

Designlink ApS

Stærmosegårdsvej 8 st, 5230 Odense M
CVR no. 39 35 20 95

Annual report for the financial year 01.07.22 - 30.06.23

This annual report has been adopted at the
annual general meeting on 22.12.23

Nicolai Bladt Hansen

Chairman of the meeting

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The company

Designlink ApS
Stærmosegårdsvej 8 st
5230 Odense M
Website: www.dsgnlink.com
Registered office: Odense
CVR no.: 39 35 20 95
Financial year: 01.07 - 30.06

Executive Board

Kenneth Olsbro Mejrup
Morten Elvar Juel
Nicolai Bladt Hansen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Bank

Sydbank

Lawyer

Andersen Partners

Parent company

Dsgnlink Holding ApS, Odense

Statement by the Executive Board on the annual report

We have on this day presented the annual report for the financial year 01.07.22 - 30.06.23 for Designlink ApS.

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

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 30.06.23 and of the results of the company's activities and cash flows for the financial year 01.07.22 - 30.06.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Odense M, December 22, 2023

Executive Board

Kenneth Olsbro Mejrup

Morten Elvar Juel

Nicolai Bladt Hansen

To the capital owner of Designlink ApS**Opinion**

We have audited the financial statements of Designlink ApS for the financial year 01.07.22 - 30.06.23, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements, including significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the company's financial position at 30.06.23 and of the results of the company's operations and cash flows for the financial year 01.07.22 - 30.06.23 in accordance with the the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 financial statements" section of our report. We are independent of the company 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.

Other matter

The financial statements for the financial year 01.07.2021 - 30.06.2022 have been subject to an extended review but not an audit. As a result, the comparative figures in the financial statements for the fiscal year 01.07.2022 - 30.06.2023 have not been audited either.

Statement on the management's review

Management is responsible for the management's review.

Our opinion on the financial statements does not cover the management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, it is our responsibility is to read management's review and, in doing so, consider whether management's review is mate-

rially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the the Danish Financial Statements Act. We did not identify any material misstatement of the management's review.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 company'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 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 company'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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Odense, December 22, 2023

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Jacob Pedersen

State Authorized Public Accountant
MNE-no. mne33725

FINANCIAL HIGHLIGHTS**Key figures**

| Figures in DKK '000 | 2022/23 | 2021/22 | 01.03.21 30.06.21 | 2020/21 | 2019/20 |
|--|--|---------|----------------------|---------|---------|
| <i>Profit/loss</i> | | | | | |
| Operating profit/loss | -4,695 | 19,501 | 2,288 | 2,928 | 2,009 |
| Total net financials | -1,173 | 3,573 | -775 | -1,711 | 595 |
| Profit/loss for the year | -4,609 | 17,960 | 1,158 | 909 | 2,023 |
| <i>Balance</i> | | | | | |
| Total assets | 48,899 | 47,642 | 28,450 | 19,272 | 9,245 |
| Investments in property, plant and equipment | 595 | 153 | 66 | 0 | 21 |
| Equity | 8,542 | 23,251 | 5,530 | 4,373 | 3,464 |
| <i>Ratios definitions</i> | | | | | |
| Return on equity: | $\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$ | | | | |

Primary activities

The company's activities comprise in import and export of furniture and other homeware items – primarily imported from Asia.

Development in activities and financial affairs

The income statement for the period 01.07.22 - 30.06.23 shows a profit/loss of DKK -4,608,588 against DKK 17,960,411 for the period 01.07.21 - 30.06.22. The balance sheet shows equity of DKK 8,542,278.

The past financial year was on a large scale affected by a consumer market on a close to full stop after two years, during the Corona pandemic, with an abnormal high activity.

The company had to face soaring freight- and material prices, in a market where the consumers were hit by higher cost of living due to high energy prices and high inflation. The direct customers of the company also faced overstocks, which they were, in large parts unable to sell, unless they wanted to realize an immediate loss.

This tendency was present in almost all markets all around the world, wherefore the past years growing sales of the company, for the first time, was replaced with a decrease.

A decrease was budgeted as a decrease in a market activity was expected, as well as an internal restructure of the customer base, due to new affiliates in the Designlink Group.

The earnings expectations for the financial year 01.07.22 - 30.06.23 were a net profit of DKK 2,000,000. The objective was not met primarily due to decrease in market activities and consumer confidence.

The development and the result of the financial year is not satisfactory, and the board of directors is committed to making this a non-recurring event.

Outlook

The company expects that the markets will return to a more stable level of activity, which is more similar to the years before the Corona pandemic, and the coming years will deliver a more stable growth. For the next financial year, the company expect a profit before tax in the region of DKK 7,000,000. The company's investments in the expansion of its market share will continue and a further optimization of the internal processes should contribute to improved results. The company has successfully integrated a satisfying number of new customers, without any significant loss of established customers. With this in mind the sales to both existing and new customers are expected to increase in the coming financial year.

Knowledge resources

It is a focus point for the company to invest resources in the training and development of the company's employees at all levels of the organization. The company believes that investing in the shared knowledge base of the company is a win-win for both the company and the individual employee. And furthermore, the training and development must be a priority to support the further growth of the company, where new and/or improved skills are constantly required.

Financial risks

Due to its operations, investments and financing, the company is exposed to financial risks. The company uses financial instruments to manage these risks. The company's policy is not to speculate actively in financial risks. The overall financial risk management framework is set out in the company's risk management policy. The policy is reviewed annually and approved by the Board of Directors.

Price risks

The company is exposed to commodity price risks, as the company's products contain various raw materials which are subject to fluctuating prices, especially steel, aluminum, and crude oil dependent products. Commodity price risks are not hedged. Previously, the impact on the company's results has been limited, as price fluctuations of the most important raw materials used are primarily passed on to the company's selling prices.

Foreign currency risks

The company is exposed to foreign currency risks primarily from USD due to purchase and sales transactions that are settled in currencies other than DKK.

Interest rate risks

The company has a large proportion of variable-rate assets and liabilities and is therefore exposed to interest rate risks.

Credit risks

The company's primary credit risk relates to trade receivables and prepayments of goods. Under the company's policy for assuming credit risk, all major customers and other business partners are subject to regular credit assessments. Overall, there is not considered to be a large credit risk for the company.

Liquidity risks

The company is exposed to liquidity risks due to its ongoing activities. The company's cash management is vital in relation to ongoing operations and payment of financial liabilities.

External environment

The company is operating within a tradeoff business which is reliant on manufacturers in especially China and Vietnam. The company is aware of the risk of potentially doing business with non-compliant supplier, which do not live up to the policies and expected standards within workers' rights, human rights, as well as companies which is not in compliance with European environment law and/or company policies in general. To ensure that the supplier base of the company is compliant, the company is in the process of implementing its ESG goals into the overall strategy, as well as developing and improving of its actual policies within all relevant areas. Focusing on sound operations, these policies form a natural part of the company's objectives concerning product quality and production conditions. The company has already set out a direction in 2023 for these areas, by obtaining membership of Amfori (Business Social Compliance Initiative; BSCI), and a FSC (Forest Stewardship Council) certification, as well as working actively with our supplier base within these areas. The company expect to be able to present an actual strategy in the beginning of 2024.

The company has also strengthened its focus on its internal procedures for its employees. During 2023 a new platform for analyzing the work environment and the employee satisfaction was implemented. The learning will, going forward, be an integrated part of the overall objective to guarantee the well-being of all employees in the Designlink Group. The company is well aware of that, both the physical and psychical well-being of its employees is crucial for the performance of the company, as well as the health of the individual employee.

Research and development activities

The company has several development activities, both within the assortment and product mix, development and strengthening of internal processes, hereunder the IT-landscape as a whole, as well as a strong focus on the ESG-agenda, which will have a huge impact on the company the coming years. The company will in the coming years be implementing different measures to be able to comply with the future reporting framework established by the Corporate Sustainable Reporting Directive (CSRD).

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

| Note | | |
|--|-------------------|-------------------|
| | 2022/23 DKK | 2021/22 DKK |
| | 7,977,746 | 29,502,165 |
| Gross profit | | |
| 1 Staff costs | -10,255,686 | -9,243,808 |
| | -2,277,940 | 20,258,357 |
| Profit/loss before depreciation, amortisation, write-downs and impairment losses | | |
| Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment | -1,298,487 | -757,167 |
| Write-downs of current assets exceeding normal write-downs | -1,118,333 | 0 |
| | -4,694,760 | 19,501,190 |
| Operating profit/loss | | |
| 2 Financial income | 9,432,709 | 20,849,260 |
| Financial expenses | -10,605,770 | -17,276,587 |
| | -5,867,821 | 23,073,863 |
| Profit/loss before tax | | |
| Tax on profit or loss for the year | 1,259,233 | -5,113,452 |
| | -4,608,588 | 17,960,411 |
| Profit/loss for the year | | |
| 3 Proposed appropriation account | | |

Balance sheet

| ASSETS | | 30.06.23 | 30.06.22 |
|--------|--|-------------------|-------------------|
| Note | | DKK | DKK |
| | Completed development projects | 1,535,598 | 964,269 |
| | Goodwill | 0 | 132,558 |
| | Development projects in progress | 0 | 196,280 |
| 4 | Total intangible assets | 1,535,598 | 1,293,107 |
| | Leasehold improvements | 97,850 | 130,124 |
| | Other fixtures and fittings, tools and equipment | 601,889 | 56,008 |
| 5 | Total property, plant and equipment | 699,739 | 186,132 |
| 6 | Deposits | 296,361 | 296,361 |
| | Total investments | 296,361 | 296,361 |
| | Total non-current assets | 2,531,698 | 1,775,600 |
| | Manufactured goods and goods for resale | 839,441 | 2,028,541 |
| | Prepayments for goods | 3,376,261 | 12,529,100 |
| | Total inventories | 4,215,702 | 14,557,641 |
| | Trade receivables | 20,582,946 | 12,708,087 |
| | Receivables from group enterprises | 19,585,952 | 17,902,073 |
| | Receivables from associates | 34,416 | 34,416 |
| | Deferred tax asset | 1,317,044 | 57,811 |
| | Other receivables | 358,188 | 363,128 |
| 7 | Prepayments | 196,964 | 239,856 |
| | Total receivables | 42,075,510 | 31,305,371 |
| | Cash | 76,028 | 3,607 |
| | Total current assets | 46,367,240 | 45,866,619 |
| | Total assets | 48,898,938 | 47,642,219 |

EQUITY AND LIABILITIES

| Note | | 30.06.23 DKK | 30.06.22 DKK |
|------|--|-------------------|-------------------|
| | Share capital | 50,000 | 50,000 |
| | Reserve for development costs | 1,224,999 | 905,228 |
| | Retained earnings | 7,267,279 | 21,195,638 |
| | Proposed dividend for the financial year | 0 | 1,100,000 |
| | Total equity | 8,542,278 | 23,250,866 |
| 9 | Income taxes | 0 | 5,175,808 |
| | Total long-term payables | 0 | 5,175,808 |
| 9 | Short-term part of long-term payables | 442,275 | 56,303 |
| | Payables to other credit institutions | 13,198,784 | 11,195,359 |
| | Prepayments received from customers | 1,308,946 | 1,209,395 |
| | Trade payables | 8,848,504 | 3,689,402 |
| | Payables to group enterprises | 10,712,001 | 1,317,702 |
| | Income taxes | 5,175,806 | 351,294 |
| | Other payables | 407,844 | 1,202,338 |
| 10 | Deferred income | 262,500 | 193,752 |
| | Total short-term payables | 40,356,660 | 19,215,545 |
| | Total payables | 40,356,660 | 24,391,353 |
| | Total equity and liabilities | 48,898,938 | 47,642,219 |
| 11 | Contingent liabilities | | |
| 12 | Charges and security | | |
| 13 | Related parties | | |

Statement of changes in equity

| Figures in DKK | Share capital | Reserve for development costs | Retained earnings | Proposed dividend for the financial year | Total equity |
|---|---------------|-------------------------------|-------------------|--|--------------|
| Statement of changes in equity for 01.07.22 - 30.06.23 | | | | | |
| Balance as at 01.07.22 | 50,000 | 905,228 | 21,195,638 | 1,100,000 | 23,250,866 |
| Total depreciation, amortisation, impairment losses and write-downs during the year | 0 | -818,628 | 818,628 | 0 | 0 |
| Extraordinary dividend paid | 0 | 0 | -9,000,000 | 0 | -9,000,000 |
| Dividend paid | 0 | 0 | 0 | -1,100,000 | -1,100,000 |
| Transfers to/from other reserves | 0 | 1,138,399 | -1,138,399 | 0 | 0 |
| Net profit/loss for the year | 0 | 0 | -4,608,588 | 0 | -4,608,588 |
| Balance as at 30.06.23 | 50,000 | 1,224,999 | 7,267,279 | 0 | 8,542,278 |

Cash flow statement

| Note | 2022/23 DKK | 2021/22 DKK |
|---|-------------------|-------------------|
| Profit/loss for the year | -4,608,588 | 17,960,411 |
| 14 Adjustments | 1,212,315 | 2,297,946 |
| Change in working capital: | | |
| Inventories | 10,341,939 | -5,340,179 |
| Receivables | -9,510,906 | -13,341,470 |
| Trade payables | 5,159,102 | 1,284,501 |
| Other payables relating to operating activities | 8,768,104 | 544,855 |
| Cash flows from operating activities before net financials | 11,361,966 | 3,406,064 |
| Interest income and similar income received | 9,432,709 | 20,849,260 |
| Interest expenses and similar expenses paid | -10,605,770 | -17,276,587 |
| Income tax paid | -351,297 | -307,231 |
| Cash flows from operating activities | 9,837,608 | 6,671,506 |
| Purchase of intangible assets | -1,459,485 | -1,352,406 |
| Purchase of property, plant and equipment | -595,100 | -152,687 |
| Cash flows from investing activities | -2,054,585 | -1,505,093 |
| Dividend paid | -10,100,000 | -240,000 |
| Arrangement of payables to credit institutions | 2,003,426 | 0 |
| Repayment of payables to credit institutions | 0 | -5,221,154 |
| Repayment of lease commitments | 442,275 | 0 |
| Repayment of other long-term payables | -56,303 | 0 |
| Cash flows from financing activities | -7,710,602 | -5,461,154 |
| Total cash flows for the year | 72,421 | -294,741 |
| Cash, beginning of year | 3,607 | 298,348 |
| Cash, end of year | 76,028 | 3,607 |
| Cash, end of year, comprises: | | |
| Cash | 76,028 | 3,607 |
| Total | 76,028 | 3,607 |

| | 2022/23 DKK | 2021/22 DKK |
|--|----------------|----------------|
|--|----------------|----------------|

1. Staff costs

| | | |
|-----------------------------|------------|-----------|
| Wages and salaries | 8,609,477 | 7,775,625 |
| Pensions | 868,782 | 694,355 |
| Other social security costs | 87,262 | 164,410 |
| Other staff costs | 690,165 | 609,418 |
| Total | 10,255,686 | 9,243,808 |

| | | |
|---|----|----|
| Average number of employees during the year | 11 | 10 |
|---|----|----|

Remuneration for the management:

| | | |
|--|-----------|-----------|
| Salaries for the Executive Board | 4,565,592 | 3,648,224 |
| Pension for the Executive Board | 403,662 | 365,315 |
| Total remuneration for the Executive Board | 4,969,254 | 4,013,539 |

2. Financial income

| | | |
|--|-----------|------------|
| Interest, group enterprises | 401,205 | 173,656 |
| Foreign currency translation adjustments | 9,031,504 | 20,675,604 |
| Total | 9,432,709 | 20,849,260 |

3. Proposed appropriation account

| | | |
|---|-------------|------------|
| Extraordinary dividend for the financial year | 9,000,000 | 240,000 |
| Proposed dividend for the financial year | 0 | 1,100,000 |
| Retained earnings | -13,608,588 | 16,620,411 |
| Total | -4,608,588 | 17,960,411 |

4. Intangible assets

| Figures in DKK | Completed development projects | Goodwill | Development projects in progress | Total |
|--|--------------------------------------|----------|--|------------|
| Cost as at 01.07.22 | 1,502,324 | 351,883 | 196,280 | 2,050,487 |
| Additions during the year | 1,459,485 | 0 | 0 | 1,459,485 |
| Transfers during the year to/from other items | 196,280 | 0 | -196,280 | 0 |
| Cost as at 30.06.23 | 3,158,089 | 351,883 | 0 | 3,509,972 |
| Amortisation and impairment losses as at 01.07.22 | -538,055 | -219,325 | 0 | -757,380 |
| Amortisation during the year | -1,084,436 | -132,558 | 0 | -1,216,994 |
| Amortisation and impairment losses as at 30.06.23 | -1,622,491 | -351,883 | 0 | -1,974,374 |
| Carrying amount as at 30.06.23 | 1,535,598 | 0 | 0 | 1,535,598 |

The development project in progress is costs used to a new development of an IT program that will streamline workflows.

5. Property, plant and equipment

| Figures in DKK | Leasehold improvements | Other fixtures and fittings, tools and equipment |
|---|---------------------------|---|
| Cost as at 01.07.22 | 161,369 | 78,351 |
| Additions during the year | 0 | 595,100 |
| Cost as at 30.06.23 | 161,369 | 673,451 |
| Depreciation and impairment losses as at 01.07.22 | -31,245 | -22,343 |
| Depreciation during the year | -32,274 | -49,219 |
| Depreciation and impairment losses as at 30.06.23 | -63,519 | -71,562 |
| Carrying amount as at 30.06.23 | 97,850 | 601,889 |
| Carrying amount of assets held under finance leases as at 30.06.23 | 0 | 561,551 |

6. Non-current financial assets

| Figures in DKK | Deposits |
|--------------------------------|----------|
| Cost as at 01.07.22 | 296,361 |
| Cost as at 30.06.23 | 296,361 |
| Carrying amount as at 30.06.23 | 296,361 |

| | 30.06.23 | 30.06.22 |
|--|----------|----------|
| | DKK | DKK |

7. Prepayments

| | | |
|----------------------------|---------|---------|
| Prepaid insurance premiums | 188,434 | 80,405 |
| Prepaid lease payments | 8,530 | 91,451 |
| Other prepayments | 0 | 68,000 |
| Total | 196,964 | 239,856 |

8. Deferred tax

| | | |
|---|-----------|--------|
| Provisions for deferred tax as at 01.07.22 | 57,811 | -4,545 |
| Deferred tax recognised in the income statement | 1,259,233 | 62,356 |
| Provisions for deferred tax as at 30.06.23 | 1,317,044 | 57,811 |

As at 30.06.2022, the company has recognised a deferred tax asset of DKK 1,317k, which can primarily be attributed to tax losses carried forward. The deferred tax asset is recognised on the basis of expectations of positive operating results for the coming years.

9. Long-term payables

| Figures in DKK | Repayment first year | Total payables at 30.06.23 | Total payables at 30.06.22 |
|-------------------|-------------------------|-------------------------------|-------------------------------|
| Lease commitments | 442,275 | 442,275 | 0 |
| Income taxes | 0 | 0 | 5,175,808 |
| Other payables | 0 | 0 | 56,303 |
| Total | 442,275 | 442,275 | 5,232,111 |

10. Deferred income

| | | |
|-------------------------------|---------|---------|
| Deferred income rent discount | 262,500 | 193,752 |
|-------------------------------|---------|---------|

11. Contingent liabilities*Lease commitments*

The company has concluded lease agreements with terms to maturity of 6-21 months and total lease payments of DKK 565k.

Other contingent liabilities

The company is taxed jointly with the other companies in the group and is liable for income taxes on a pro rata basis for the jointly taxed companies. The maximum liability totals an amount corresponding to the share of the capital in the company which is owned directly or indirectly by the ultimate parent. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

The company has concluded lease agreement that is non-cancellable until June 30th, 2025. The termination obligation constitutes the amount of DKK 1,689,444 after which the notice period is 6 months corresponding to DKK 447,360.

12. Charges and security

The company has provided a company charge of DKK 6,000k as security for debt to credit institutions. As at 30.06.23, the company charge comprises the following assets with the following carrying amounts:

- Other plant, fixtures and fittings, tools and equipment, DKK 40k
- Inventories, DKK 4,216k
- Trade receivables, DKK 20,583k

13. Related parties

| Controlling influence | Basis of influence |
|------------------------------------|--------------------|
| Dsgnlink Holding ApS, Odense | Ownership |
| Balances | 30.06.23 DKK |
| Receivables from group enterprises | 19,585,952 |
| Payables to group enterprises | -10,712,001 |
| Receivables from associates | 34,416 |

Receivables from group companies recognised under current assets and short-term payables to group enterprises consist of balances which are settled on an ongoing basis and in accordance with the company's standard terms of agreement and payment. No write-downs have been made on the receivables.

| | 2022/23 DKK | 2021/22 DKK |
|--|----------------|----------------|
| Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment | 1,298,487 | 757,167 |
| Financial income | -9,432,709 | -20,849,260 |
| Financial expenses | 10,605,770 | 17,276,587 |
| Tax on profit or loss for the year | -1,259,233 | 5,113,452 |
| Total | 1,212,315 | 2,297,946 |

14. Adjustments for the cash flow statement

| | | |
|--|------------|-------------|
| Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment | 1,298,487 | 757,167 |
| Financial income | -9,432,709 | -20,849,260 |
| Financial expenses | 10,605,770 | 17,276,587 |
| Tax on profit or loss for the year | -1,259,233 | 5,113,452 |
| Total | 1,212,315 | 2,297,946 |

15. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for medium-sized enterprises in reporting class C with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

15. Accounting policies - continued -**LEASES**

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT**Gross profit**

Gross profit comprises revenue, other operating income and cost of sales and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

15. Accounting policies - continued -

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

| | Useful lives, years | Residual value, per cent |
|---|------------------------|-----------------------------|
| Completed development projects | 2-3 | 0 |
| Goodwill | 2 | 0 |
| Leasehold improvements | 5 | 0 |
| Other plant, fixtures and fittings, tools and equipment | 5 | 0 |

Goodwill is amortised over 2 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

15. Accounting policies - continued -**Write-downs of current assets exceeding normal write-downs**

Write-downs of current assets exceeding normal write-downs comprise write-downs of inventories, trade receivables and other current assets that due to their nature or size or otherwise due to the affairs of the enterprise are considered to exceed normal write-downs.

Other net financials

Interest income and interest expenses, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET**Intangible assets***Completed development projects and development projects in progress*

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

15. Accounting policies - continued -

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

15. Accounting policies - continued -**Impairment losses on fixed assets**

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

15. Accounting policies - continued -

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank account.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

An amount equivalent to internally generated development costs in the balance sheet is recognised in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the tax-

15. Accounting policies - continued -

able income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

15. Accounting policies - continued -

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the company's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables. Cash flows from financing activities also comprise finance lease payments.

Cash and cash equivalents at the beginning and end of the year comprise cash.