

**Designers Company A/S**  
Århusgade 130, 1.  
2150 Nordhavn  
CVR No. 39 37 35 99

**Annual report 2023**

The Annual General Meeting adopted the annual report on 3 July 2024

**Chairman of the General Meeting**



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Name: Kristoffer Mejborn

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## **Entity details**

### **Entity**

Designers Company A/S

Århusgade 130, 1.

2150 Nordhavn

Central Business Registration No (CVR): 39 37 35 99

Registered in: Copenhagen

Financial year: 01.01.2023 - 31.12.2023

### **Board of Directors**

Daniel Lalonde

Dalila Dolci

Søren Mygind Eskildsen

Giovanni Casali

### **Executive Board**

Søren Mygind Eskildsen, CEO

### **Entity auditors**

EY Godkendt Revisionspartnerselskab

Dirch Passers Allé 36

2000 Frederiksberg

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Designers Company A/S for the financial year 2023.

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

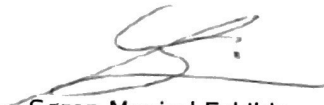
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2023 and of the results of its operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, results for the year, cash flows and financial position as well as a description of material risks and uncertainties that the Company faces.

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

Copenhagen, 3 July 2024

### Executive Board



Søren Mygind Eskildsen  
CEO

### Board of Directors



Daniel Lalonde

Dalila Dolci



Søren Mygind Eskildsen

Giovanni Casali

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CEO

### Board of Directors

Daniel Lalonde



Dalila Dolci



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Søren Mygind Eskildsen

CEO

### Board of Directors

Daniel Lalonde

Dalila Dolci



Søren Mygind Eskildsen



Giovanni Casali

## Independent auditor's report

### To the shareholders of Designers Company A/S

#### Opinion

We have audited the financial statements of Designers Company A/S for the financial year 1 January – 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 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 financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

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.

#### 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 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 as to 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 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 the financial statements.

## Independent auditor's report

### Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 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 note 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.

### Statement on the Management's review

Management is responsible for the Management's review.

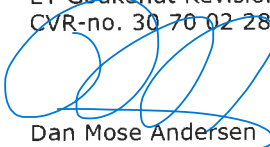
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially 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 the Management's review provides the information required under 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 Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 3 July 2024  
EY Godkendt Revisionspartnerselskab  
CVR-no. 30 70 02 28



Dan Mose Andersen  
State Authorised  
Public Accountant  
mne35406



## Management commentary

### Key activities

Designers Company A/S is the Danish holding company for the Audo Group.

Audo is a Danish design brand, based in Copenhagen, with a simple yet significant purpose: to enrich modern living through designs that connect individuals creatively, comfortably, and functionally.

Since 1978, we have harnessed the skills of top designers and craftspeople around the world to create contemporary furniture, lighting and accessories that are clean, clever, and natural, infusing a sense of calm through high-quality materials in minimalist silhouettes.

By connecting the dots between home, work and hospitality, our design redefine how we use space and, ultimately, how we connect to those around us.

Among others, the company hold all rights to a unique product portfolio created by Danish designers Mogens Lassen, Flemming Lassen and Ib Kofod-Larsen. We also hold the rights to a portfolio of products created by international designers as for example Colin King and Anderssen & Voll.

With an iconic portfolio of historic designs, along with diversified contemporary products, the company serves a broad customer base. The products are sold to the end user through retailers and wholesalers in more than 60 countries. Audo has a strong presence in Northern European and in the US market.

### Development in activities and finances

The Company achieved an operating loss (EBIT) of DKK 5,5m for the 2023 accounting period.

Given the global situation, management considers the result as satisfactory.

The accounting policy regarding investments in group enterprises have been changed from last year, from measurement according to the equity method to measurement at cost.

The cumulative effect of the change in policy has been recognized directly in equity at the beginning of the year. The change has a positive effect on the equity as of 31 December 2022 which amounts to 95.783 t.DKK. The result before tax for 2021/22 is affected positively by 47.377 t.DKK. There is no effect on deferred tax and tax on the year's profit.

Under assets in the balance sheet for 2022 the "Investments in group enterprises" increased from 392.447 t.DKK to 473.817 t.DKK. Under provisions in the balance sheet for 2022 the "Provisions relating to investments in group enterprises" decreased from 14.413 t.DKK to 0 t.DKK. Retained earnings as of 1 January 2023 under equity increased from 160.172 t.DKK to 255.955 t.DKK.

We refer to further description under accounting policies.

### Group relations

The Consolidated Annual Report of which Designers Company A/S is a part of is prepared by the parent company, Flos B&B Group S.p.A.

### Subsequent events

No event has occurred after the balance sheet date to this date, which may materially affect the assessment of the Company's financial position.

**Income Statement 1 January - 31 December**

	<u>Notes</u>	<u>2023</u> <u>DKK'000</u>	<u>2021/22</u> <u>DKK'000</u>
<b>Gross profit/loss</b>		<b>-5.549</b>	<b>-6.301</b>
Income from investments in subsidiaries		0	42.000
Other financial income	2	4.340	3.601
Other financial expenses	3	<u>-16.906</u>	<u>-17.678</u>
<b>Profit/loss before tax</b>		<b>-18.115</b>	<b>21.622</b>
Tax on profit/loss for the year	4	<u>-3.224</u>	<u>4.236</u>
<b>Profit/loss for the year</b>	5	<b><u>-21.339</u></b>	<b><u>25.858</u></b>

**Balance sheet 31 December**

	<u>Notes</u>	<u>2023</u> <u>DKK'000</u>	<u>2022</u> <u>DKK'000</u>
Investments in group enterprises		473.817	473.817
<b>Fixed asset investment</b>	6	<u>473.817</u>	<u>473.817</u>
<b>Fixed assets</b>		<u>473.817</u>	<u>473.817</u>
Receivables from group enterprises		91.310	98.936
Other receivables		77	0
Corporation tax, receiveable		1.781	12.535
<b>Receivables</b>		<u>93.168</u>	<u>111.471</u>
<b>Cash at bank and in hand</b>		<u>24</u>	<u>29</u>
<b>Current assets</b>		<u>93.192</u>	<u>111.500</u>
<b>Assets</b>		<u>567.009</u>	<u>585.317</u>

**Balance sheet 31 December**

	<u>Notes</u>	<u>2023</u> <u>DKK'000</u>	<u>2022</u> <u>DKK'000</u>
Share capital		2.127	2.127
Retained earnings		234.616	255.955
<b>Equity</b>		<b>236.743</b>	<b>258.082</b>
Payables to group enterprises		270.596	267.264
<b>Long-term debt</b>	7	<b>270.596</b>	<b>267.264</b>
Payables to group enterprises	7	58.963	53.363
Corporation tax		0	6.378
Other payables		707	230
<b>Short-term debt</b>		<b>59.670</b>	<b>59.971</b>
<b>Debt</b>		<b>330.266</b>	<b>327.235</b>
<b>Equity and Liabilities</b>		<b>567.009</b>	<b>585.317</b>
Staff expenses	1		
Contingent assets, liabilities and other financial obligations	8		
Related parties	9		

## Statement of changes in equity for 2023

	Contributed capital DKK'000	Share premium account DKK'000	Retained earnings DKK'000	Total DKK'000
<b>2022</b>				
Equity beginning of year	2.112	0	179.314	181.426
Net effect from merger and acquisition under the uniting of interests method	0	0	91	91
Adjusted equity - beginning of year	2.112	0	179.405	181.517
Effect from change in accounting policies	0	0	47.378	47.378
Equity beginning of year - after changes in accounting policies	2.112	0	226.783	228.895
Cash capital increase	15	2.187	0	2.202
Excess values from common control	0	0	-51.079	-51.079
Other equity movements	0	0	51.179	51.179
Transfer from share premium account	0	-2.187	2.187	0
Profit/loss for the year	0	0	-21.520	-21.520
<b>Equity end of year before change in accounting policies</b>	<b>2.127</b>	<b>0</b>	<b>207.550</b>	<b>209.677</b>
Effect from change in accounting policies	0	0	48.405	48.405
<b>Equity end of year after change in accounting policies</b>	<b>2.127</b>	<b>0</b>	<b>255.955</b>	<b>258.082</b>
<b>2023</b>				
Equity beginning of year	2.127	0	255.955	258.082
Profit/loss for the year	0	0	-21.339	-21.339
<b>Equity end of year</b>	<b>2.127</b>	<b>0</b>	<b>234.616</b>	<b>236.743</b>

## Notes to financial statements

	<b>2023</b>	<b>2021/22</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>1. Staff expenses</b>		
Average number of employees	<u>0</u>	<u>1</u>
	<b>2023</b>	<b>2021/22</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>2. Other financial income</b>		
Financial income from group enterprises	4.339	3.535
Other financial income	1	48
Exchange rate adjustments, income	0	18
	<u>4.340</u>	<u>3.601</u>
	<b>2023</b>	<b>2021/22</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>3. Other financial expenses</b>		
Financial expenses to group enterprises	16.906	14.362
Other financial expenses	0	3.316
	<u>16.906</u>	<u>17.678</u>
	<b>2023</b>	<b>2021/22</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>4. Tax on profit/loss for the year</b>		
Current tax	-1.781	-6.178
Change in deferred tax	0	1.942
Adjustment of tax relating to previous year	5.005	0
	<u>3.224</u>	<u>-4.236</u>
	<b>2023</b>	<b>2021/22</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>5. Proposed distribution of profit</b>		
Proposed dividend for the financial year	0	0
Retained earnings	<u>-21.339</u>	<u>25.858</u>
	<u>-21.339</u>	<u>25.858</u>

## Notes to parent financial statements

	<b>Investments in group enterprises DKK'000</b>
<b>6. Fixed assets investment</b>	
Cost beginning of the year	473.817
Additions	0
Disposals	0
<b>Cost end of year</b>	<b>473.817</b>
Accumulated revaluation beginning of the year	0
<b>Accumulated revaluation end of year</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>473.817</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Audo A/S	Copenhagen	100%
Menu North America Inc.	USA	100%
Trading Zhuhai Ltd	China	100%

## Notes to financial statements

	<u>2023</u>	<u>2022</u>
	<u>DKK'000</u>	<u>DKK'000</u>
<b>7. Long term debt</b>		
<b>Payables to group enterprises</b>		
Between 1 and 5 years	270.596	267.264
Long-term part	270.596	267.264
Within 1 year	58.963	53.363
<b>Payables to group enterprises total</b>	<u><b>329.559</b></u>	<u><b>320.627</b></u>

## 8. Contingent assets, liabilities and other financial obligations

### Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Luminous Designs Investments ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## 9. Related parties

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Flos B&B Italia Group S.p.A., Via Manzoni 38 - 20121 Milan (MI), Italy

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Flos B&B Italia S.p.A., Via Manzoni 38- 20121 Milan (MI), Italy Annual Reports can be requested by contacting the company).



## Accounting policies

The Annual Report of Designers Company A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies changed from last year in certain areas, which is covered below under "Changes in accounting policies". For all other areas the accounting policies remained unchanged.

The Financial Statements for 2023 are presented in 000'DKK.

The comparison figures in the Financial Statements are based on 15 months of operation due to change of fiscal year.

### Changes in accounting policies

The accounting policy regarding investments in group enterprises have been changed from last year, from measurement according to the equity method to measurement at cost. The cost method means, among other things, that dividends received from equity investments in group enterprises are recognized in the company's income statement when the company has acquired the right to them.

The rationale for changing the accounting policy is alignment with the Design Holding Group's other investments along with the fact that the focus of the company's shareholders are at realized gains and dividends/cash flow from the investment in the group enterprises. It is thus assessed that the change in policy better provides a true and fair view of the return on these investments in relation to the primary users of the annual report.

The cumulative effect of the change in policy has been recognized directly in equity at the beginning of the year. The change has a positive effect on the equity as of 31 December 2022 which amounts to 95.783 t.DKK. The result before tax for 2021/22 is affected positively by 47.377 t.DKK. The total amount of the total balance sheet is 81.370 t.DKK higher due to the change. There is no effect on deferred tax and tax on the year's profit.

Under assets in the balance sheet for 2022 the "Investments in group enterprises" increased from 392.447 t.DKK to 473.817 t.DKK. Under provisions in the balance sheet for 2022 the "Provisions relating to investments in group enterprises" decreased from 14.413 t.DKK to 0 t.DKK. Retained earnings as of 1 January 2023 under equity increased from 160.172 t.DKK to 255.955 t.DKK.

The result before tax for 2023 is affected positively by an amount in the estimated range of 15.000 to 25.000 t.DKK, as the result from the equity investments in 2023 are not recognized in the profit and loss, and there is no dividend received from the investments in 2023. The change has an accumulated positive effect on the equity as of 31 December 2023 by an amount in the estimated range of 110.783 to 120.783 t.DKK. The total amount of the total balance is correspondingly higher as a result of the change. There is no effect on deferred tax and tax on the year's profit

Comparative figures have been adjusted to reflect the changed accounting practice.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Flos B&B Holding S.p.A, the Company has not prepared consolidated financial statements.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

## Accounting policies

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Business combinations

#### *Pooling of interests*

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any

consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

### Income statement

#### **Other external expenses**

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

#### **Gross profit/loss**

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of other external expenses.

#### **Income from investments in subsidiaries**

Dividend received from subsidiaries is recognized the income statement.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

#### **Tax on profit/loss for the year**

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with parent and all Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Accounting policies

### Balance sheet

#### Investments in subsidiaries

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

#### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

#### Cash

Cash comprises cash in hand and bank deposits.

#### Equity

##### *Dividend*

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

#### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

#### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

#### Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts and other payables are measured at amortised cost, substantially corresponding to nominal value.

The Company has chosen IAS 39 as interpretation for liabilities.