



AX V GUBI Holding III ApS

Sankt Annæ Plads 10
1250 Copenhagen K
CVR No. 38783769

Annual report 2023

The Annual General Meeting adopted the annual report on 28.06.2024

Jesper Frydenberg Rasmussen
Chairman of the General Meeting

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Entity details

Entity

AX V GUBI Holding III ApS
Sankt Annæ Plads 10
1250 Copenhagen K

Business Registration No.: 38783769
Registered office: Copenhagen
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Lars Cordt, Chairman
Asbjørn Mosgaard Hylgaard
Jesper Frydensberg Rasmussen

Executive Board

Jesper Frydensberg Rasmussen

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 AX V GUBI Holding III ApS 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.

Copenhagen, 06.03.2024

Executive Board

Jesper Frydensberg Rasmussen

Board of Directors

Lars Cordt
Chairman

Asbjørn Mosgaard Hyldgaard

Jesper Frydensberg Rasmussen

Independent auditor's report

To the shareholders of AX V GUBI Holding III ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of AX V GUBI Holding III ApS 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, 06.03.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bill Haudal Pedersen

State Authorised Public Accountant
Identification No (MNE) mne30131

Hans Tauby

State Authorised Public Accountant
Identification No (MNE) mne44339

Management commentary

Financial highlights

	2023	2022	2021	2020	2019/20
	DKK'000	DKK'000	DKK'000	6 months DKK'000	DKK'000
Key figures					
Revenue	389,349	522,793	508,163	211,206	367,805
Gross profit/loss	127,640	166,829	199,211	84,472	146,157
EBITDA	62,883	85,168	133,396	54,604	93,134
EBITDA, normalised for non-recurring costs	70,407	106,443	144,157	64,656	110,273
Operating profit/loss	(38,927)	(18,508)	30,715	4,068	(6,214)
Net financials	(34,001)	(21,334)	(22,809)	(14,251)	(27,197)
Profit/loss for the year	(77,630)	(48,012)	(10,946)	(19,125)	(43,316)
Profit for the year excl. minority interests	(45,152)	(27,946)	(6,069)	(11,410)	(25,555)
Balance sheet total	1,513,440	1,646,669	1,717,982	1,789,372	1,864,488
Investments in property, plant and equipment	1,151	372	0	261	2,516
Equity	1,050,914	1,131,811	1,178,813	1,185,840	1,199,871
Equity excl. minority interests	614,596	661,680	689,344	696,628	708,565
Average number of employees	81	89	94	86	75

Ratios

EBITDA margin (%)	16.2	16.3	26.3	25.9	25.3
Norm. EBITDA margin (%)	18.1	20.4	28.4	30.6	30.0
Gross margin (%)	32.8	31.9	39.2	40.0	39.7
Net margin (%)	(19.9)	(9.2)	(2.2)	(9.1)	(11.8)
Return on equity (%)	(7.1)	(4.1)	(0.9)	(1.6)	(4.2)
Equity ratio (%)	40.6	40.2	40.1	38.9	38.0

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

EBITDA margin (%):

EBITDA * 100

Revenue

Norm. EBITDA margin (%):

Norm EBITDA * 100

Revenue

Gross margin (%):

Gross profit/loss * 100

Revenue

Net margin (%):

Profit/loss for the year * 100

Revenue

Return on equity (%):

Profit/loss for the year excl. minority interests * 100

Average equity excl. minority interests

Equity ratio (%):

Equity excl. minority interests * 100

Balance sheet total

Primary activities

The main activity of AX V GUBI Holding III ApS ("Holding III") is investments in subsidiaries within design and sale of furniture, lighting, and interior products.

GUBI is a leading Danish design brand focusing on timeless, high-quality furniture, lighting, and interior products. The GUBI Group (meaning Holding III including its direct and indirect subsidiaries) designs, and markets products developed in co-operation with reputable national and international designers for both consumer and contract markets, and the range includes several prize-winning designs. Products are sold by leading national and international retailers and e-tailers and to professional customers worldwide. The GUBI Group's headquarters are located in Nordhavn, Copenhagen.

Development in activities and finances

In 2023, the GUBI Group realized a revenue of DKK 389,349k, compared to a revenue of DKK 522,793k in 2022 and accordingly, revenue has contracted 26% driven by difficult market conditions. Normalized operating profit (EBITDA) of DKK 70,402k was realized compared to DKK 106,443k in 2022. The Group profit is affected by the challenged market conditions that have impacted revenue globally. The Group has taken prompt action to reduce costs to maintain profitability despite the market downturn. At the same time, the Group has continued to invest in strategic initiatives related to the sales organization and marketing activities.

Profit/loss for the year in relation to expected developments

Management considers the results for the financial year 2023 to be satisfactory.

Uncertainty relating to recognition and measurement

No significant uncertainties are attached to recognition and measurement.

Unusual circumstances affecting recognition and measurement

No significant unusual circumstances affecting recognition and measurement have occurred.

Outlook

The Company expects revenue at a similar level as 2023 and anticipates normalized operating profit margin (EBITDA) to be improved compared to 2023 as cost reduction measures take effect.

Use of financial instruments

The Group has a global finance policy in place with the objective to ensure that; financial operations are conducted in an ethical manner; to ensure exposure to financial risk is managed in a way to minimize the risk and focus on core business operations and financial operations are only contracted with strong counterparties. The policy covers currency, interest, funding, liquidity, and financial credit risk management as well as cash and working capital management and the use of derivatives.

The company has employed the use of financial derivatives during the year, in accordance with the financial policy, to secure the companies interest payments against further increases in interest rates and thus reducing the interest risk.

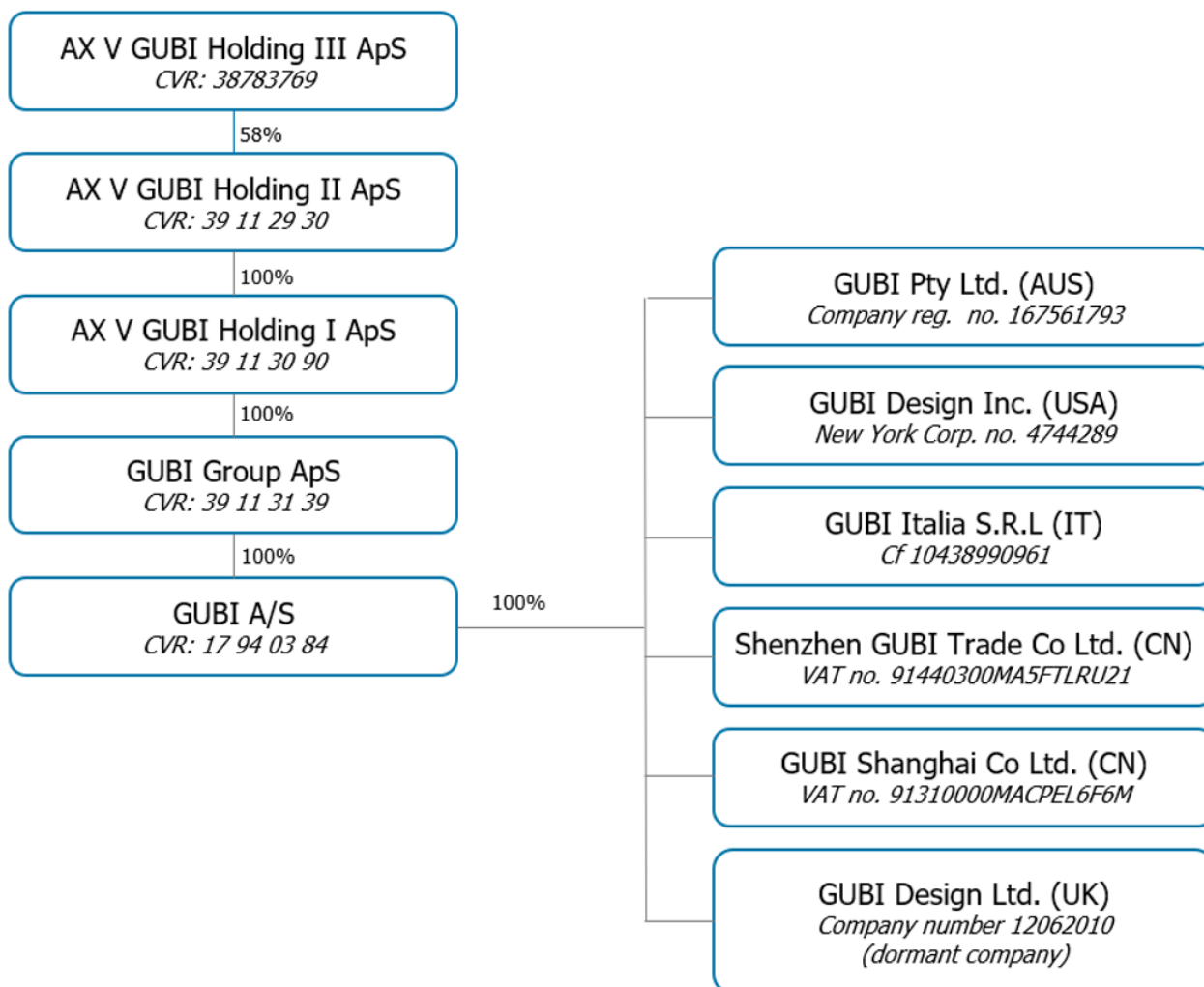
Knowledge resources

It is essential for the GUBI Group to attract, develop and retain high-quality employees with an appertaining high level of competence. The realization of the GUBI Group's goal of ensuring both quality, knowledge and know-how at each employee level will be facilitated through recruitment procedures and a continuous development of the existing employees and their competences.

Research and development activities

The GUBI Group’s research activities are related to products developed and designed both internally and in collaboration with external national as well as international designers/partners.

Group relations



Holding III is ultimately owned by the Danish private equity fund Axcel (Fund V). Jacob Gudmund Olsen holds approx. 39% of the share capital of AX V GUBI Holding II ApS together with certain members of the Board of Directors and certain key employees etc, which hold approx. 2% of the share capital.

Holding III's equity consists of 3 classes of shares and the GUBI Group's loan capital (with GUBI Group ApS as the lender) consists of bank debt, provided by Nykredit Bank A/S and Nordea Danmark, branch of Nordea Bank Abp, Finland.

The current capital structure is deemed appropriate in relation to the need for financial flexibility in the GUBI Group.

Statutory report on corporate social responsibility

Simultaneously with the annual report, the Group has published a Sustainability Report, which covers non-financial results related to environmental, social, and governance impacts including disclosures in accordance with section 99(a), 99(d) and 107(d) of the Danish Financial Act. The report is available at GUBI website, <https://gubi.com/en/dk/company/company-information>.

Statutory report on the underrepresented gender

2023

Supreme management body

Total number of members	3
Underrepresented gender (%)	0
Target figures (%)	33
Year of expected achievement of target figures	2027

Board of Directors in AX V Gubi Holding III ApS consists of 3 male members and 0 female members. The target is to elect one female member of the Board of Directors by 2027. There have been no changes in the Board of Directors in 2023 and consequently the target has not been met in 2023.

2023

Other management levels

Total number of members	1
Underrepresented gender (%)	N/A
Target figures (%)	N/A
Year of expected achievement of target figures	N/A

The Executive Management consists of 1 male member. As the total members of the Executive Management is less than 3, no target has been set.

Events after the balance sheet date

No other 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	1	389,349	522,793
Own work capitalised		3,107	4,030
Cost of sales		(211,474)	(295,275)
Other external expenses	2	(53,342)	(64,719)
Gross profit/loss		127,640	166,829
Staff costs	3	(64,757)	(81,660)
Depreciation, amortisation and impairment losses	4	(101,810)	(103,677)
Operating profit/loss		(38,927)	(18,508)
Other financial income	5	1,243	830
Other financial expenses	6	(35,244)	(22,164)
Profit/loss before tax		(72,928)	(39,842)
Tax on profit/loss for the year	7	(4,702)	(8,170)
Profit/loss for the year	8	(77,630)	(48,012)

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Completed development projects	10	4,724	5,209
Acquired licences		1,950	3,354
Acquired trademarks		239,831	256,371
Goodwill		1,125,269	1,202,878
Development projects in progress	10	3,465	4,381
Intangible assets	9	1,375,239	1,472,193
Plant and machinery		325	439
Other fixtures and fittings, tools and equipment		1,154	975
Property, plant and equipment	11	1,479	1,414
Deposits		4,909	3,560
Financial assets	12	4,909	3,560
Fixed assets		1,381,627	1,477,167
Manufactured goods and goods for resale		62,439	85,230
Prepayments for goods		285	1,345
Inventories		62,724	86,575
Trade receivables		28,554	43,499
Other receivables		4,276	1,723
Prepayments	13	2,974	1,538
Receivables		35,804	46,760
Cash		33,285	36,167
Current assets		131,813	169,502
Assets		1,513,440	1,646,669

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital	14	7,557	7,557
Translation reserve		(163)	70
Reserve for fair value adjustments of hedging instruments		(1,627)	0
Retained earnings		608,829	654,053
Equity belonging to Parent's shareholders		614,596	661,680
Equity belonging to minority interests		436,318	470,131
Equity		1,050,914	1,131,811
Deferred tax	15	52,251	56,041
Other provisions	16	3,743	7,667
Provisions		55,994	63,708
Bank loans		263,368	295,496
Non-current liabilities other than provisions	17	263,368	295,496
Current portion of non-current liabilities other than provisions	17	46,788	62,384
Bank loans		39,079	23,939
Prepayments received from customers		4,702	5,037
Trade payables		33,042	40,858
Tax payable		5,805	12,427
Other payables		13,748	11,009
Current liabilities other than provisions		143,164	155,654
Liabilities other than provisions		406,532	451,150
Equity and liabilities		1,513,440	1,646,669
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	Translation reserve DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Retained earnings DKK'000	Equity belonging to Parent's shareholders DKK'000
Equity beginning of year	7,557	70	0	654,053	661,680
Exchange rate adjustments	0	(233)	0	0	(233)
Fair value adjustments of hedging instruments	0	0	(1,985)	0	(1,985)
Other entries on equity	0	0	0	(73)	(73)
Tax of entries on equity	0	0	358	0	358
Transfer to reserves	0	0	0	1	1
Profit/loss for the year	0	0	0	(45,152)	(45,152)
Equity end of year	7,557	(163)	(1,627)	608,829	614,596

	Equity belonging to minority interests DKK'000	Total DKK'000
Equity beginning of year	470,131	1,131,811
Exchange rate adjustments	(167)	(400)
Fair value adjustments of hedging instruments	(1,424)	(3,409)
Other entries on equity	0	(73)
Tax of entries on equity	257	615
Transfer to reserves	(1)	0
Profit/loss for the year	(32,478)	(77,630)
Equity end of year	436,318	1,050,914

Consolidated cash flow statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Operating profit/loss		(38,927)	(18,508)
Amortisation, depreciation and impairment losses		101,810	103,378
Working capital changes	18	23,746	(21,729)
Cash flow from ordinary operating activities		86,629	63,141
Financial income received		1,243	824
Financial expenses paid		(32,135)	(19,228)
Taxes refunded/(paid)		(14,756)	(4,736)
Cash flows from operating activities		40,981	40,001
Acquisition etc. of intangible assets		(3,772)	(5,861)
Acquisition etc. of property, plant and equipment		(1,149)	(372)
Sale of fixed asset investments		(1,349)	686
Cash flows from investing activities		(6,270)	(5,547)
Free cash flows generated from operations and investments before financing		34,711	34,454

Repayments of loans etc.	(50,833)	(26,492)
Cash capital increase		500
Changes in shares	(1,900)	1,011
Cash flows from financing activities	(52,733)	(24,981)
<hr/>		
Increase/decrease in cash and cash equivalents	(18,022)	9,473
Cash and cash equivalents beginning of year	12,228	2,755
Cash and cash equivalents end of year	(5,794)	12,228
<hr/>		
Cash and cash equivalents at year-end are composed of:		
Cash	33,285	36,167
Short-term bank loans	(39,079)	(23,939)
Cash and cash equivalents end of year	(5,794)	12,228
<hr/>		

Notes to consolidated financial statements

1 Revenue

	2023	2022
	DKK'000	DKK'000
Denmark	53,569	76,426
Europe	171,574	234,346
Other countries	164,206	212,021
Total revenue by geographical market	389,349	522,793
Furnitures, lighting, accessories	389,349	522,793
Total revenue by activity	389,349	522,793

2 Fees to the auditor appointed by the Annual General Meeting

	2023	2022
	DKK'000	DKK'000
Statutory audit services	492	469
Other assurance engagements	30	0
Other services	167	159
	689	628

3 Staff costs

	2023	2022
	DKK'000	DKK'000
Wages and salaries	56,069	71,858
Pension costs	5,332	5,103
Other social security costs	986	1,625
Other staff costs	2,370	3,074
	64,757	81,660
Average number of full-time employees	81	89

Special incentive programmes

In June 2018, an incentive scheme was established comprising both the Board of Directors, the Executive Management and other executives and the incentive scheme is made to motivate and retain the participants.

The incentive scheme allow participants to subscribe for a number of warrants, each entitling the holder to buy 1 C-share of a nominal value of DKK 0.01 in the Company at a price agreed in advance plus an annual hurdle rate of 8%. The warrants subscribed for are allotted with 1/48 per month from the date of subscription until all warrants are allotted if certain conditions are met.

As of 31st December 2023, participants in the incentive scheme have subscribed for 5,891,074 warrants in total corresponding to 6.11 % of the outstanding share capital on a fully-diluted basis, and 6,318,303 warrants have vested.

The Board of Directors and the Executive Board in AX V GUBI Holding III ApS are not remunerated by the Group.

4 Depreciation, amortisation and impairment losses

	2023	2022
	DKK'000	DKK'000
Amortisation of intangible assets	100,726	102,503
Depreciation on property, plant and equipment	1,084	875
Impairment losses on property, plant and equipment	0	299
	101,810	103,677

5 Other financial income

	2023	2022
	DKK'000	DKK'000
Other interest income	904	411
Exchange rate adjustments	146	419
Other financial income	193	0
	1,243	830

6 Other financial expenses

	2023	2022
	DKK'000	DKK'000
Other interest expenses	33,672	21,516
Exchange rate adjustments	1,572	648
	35,244	22,164

7 Tax on profit/loss for the year

	2023	2022
	DKK'000	DKK'000
Current tax	8,627	12,874
Change in deferred tax	(3,790)	(4,535)
Adjustment concerning previous years	(135)	(169)
	4,702	8,170

8 Proposed distribution of profit/loss

	2023	2022
	DKK'000	DKK'000
Retained earnings	(45,152)	(27,946)
Minority interests' share of profit/loss	(32,478)	(20,066)
	(77,630)	(48,012)

9 Intangible assets

	Completed development projects DKK'000	Acquired licences DKK'000	Acquired trademarks DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	22,790	6,874	330,801	1,552,185	4,381
Transfers	4,381	0	0	0	(4,381)
Additions	0	307	0	0	3,465
Cost end of year	27,171	7,181	330,801	1,552,185	3,465
Amortisation and impairment losses beginning of year	(17,581)	(3,520)	(74,430)	(349,307)	0
Amortisation for the year	(4,866)	(1,711)	(16,540)	(77,609)	0
Amortisation and impairment losses end of year	(22,447)	(5,231)	(90,970)	(426,916)	0
Carrying amount end of year	4,724	1,950	239,831	1,125,269	3,465

10 Development projects

Development projects regarding products and processors that are clearly defined and identifiable, where a potential future market or development opportunity in companies can be found, and where appropriate in manufacturing, marketing or using the official product or work, procedures, add in as an intangible assets.

The cost of development projects, which includes externally invoiced costs as well as internal wages directly attributable to development projects.

11 Property, plant and equipment

	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	3,251	3,279
Additions	936	215
Disposals	0	(2)
Cost end of year	4,187	3,492
Depreciation and impairment losses beginning of year	(2,812)	(2,304)
Depreciation for the year	(1,050)	(34)
Depreciation and impairment losses end of year	(3,862)	(2,338)
Carrying amount end of year	325	1,154

12 Financial assets

	Deposits DKK'000
Cost beginning of year	3,560
Additions	1,349
Cost end of year	4,909
Carrying amount end of year	4,909

13 Prepayments

Prepayments are related to prepaid costs.

14 Contributed capital

	Number	Par value DKK'000	Nominal value DKK'000
A-share	304,000,000	0,00001	3,040,000
B-share	447,153,300	0,00001	4,471,533
C-share	4,516,700	0,00001	45,167
	755,670,000		7,556,700

15 Deferred tax

	2023 DKK'000	2022 DKK'000
Changes during the year		
Beginning of year	56,041	60,450
Recognised in the income statement	(3,790)	(4,535)
Recognised directly in equity		126
End of year	52,251	56,041

16 Other provisions

Provisions for warranty and fairness of DDK 3.7 m have been recognised as of 31 December 2023 to cover expected warranty and claims. The size and timing of the provisions is based on previous experience of the level and timing of repairs and returns. The expected amount due within one year amounts to DKK 1.7 m.

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
Bank loans	46,788	62,384	263,368
	46,788	62,384	263,368

All debt is due within five years.

Amortization allowance amounts to DKK 5,4m and is recognized in the bank debt.

With Nordea and Nykredit, the company has entered into interest rate swaps, which means that interest on a significant part of the bank debt is fixed until 2025.

18 Changes in working capital

	2023	2022
	DKK'000	DKK'000
Increase/decrease in inventories	23,851	(24,591)
Increase/decrease in receivables	10,956	10,904
Increase/decrease in trade payables etc.	(11,061)	(8,042)
	23,746	(21,729)

19 Unrecognised rental and lease commitments

	2023	2022
	DKK'000	DKK'000
Total liabilities under rental or lease agreements until maturity	3,800	3,855

20 Contingent liabilities

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which AX V GUBI Holding III ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

21 Assets charged and collateral

The subsidiaries, GUBI Group ApS and GUBI A/S are subject to negative pledges (in Danish: pantsætningsforbud). The shares in the subsidiaries, GUBI Group ApS and GUBI A/S are pledged in favour of the lenders under the GUBI Group's Senior Facilities Agreement.

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:
AX V GUBI Holding III ApS, Sankt Annæ Plads 10, Copenhagen K 1250

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
AX V GUBI Holding III ApS, Sankt Annæ Plads 10, Copenhagen K 1250

24 Subsidiaries

	Registered in	Corporate form	Ownership %
GUBI A/S	Denmark	A/S	58.30
GUBI Design Inc	USA	Inc	58.30
GUBI Shenzhen Co	China	Ltd.	58.30
GUBI Pty Ltd	Australia	Ltd.	58.30
GUBI Design Limited (inactive)	UK	Ltd.	58.30
GUBI Italy Srl	Italy	SRL	58.30
GUBI Shanghai Co	China	Ltd.	58.30
AX V GUBI Holding I ApS	Denmark	ApS	58.30
AX V GUBI Holding II ApS	Denmark	ApS	58.30
GUBI Group ApS	Denmark	ApS	58.30

Parent income statement for 2023

		2023	2022
	Notes	DKK'000	DKK'000
Other external expenses		(61)	(58)
Gross profit/loss		(61)	(58)
Income from investments in group enterprises		(45,296)	(27,905)
Other financial income	1	193	6
Other financial expenses	2	(1)	(1)
Profit/loss before tax		(45,165)	(27,958)
Tax on profit/loss for the year	3	14	12
Profit/loss for the year	4	(45,151)	(27,946)

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Investments in group enterprises		608,531	653,859
Financial assets	5	608,531	653,859
Fixed assets		608,531	653,859
Joint taxation contribution receivable		14	12
Receivables		14	12
Cash		6,114	7,869
Current assets		6,128	7,881
Assets		614,659	661,740

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		7,557	7,557
Translation reserve		(161)	72
Reserve for fair value adjustments and hedging instruments		(1,627)	0
Retained earnings		608,828	654,052
Equity		614,597	661,681
Trade payables		62	59
Current liabilities other than provisions		62	59
Liabilities other than provisions		62	59
Equity and liabilities		614,659	661,740
Employees	6		
Contingent liabilities	7		
Related parties with controlling interest	8		
Transactions with related parties	9		

Parent statement of changes in equity for 2023

	Contributed capital DKK'000	Translation reserve DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	7,557	72	0	654,052	661,681
Exchange rate adjustments	0	(233)	0	0	(233)
Fair value adjustments of hedging instruments	0	0	(1,627)	0	(1,627)
Other entries on equity	0	0	0	(73)	(73)
Profit/loss for the year	0	0	0	(45,151)	(45,151)
Equity end of year	7,557	(161)	(1,627)	608,828	614,597

Notes to parent financial statements

1 Other financial income

	2023	2022
	DKK'000	DKK'000
Other financial income	193	6
	193	6

2 Other financial expenses

	2023	2022
	DKK'000	DKK'000
Other interest expenses	1	1
	1	1

3 Tax on profit/loss for the year

	2023	2022
	DKK'000	DKK'000
Current tax	(14)	(12)
	(14)	(12)

4 Proposed distribution of profit and loss

	2023	2022
	DKK'000	DKK'000
Retained earnings	(45,151)	(27,946)
	(45,151)	(27,946)

5 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	743,895
Additions	1,900
Cost end of year	745,795
Impairment losses beginning of year	(90,035)
Exchange rate adjustments	(233)
Adjustments on equity	(1,627)
Share of profit/loss for the year	(45,296)
Other adjustments	(73)
Impairment losses end of year	(137,264)
Carrying amount end of year	608,531

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

6 Employees

The Entity has no employees other than the Executive Board.

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 Related parties with controlling interest

Axcel V K/S, Nørregade 21, 1165 Copenhagen K, owns 57,12% of the shares in the company, and thus has the controlling interest.

9 Non-arm's length related party transactions

With reference to the Danish Financial Statements Act § 98c, section 4, there have been no transactions with related parties that have not been completed at normal market conditions.

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. In the consolidated financial statements, own work capitalised last year has been reclassified in the comparative numbers from staff costs which does not affect the profit/loss for the 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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been

settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

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

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

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

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.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

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 Entity is jointly taxed with all 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**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. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 20 years. For other amounts of goodwill, useful life has been 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 20 years.

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

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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 under 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 3 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 3 years.

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

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

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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 manufacturing process are recognised in cost based on time spent on each asset.

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	5 years
Other fixtures and fittings, tools and equipment	3-5 years
Property	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 unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

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

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

Goodwill is the difference between cost of investments and fair value of the pro rata share 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. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 20 years. For other amounts of goodwill, useful life has been 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 20 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

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 and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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

Receivables

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

Joint taxation contributions payable or receivable

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Minority interests

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

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.

Other provisions

Provisions comprise provisions for warranty and provisions for fairness. Provisions for warranty are obligations to repair products within the warranty period, whereas provisions for fairness are obligations to repair products after the end of the warranty period.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Tax payable or receivable

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

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.