary risk is that employees may use gifts, payments, or other means to illegally influence client's or other stakeholder's decision or vice versa. We have decided to follow the Danish state's rules and laws in this area, and this is also adopted in our policies. We have several financial controls in place to mitigate the risk of illegal transactions. Furthermore, we are not aware of any breaches concerning bribery and corruption in Nordic Houseware Group in 2023.

Statutory report on the underrepresented gender

Companies reporting the annual report in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large), and which are not having equal representation of genders on the Board of Directors, the Supreme Management Body (Board of Directors and Executive Board) nor on the Other Management level (having leading positions, other than the Supreme Management Body, with responsibility for daily operations) are required to set a target for the share of the underrepresented gender. As of 31 December 2023, the share of underrepresented gender for the group is:

	Share of the underrepresented gender	Target for the share of the underrepresented gender
Board of Directors	0%	25%
Supreme Management Body	0%	33%
Other Management level	38%	40%

It is the policy of Nordic Houseware Group to secure the best professional competence possible at all levels in the group. The members of the Supreme Management Body are solely appointed based on their qualifications and not based on their gender. By doing so, equal opportunities for both genders are secured provided that the candidates applying for the management positions possess the professional skills required.

The group has no female members in the Supreme Management Body, and no female candidates were identified in 2023. Based on a specific assessment of the group's situation, including the competences to be present at the Supreme Management Body, the target figure is to have at least one female candidate for the Board of Directors and two female candidates for the Supreme Management Body at Nordic Houseware Group before end of 2027. This is considered ambitious target figures.

As for the Other management level, the group is very close to apply with the target. It is expected that the target will be met before end of 2027.

Nordic Houseware Group supports gender equality – both as regards career opportunities and salary conditions. Our equal opportunities policy is put into practice in the Company's employee manual, and we always encourage our female colleagues to apply for leadership positions.

Statutory report on data ethics policy

In 2022, the Data Ethics Policy was prepared and implemented as part of the IT Security Policies.

NHG Group actively works to ensure that all information is handled responsibly and accordance with all applicable standards, policies, and laws. This of course also implies that the NHG Group strives to conduct its business in an ethical manner acknowledging the increased use and processing of data as an integral part of the NHG Group's business.

The NHG Group's Data Ethics ambition for 2024 is to continue implementation of the Policy through training and communication.

Events after the balance sheet date

The geopolitical disruptions started at the end of February 2022 and at end of 2023 have a significant impact on the price of supplies and transportation. The disruptions resulted in a series of precautions, that still affects the daily operations, both for the Company, suppliers, customers, and other business partners. The economic effect of an ongoing geopolitical disruption still cannot be measured at this time.

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

	Notes	2023 DKK'000	2022 DKK'000
Revenue	2	516,064	592,783
Own work capitalised		3,984	3,384
Cost of sales		(408,531)	(485,400)
Other external expenses	3	(31,418)	(30,289)
Gross profit/loss		80,099	80,478
Staff costs	4	(52,168)	(55,804)
Depreciation, amortisation and impairment losses	5	(19,812)	(22,769)
Other operating expenses		(1,153)	0
Operating profit/loss		6,966	1,905
Other financial income	6	9,080	4,248
Other financial expenses	7	(18,340)	(8,289)
Profit/loss before tax		(2,294)	(2,136)
Tax on profit/loss for the year	8	(1,140)	1,158
Profit/loss for the year	9	(3,434)	(978)

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Acquired licences		18,348	19,078
Goodwill		2,999	4,499
Intangible assets	10	21,347	23,577
Plant and machinery		68,207	72,934
Other fixtures and fittings, tools and equipment		2,106	1,328
Leasehold improvements		0	1,776
Property, plant and equipment in progress		10,898	8,876
Property, plant and equipment	11	81,211	84,914
Deposits		730	451
Deferred tax	13	4,032	1,784
Financial assets	12	4,762	2,235
Fixed assets		107,320	110,726
Raw materials and consumables		10,045	7,949
Manufactured goods and goods for resale		54,508	64,278
Inventories		64,553	72,227
Trade receivables		89,781	89,777
Receivables from group enterprises		139,221	131,052
Other receivables		13,275	55,560
Tax receivable		0	5,440
Prepayments	14	4,656	8,508
Receivables		246,933	290,337
Cash		9,136	10,813
Current assets		320,622	373,377
Assets		427,942	484,103

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital	15	500	500
Revaluation reserve		4,428	4,095
Translation reserve		(1,744)	(4,545)
Retained earnings		109,112	109,663
Equity		112,296	109,713
Deferred tax	13	303	425
Provisions		303	425
Subordinate loan capital	16	20,000	0
Bank loans		84,000	90,000
Lease liabilities		3,865	4,754
Non-current liabilities other than provisions	17	107,865	94,754
Current portion of non-current liabilities other than provisions	17	23,162	30,854
Bank loans		74,658	113,786
Trade payables		67,542	81,909
Payables to group enterprises		3,701	13,782
Tax payable		1,258	2,758
Other payables		37,157	36,122
Current liabilities other than provisions		207,478	279,211
Liabilities other than provisions		315,343	373,965
Equity and liabilities		427,942	484,103
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	19		
Contingent liabilities	20		
Assets charged and collateral	21		
Transactions with related parties	22		
Group relations	23		
Subsidiaries	24		

Consolidated statement of changes in equity for 2023

	Contributed capital DKK'000	Revaluation reserve DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	500	4,095	(4,545)	109,663	109,713
Exchange rate adjustments	0	0	2,801	3,811	6,612
Tax of entries on equity	0	0	0	(595)	(595)
Transfer to reserves	0	333	0	(333)	0
Profit/loss for the year	0	0	0	(3,434)	(3,434)
Equity end of year	500	4,428	(1,744)	109,112	112,296

Consolidated cash flow statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Operating profit/loss		6,966	1,905
Amortisation, depreciation and impairment losses		19,812	22,769
Working capital changes	18	45,757	(35,196)
Cash flow from ordinary operating activities		72,535	(10,522)
Financial income received		9,080	4,248
Financial expenses paid		(18,340)	(8,289)
Taxes refunded/(paid)		(165)	(3,449)
Cash flows from operating activities		63,110	(18,012)
Acquisition etc. of intangible assets		(2,768)	(8,415)
Acquisition etc. of property, plant and equipment		(13,895)	(13,699)
Other cash flows from investing activities		0	(190)
Cash flows from investing activities		(16,663)	(22,304)
Free cash flows generated from operations and investments before financing		46,447	(40,316)
Repayments of loans etc.		(15,925)	(30,818)
Incurrence of debt to group enterprises		(607)	8,289
Cash flows from financing activities		(16,532)	(22,529)
Increase/decrease in cash and cash equivalents		29,915	(62,845)

Cash and cash equivalents beginning of year	(102,973)	(40,515)
Currency translation adjustments of cash and cash equivalents	7,536	387
Cash and cash equivalents end of year	(65,522)	(102,973)

Cash and cash equivalents at year-end are composed of:

Cash	9,136	10,813
Short-term bank loans	(74,658)	(113,786)
Cash and cash equivalents end of year	(65,522)	(102,973)

Notes to consolidated financial statements

1 Events after the balance sheet date

The geopolitical disruptions started at the end of February 2022 and at end of 2023 have a significant impact on the price of supplies and transportation. The disruptions resulted in a series of precautions, that still affects the daily operations, both for the Company, suppliers, customers, and other business partners. The economic effect of an ongoing geopolitical disruption still cannot be measured at this time.

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

2 Revenue

	2023 DKK'000	2022 DKK'000
Europe	457,907	541,667
Other countries	58,157	51,116
Total revenue by geographical market	516,064	592,783

The Group operates within one business area. Therefore, the information above does not contain information about revenue per activity.

3 Fees to the auditor appointed by the Annual General Meeting

	2023 DKK'000	2022 DKK'000
Statutory audit services	412	415
Tax services	9	12
	421	427

4 Staff costs

	2023 DKK'000	2022 DKK'000
Wages and salaries	43,581	49,274
Pension costs	2,044	2,769
Other social security costs	2,831	909
Other staff costs	3,712	2,852
	52,168	55,804
Average number of full-time employees	109	125

	Remuneration of management 2023 DKK'000	Remuneration of management 2022 DKK'000
Executive Board	5,380	4,784
Board of Directors	800	1,420
	6,180	6,204

Remuneration of management includes an allocated share of the management salary for the group.

5 Depreciation, amortisation and impairment losses

	2023 DKK'000	2022 DKK'000
Amortisation of intangible assets	4,998	3,524
Depreciation on property, plant and equipment	12,278	12,229
Impairment losses on property, plant and equipment	2,536	6,578
Profit/loss from sale of intangible assets and property, plant and equipment	0	438
	19,812	22,769

6 Other financial income

	2023 DKK'000	2022 DKK'000
Financial income from group enterprises	9,080	4,248
	9,080	4,248

7 Other financial expenses

	2023 DKK'000	2022 DKK'000
Financial expenses from group enterprises	1,320	449
Other interest expenses	12,741	6,790
Exchange rate adjustments	4,279	1,050
	18,340	8,289

8 Tax on profit/loss for the year

	2023 DKK'000	2022 DKK'000
Current tax	599	515
Change in deferred tax	541	(1,344)
Adjustment concerning previous years	0	(329)
	1,140	(1,158)

9 Proposed distribution of profit/loss

	2023	2022
	DKK'000	DKK'000
Retained earnings	(3,434)	(978)
	(3,434)	(978)

10 Intangible assets

	Acquired licences	Goodwill
	DKK'000	DKK'000
Cost beginning of year	25,800	43,200
Additions	2,768	0
Cost end of year	28,568	43,200
Amortisation and impairment losses beginning of year	(6,722)	(38,701)
Amortisation for the year	(3,498)	(1,500)
Amortisation and impairment losses end of year	(10,220)	(40,201)
Carrying amount end of year	18,348	2,999

11 Property, plant and equipment

	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	202,623	7,259	2,051	8,876
Exchange rate adjustments	7,784	(567)	0	25
Transfers	8,286	2,051	(2,051)	(8,286)
Additions	1,398	461	0	12,036
Disposals	0	(2,508)	0	(1,753)
Cost end of year	220,091	6,696	0	10,898
Revaluations beginning of year	4,095	0	0	0
Exchange rate adjustments	333	0	0	0
Revaluations end of year	4,428	0	0	0
Depreciation and impairment losses beginning of year	(133,784)	(5,931)	(275)	0
Exchange rate adjustments	(8,551)	152	0	0
Transfers	0	(275)	275	0
Impairment losses for the year	(2,536)	0	0	0
Depreciation for the year	(11,441)	(837)	0	0
Reversal regarding disposals	0	2,301	0	0
Depreciation and impairment losses end of year	(156,312)	(4,590)	0	0
Carrying amount end of year	68,207	2,106	0	10,898
Carrying amount if asset had not been revalued	63,779	2,106	0	10,898

12 Financial assets

	Deposits DKK'000	Deferred tax DKK'000
Cost beginning of year	451	1,784
Additions	279	2,248
Cost end of year	730	4,032
Carrying amount end of year	730	4,032

13 Deferred tax

	2023	2022
	DKK'000	DKK'000
Intangible assets	(640)	(327)
Property, plant and equipment	2,126	1,343
Liabilities other than provisions	304	176
Tax losses carried forward	1,939	167
Deferred tax	3,729	1,359

	2023	2022
	DKK'000	DKK'000
Changes during the year		
Beginning of year	1,359	15
Recognised in the income statement	2,370	1,344
End of year	3,729	1,359

	2023	2022
	DKK'000	DKK'000
Deferred tax has been recognised in the balance sheet as follows		
Deferred tax assets	4,032	1,784
Deferred tax liabilities	(303)	(425)
	3,729	1,359

Deferred tax assets

The Group expects to use the deferred tax asset in the coming years, due to positive profit.

14 Prepayments

Prepayments comprise prepaid expenses and royalties.

15 Contributed capital

	Number	Par value DKK'000	Nominal value DKK'000
Shares	500	1	500
	500		500

16 Subordinate loan capital

As of 28 December 2023, loans totaling 20m DKK were converted to subordinated loan capital. The loans are subordinated to the prior payment in full of all senior indebtedness of Nordic Houseware Group A/S, and may be repaid only with consent of Nykredit A/S.

17 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK'000	Due within 12 months 2022 DKK'000	Due after more than 12 months 2023 DKK'000	Outstanding after 5 years 2023 DKK'000
Subordinate loan capital	1,344	0	20,000	20,000
Bank loans	21,000	30,000	84,000	0
Lease liabilities	818	854	3,865	769
	23,162	30,854	107,865	20,769

In addition, the Group has short-term bank debt of DKK 74,658k consisting of overdraft facilities.

18 Changes in working capital

	2023 DKK'000	2022 DKK'000
Increase/decrease in inventories	7,674	(5,358)
Increase/decrease in receivables	47,714	23,421
Increase/decrease in trade payables etc.	(9,631)	(53,259)
	45,757	(35,196)

19 Unrecognised rental and lease commitments

	2023 DKK'000	2022 DKK'000
Total liabilities under rental or lease agreements until maturity	3,816	3,495

20 Contingent liabilities

The Group's Danish enterprises participate in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Group's Danish enterprises are liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

21 Assets charged and collateral

The group is joint and severally liable for its loan from Nykredit Bank for the total of DKK 184,340k.

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on trade receivables, property, plant and equipment, inventories and intangible assets of DKK 86,000k nominal. The book value of the mortgaged assets is DKK 253,107k.

22 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.

23 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Axel Pitzner Fonden, Copenhagen

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Axel Pitzner Fonden, Copenhagen

24 Subsidiaries

	Registered in	Corporate form	Ownership %
NHG Sp. Z.o.o.	Poland	Sp. Z.o.o.	100
NHG GmbH	Germany	GmbH	100
Room Copenhagen Inc.	USA	Inc.	100
Room Copenhagen Hong Kong Ltd.	China	Ltd.	100
Room Copenhagen Houseware (Shanghai) Co., Ltd.	China	Ltd.	100

Parent income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Revenue	1	438,777	386,664
Own work capitalised		3,984	4,108
Cost of sales		(368,403)	(320,257)
Other external expenses		(46,718)	(42,807)
Gross profit/loss		27,640	27,708
Staff costs	2	(25,616)	(30,678)
Depreciation, amortisation and impairment losses	3	(10,928)	(11,738)
Other operating expenses		(462)	(444)
Operating profit/loss		(9,366)	(15,152)
Income from investments in group enterprises		5,907	11,683
Other financial income	4	11,779	5,876
Other financial expenses	5	(13,904)	(7,280)
Profit/loss before tax		(5,584)	(4,873)
Tax on profit/loss for the year	6	2,150	3,895
Profit/loss for the year	7	(3,434)	(978)

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Acquired licences		18,349	19,079
Goodwill		3,000	4,500
Development projects in progress	9	0	4,949
Intangible assets	8	21,349	28,528
Plant and machinery		22,426	20,988
Other fixtures and fittings, tools and equipment		352	697
Leasehold improvements		0	577
Leased assets		5,318	5,989
Property, plant and equipment in progress		10,922	3,625
Property, plant and equipment	10	39,018	31,876
Investments in group enterprises		79,086	69,603
Receivables from group enterprises		13,404	13,021
Deposits		702	421
Deferred tax	12	1,726	4,067
Financial assets	11	94,918	87,112
Fixed assets		155,285	147,516
Manufactured goods and goods for resale		58,040	62,318
Inventories		58,040	62,318
Trade receivables		42,446	36,817
Receivables from group enterprises		153,775	276,595
Other receivables		9,242	45,633
Prepayments	13	7,633	8,043
Receivables		213,096	367,088

Cash	24,908	24,370
Current assets	296,044	453,776
Assets	451,329	601,292

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		500	500
Reserve for net revaluation according to equity method		63,094	54,756
Reserve for development costs		0	4,949
Retained earnings		48,702	49,508
Equity		112,296	109,713
Subordinate loan capital	14	20,000	0
Bank loans		84,000	90,000
Lease liabilities		3,829	4,754
Other payables		1,766	2,075
Non-current liabilities other than provisions	15	109,595	96,829
Current portion of non-current liabilities other than provisions	15	23,198	30,854
Bank loans		96,141	127,111
Trade payables		81,278	87,995
Payables to group enterprises		5,872	117,695
Payables to associates		0	6,887
Other payables		22,949	24,208
Current liabilities other than provisions		229,438	394,750
Liabilities other than provisions		339,033	491,579
Equity and liabilities		451,329	601,292
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Assets charged and collateral	18		
Related parties with controlling interest	19		
Transactions with related parties	20		

Parent statement of changes in equity for 2023

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Reserve for development costs DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	500	54,756	4,949	49,508	109,713
Exchange rate adjustments	0	2,801	0	3,811	6,612
Tax of entries on equity	0	0	0	(595)	(595)
Transfer to reserves	0	0	(4,949)	4,949	0
Profit/loss for the year	0	5,537	0	(8,971)	(3,434)
Equity end of year	500	63,094	0	48,702	112,296

Notes to parent financial statements

1 Revenue

	2023	2022
	DKK'000	DKK'000
Europe	410,109	375,222
Other countries	28,668	11,442
Total revenue by geographical market	438,777	386,664

2 Staff costs

	2023	2022
	DKK'000	DKK'000
Wages and salaries	23,223	27,849
Pension costs	537	788
Other social security costs	356	268
Other staff costs	1,500	1,773
	25,616	30,678

Average number of full-time employees	29	34
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	Remuneration of Manage- ment 2023	Remuneration of Manage- ment 2022
	DKK'000	DKK'000
Executive Board	5,380	4,784
Board of Directors	800	1,420
	6,180	6,204

3 Depreciation, amortisation and impairment losses

	2023	2022
	DKK'000	DKK'000
Amortisation of intangible assets	4,971	3,525
Impairment losses on intangible assets	27	0
Depreciation on property, plant and equipment	5,168	5,129
Impairment losses on property, plant and equipment	762	3,084
	10,928	11,738

4 Other financial income

	2023	2022
	DKK'000	DKK'000
Financial income from group enterprises	10,582	5,789
Other interest income	33	0
Exchange rate adjustments	1,164	87
	11,779	5,876

5 Other financial expenses

	2023	2022
	DKK'000	DKK'000
Financial expenses from group enterprises	2,005	449
Other interest expenses	11,149	6,199
Other financial expenses	750	632
	13,904	7,280

6 Tax on profit/loss for the year

	2023	2022
	DKK'000	DKK'000
Change in deferred tax	1,746	(3,895)
Refund in joint taxation arrangement	(3,896)	0
	(2,150)	(3,895)

7 Proposed distribution of profit and loss

	2023	2022
	DKK'000	DKK'000
Retained earnings	(3,434)	(978)
	(3,434)	(978)

8 Intangible assets

	Acquired licences	Goodwill	Development projects in progress
	DKK'000	DKK'000	DKK'000
Cost beginning of year	25,803	43,200	4,949
Transfers	0	0	(4,949)
Additions	2,768	0	0
Cost end of year	28,571	43,200	0
Amortisation and impairment losses beginning of year	(6,724)	(38,700)	0
Impairment losses for the year	(27)	0	0
Amortisation for the year	(3,471)	(1,500)	0
Amortisation and impairment losses end of year	(10,222)	(40,200)	0
Carrying amount end of year	18,349	3,000	0

9 Development projects

Development projects in progress relates to investments in an ERP-system for the Group. The Group expects to increase the productivity and quality of financial reporting due to the new ERP-system.

10 Property, plant and equipment

	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Leased assets DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	52,948	3,005	853	6,905	3,625
Transfers	0	0	0	0	4,949
Additions	5,528	159	90	200	8,260
Disposals	0	(2,311)	(943)	0	(5,912)
Cost end of year	58,476	853	0	7,105	10,922
Depreciation and impairment losses beginning of year	(31,960)	(2,308)	(276)	(916)	0
Impairment losses for the year	(762)	0	0	0	0
Reversal of impairment losses	0	0	943	0	0
Depreciation for the year	(3,328)	(302)	(667)	(871)	0
Reversal regarding disposals	0	2,109	0	0	0
Depreciation and impairment losses end of year	(36,050)	(501)	0	(1,787)	0
Carrying amount end of year	22,426	352	0	5,318	10,922

11 Financial assets

	Investments in group enterprises DKK'000	Receivables from group enterprises DKK'000	Deposits DKK'000	Deferred tax DKK'000
Cost beginning of year	14,847	13,021	421	4,067
Exchange rate adjustments	1,145	0	0	0
Additions	0	383	281	0
Disposals	0	0	0	(2,341)
Cost end of year	15,992	13,404	702	1,726
Revaluations beginning of year	54,756	0	0	0
Exchange rate adjustments	2,801	0	0	0
Share of profit/loss for the year	5,907	0	0	0
Investments with negative equity value depreciated over receivables	(370)	0	0	0
Revaluations end of year	63,094	0	0	0
Carrying amount end of year	79,086	13,404	702	1,726

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

12 Deferred tax

	2023 DKK'000	2022 DKK'000
Changes during the year		
Beginning of year	4,067	172
Recognised in the income statement	(1,746)	3,895
Recognised directly in equity	(595)	0
End of year	1,726	4,067

Deferred tax relates to intangible assets, property, plant and equipment, other provisions and carry forward losses.

Deferred tax assets

The recognition of the deferred tax asset is based on an expectation to use the tax advantages in future financial years.

13 Prepayments

Prepayments solely comprise prepaid expenses.

14 Subordinate loan capital

As of 28 December 2023, loans totaling 20m DKK were converted to subordinated loan capital. The loans are subordinated to the prior payment in full of all senior indebtedness of Nordic Houseware Group A/S, and may be repaid only with consent of Nykredit A/S.

15 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK'000	Due within 12 months 2022 DKK'000	Due after more than 12 months 2023 DKK'000	Outstanding after 5 years 2023 DKK'000
Subordinate loan capital	1,344	0	20,000	20,000
Bank loans	21,000	30,000	84,000	0
Lease liabilities	854	854	3,829	769
Other payables	0	0	1,766	0
	23,198	30,854	109,595	20,769

16 Unrecognised rental and lease commitments

	2023 DKK'000	2022 DKK'000
Total liabilities under rental or lease agreements until maturity	2,956	2,222

17 Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Pitzner Gruppen Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

18 Assets charged and collateral

The group is joint and severally liable for its loan from Nykredit Bank for the total of DKK 206,736k.

Investments in subsidiaries pledge as security for bank debt.

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on trade receivables, property, plant and equipment, inventories, intangible assets and investments in subsidiaries of DKK 86,000k nominal. The book value of the mortgaged assets is DKK 258,988k.

19 Related parties with controlling interest

Chest Topco ApS, Soeborg
Pitzner Gruppen Holding A/S, Copenhagen
Axel Pitzner Fonden, Copenhagen

20 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 presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

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

Material errors in previous years

A material error has been identified and corrected in previous years. The error has no effect on profit or equity and consists of a reclassification reducing both revenue and cost of goods sold with DKK 118,087k in 2022 for parent company.

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 takeover date, with net assets having been calculated at fair value.

Income statement

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.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Cost of sales

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

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses

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

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and 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 interest income, net capital or exchange gains on payables and transactions in foreign currencies, as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on payables and transactions in foreign currencies, as well as 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 and other Danish consolidated companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation periods is usually 10 years based on an assessment of the long-term earnings profile.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise intellectual property rights, acquired intellectual property rights.

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

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

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5-7 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Licences are amortised over the term of the agreement, but over no more than 20 years.

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

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost with additions of revaluations and 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 plus revaluation and minus 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	3-12 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	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.

Revaluation reserve for Plant and machinery measured at fair value will be reduced with future depreciation. Depreciation from prior years of the revalued amount has been deducted from the revaluation reserve.

Investments in group enterprises

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

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

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

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in group enterprises 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.

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.

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 taxes paid.

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

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, 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.