KA Furniture ApS

Odinsvej 5, 7200

CVR no. 39 65 24 20

Annual report 2022

Approved at the Company's annual general meeting on 14 June 2023

Chair of the meeting:

....
Elmar Edwin Duffner

Contents

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of KA Furniture ApS for the financial year 1 January - 31 December 2022.

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

In my opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2022 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2022.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the annual report be approved at the annual general meeting.

Grindsted, 14 June 2023
Executive Board:

Elmar Edwin Duffner

Independent auditor's report

To the shareholder of KA Furniture ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of KA Furniture ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with 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 consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "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 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 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 the 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:

Independent auditor's report

- 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- 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's review

Management is responsible for the Management's review.

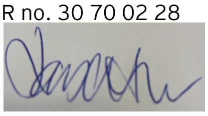
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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.

Haderslev, 14 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Lars Mortensen
State Authorised Public Accountant
mne32743

Management's review

Company details

Name	KA Furniture ApS
Address, Postal code, City	Odinsvej 5, 7200
CVR no.	39 65 24 20
Established	18 June 2018
Registered office	Grindsted
Financial year	1 January - 31 December
Executive Board	Elmar Edwin Duffner
Auditors	EY Godkendt Revisionspartnerselskab Norgesvej 24 B, 6100 Haderslev, Denmark

Management's review

Financial highlights for the Group

DKK'000	2022	2021	2020	2019	2018
Key figures					
Gross profit	75,455	74,564	62,544	58,359	53,618
Operating profit/loss	15,286	24,698	15,873	13,320	12,582
Net financials	-12,642	-10,329	-10,640	-8,711	-6,080
Profit for the year	**425**	**9,489**	**2,564**	**-261**	**-1,227**
Total assets	140,582	143,356	147,601	58,359	53,618
Investments in property, plant and equipment	-4,014	-1,263	-1,564	-580	-461
Equity	**10,788**	**10,498**	**1,029**	**-1,521**	**-1,234**
Financial ratios					
Return on assets	10.8%	17.0%	15.4%	23.8%	23.5%
Equity ratio	7.7%	7.3%	0.7%	-2.6%	-2.3%
Average number of full-time employees	**97**	**87**	**83**	**87**	**85**

The financial ratios stated under "Financial highlights" have been calculated as follows:

Ordinary operating profit/loss: Profit/loss before financial items adjusted for other operating income and other operating expenses

Return on assets: $\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$

Equity ratio: $\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$

Management's review

Business review

The Group is engaged in the production and sale of sliding door cabinets. Sale is primarily made to the North European markets.

Financial review

The income statement for 2022 shows a profit of DKK 424,656 against a profit of DKK 9,488,752 last year, and the balance sheet at 31 December 2022 shows equity of DKK 10,788,179.
The financial statements are positively affected by an unusual first half year where a derived effect from the COVID-19 pandemic resulted in extraordinary high demand for products for private improvement projects, including sliding door solutions.

Taking the internal activities and the general market development into consideration, Management finds the profit for the year satisfactory. Profit for the year lives up to the previously announced expectations for the financial year.

Knowledge resources

In the financial year, the Group had an average of 97 employees against 87 the year before. The Group regularly offers further and supplementary training courses to its employees.

Impact on the external environment

All of the Group's products are designed and manufactured according to strict quality standards, which are tested through internal controls.

The Group is certified to ISO 9001 (quality management standard) and to PEFC (sustainable forestry).

Events after the balance sheet date

No significant events have occurred subsequent to the year-end closing.

Outlook

The expectation for next year is a positive result that is in line with the result for 2022. Continued high inflation and high interest rates lead to some uncertainty about market developments in 2023.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent company	
Note	DKK	2022	2021	2022	2021
	Gross profit	75,454,730	74,564,469	0	0
10	Distribution costs	-42,987,936	-33,026,133	0	0
10	Administrative expenses	-17,134,530	-16,840,553	-27,037	-58,870
	Operating profit/loss	15,332,264	24,697,783	-27,037	-58,870
	Other operating expenses	0	-98,185	0	0
	Profit/loss before net financials	15,332,264	24,599,598	-27,037	-58,870
	Income from investments in group enterprises	0	0	3,856,541	12,189,091
2	Financial income	136,957	209,127	0	28,379
3	Financial expenses	-12,779,416	-10,538,367	-4,372,815	-3,431,463
	Profit/loss before tax	2,689,805	14,270,358	-543,311	8,727,137
4	Tax for the year	-2,265,149	-4,781,606	967,967	761,615
	Profit for the year	424,656	9,488,752	424,656	9,488,752

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK	Group 2022	Group 2021	Parent company 2022	Parent company 2021
	ASSETS				
	Fixed assets				
5	**Intangible assets**				
	Acquired intangible assets	2,885,305	2,686,026	0	0
	Goodwill	74,847,263	81,974,084	0	0
		77,732,568	84,660,110	0	0
6	**Property, plant and equipment**				
	Plant and machinery	3,696,948	1,712,355	0	0
	Fixtures and fittings, other plant and equipment	1,761,804	1,531,957	0	0
	Leasehold improvements	684,205	458,847	0	0
		6,142,957	3,703,159	0	0
7	**Investments**				
	Investments in group enterprises	0	0	114,753,822	121,032,029
	Deposits, investments	983,035	983,035	0	0
		983,035	983,035	114,753,822	121,032,029
	Total fixed assets	84,858,560	89,346,304	114,753,822	121,032,029
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	16,775,403	13,923,284	0	0
	Work in progress	2,191,353	268,705	0	0
	Finished goods and goods for resale	174,275	0	0	0
	Prepayments for goods	0	331,331	0	0
		19,141,031	14,523,320	0	0
	Receivables				
	Trade receivables	23,587,735	25,343,269	0	0
	Receivables from group enterprises	527,273	6,339,494	0	0
	Joint taxation contribution receivable	0	0	2,899,978	5,466,887
	Other receivables	899,987	1,220,738	0	0
	Prepayments	1,003,606	1,140,940	0	0
		26,018,601	34,044,441	2,899,978	5,466,887
	Cash	10,563,686	5,441,588	30,915	31,194
	Total non-fixed assets	55,723,318	54,009,349	2,930,893	5,498,081
	TOTAL ASSETS	140,581,878	143,355,653	117,684,715	126,530,110

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	DKK	2022	2021	2022	2021
	EQUITY AND LIABILITIES				
	Equity				
8	Share capital	50,000	50,000	50,000	50,000
	Net revaluation reserve according to the equity method	0	0	4,902,474	11,180,681
	Retained earnings	10,738,179	10,448,271	5,835,705	-732,410
	Total equity	10,788,179	10,498,271	10,788,179	10,498,271
	Provisions				
	Deferred tax	156,000	167,000	0	0
	Total provisions	156,000	167,000	0	0
	Liabilities other than provisions				
9	**Non-current liabilities other than provisions**				
	Lease liabilities	791,757	168,581	0	0
	Other payables	3,525,573	1,646,537	0	0
		4,317,330	1,815,118	0	0
	Current liabilities other than provisions				
9	Short-term part of long-term liabilities other than provisions	224,089	50,597	0	0
	Trade payables	20,883,771	15,693,072	21,600	21,600
	Payables to group enterprises	91,849,266	95,489,458	105,296,925	111,778,967
	Corporation tax payable	1,600,602	4,192,344	1,578,011	4,231,272
	Other payables	10,762,641	15,449,793	0	0
		125,320,369	130,875,264	106,896,536	116,031,839
	Total liabilities other than provisions	129,637,699	132,690,382	106,896,536	116,031,839
	TOTAL EQUITY AND LIABILITIES	140,581,878	143,355,653	117,684,715	126,530,110

1 Accounting policies
11 Contractual obligations and contingencies, etc.
12 Collateral
13 Related parties
14 Appropriation of profit

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

		Group		
Note	DKK	Share capital	Retained earnings	Total
	Equity at 1 January 2022	50,000	10,448,271	10,498,271
	Transfer through appropriation of profit	0	424,656	424,656
	Other value adjustments of equity	0	-134,748	-134,748
	Equity at 31 December 2022	50,000	10,738,179	10,788,179

		Parent company			
Note	DKK	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
	Equity at 1 January 2022	50,000	11,180,681	-732,410	10,498,271
14	Transfer, see "Appropriation of profit"	0	-6,278,207	6,702,863	424,656
	Other value adjustments of equity	0	0	-134,748	-134,748
	Equity at 31 December 2022	50,000	4,902,474	5,835,705	10,788,179

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

		Group	
Note	DKK	2022	2021
	Profit for the year	424,656	9,488,752
15	Adjustments	17,490,185	18,024,390
	Cash generated from operations (operating activities)	17,914,841	27,513,142
16	Changes in working capital	-1,900,547	598,207
	Cash generated from operations (operating activities)	16,014,294	28,111,349
	Interest received, etc.	136,957	204,226
	Interest paid, etc.	-5,652,595	-3,406,645
	Income taxes paid	-4,826,747	-3,107,464
	Cash flows from operating activities	5,671,909	21,801,466
	Additions of intangible assets	-1,383,355	-117,707
	Additions of property, plant and equipment	-4,014,189	-1,263,319
	Disposals of property, plant and equipment	0	140,000
	Cash flows to investing activities	-5,397,544	-1,241,026
	Proceeds of debt, finance leases	2,675,704	-48,983
	Repayments, borrowings from group enterprises	2,172,029	-28,580,516
	Cash flows from financing activities	4,847,733	-28,629,499
	Net cash flow	5,122,098	-8,069,059
	Cash and cash equivalents at 1 January	5,441,588	13,510,647
17	**Cash and cash equivalents at 31 December**	10,563,686	5,441,588

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of KA Furniture ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and group entities controlled by the Parent Company.

Control means a parent company's power to direct a group entity's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual group entities' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of group entities are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Gross profit

The items revenue, production costs and other operating income have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Also, provision for losses on construction contracts is recognised.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation. Sales and marketing costs are recognised in the income statement when the Company obtains control of the sales or marketing product.

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	3-5 years
Goodwill	5-15 years
Plant and machinery	5-7 years
Fixtures and fittings, other plant and equipment	3-10 years
Leasehold improvements	5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

Profit/loss from investments in group entities

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to ownership shares.

The proportionate share of the individual group entities' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

The item includes dividend received from group entities.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 5 and 15 years.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Deposits, investments

Investments in group entities

Equity investments in group entities are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in group entities are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in group entities measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in group entities and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

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

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in group entities and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the group entities' income taxes vis à vis the tax authorities as the group entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

		Group		Parent company	
	DKK	2022	2021	2022	2021
2	**Financial income**				
	Interest receivable, group entities	136,895	180,748	0	0
	Other financial income	62	28,379	0	28,379
		136,957	209,127	0	28,379
3	**Financial expenses**				
	Interest expenses, group entities	3,795,024	3,209,321	4,350,141	3,431,058
	Other financial expenses	8,984,392	7,329,046	22,674	405
		12,779,416	10,538,367	4,372,815	3,431,463
4	**Tax for the year**				
	Estimated tax charge for the year	2,235,005	5,052,406	-967,967	-761,615
	Deferred tax adjustments in the year	-11,000	-270,800	0	0
	Tax adjustments, prior years	41,144	0	0	0
		2,265,149	4,781,606	-967,967	-761,615

5 **Intangible assets**

	Group		
DKK	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2022	13,939,302	106,902,321	120,841,623
Additions	1,383,354	0	1,383,354
Cost at 31 December 2022	15,322,656	106,902,321	122,224,977
Impairment losses and amortisation at 1 January 2022	11,253,276	24,928,237	36,181,513
Amortisation for the year	1,184,075	7,126,821	8,310,896
Impairment losses and amortisation at 31 December 2022	12,437,351	32,055,058	44,492,409
Carrying amount at 31 December 2022	2,885,305	74,847,263	77,732,568

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

6 Property, plant and equipment

DKK	Group			
	Plant and machinery	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2022	18,101,970	5,062,471	2,051,344	25,215,785
Additions	2,634,377	994,022	385,790	4,014,189
Cost at 31 December 2022	20,736,347	6,056,493	2,437,134	29,229,974
Impairment losses and depreciation at 1 January 2022	16,389,615	3,530,514	1,592,497	21,512,626
Depreciation	649,784	764,175	160,432	1,574,391
Impairment losses and depreciation at 31 December 2022	17,039,399	4,294,689	1,752,929	23,087,017
Carrying amount at 31 December 2022	3,696,948	1,761,804	684,205	6,142,957
Property, plant and equipment include finance leases with a carrying amount totalling	1,093,310	0	0	1,093,310

Note 12 provides more details on security for loans, etc. as regards property, plant and equipment.

7 Investments

DKK	Group Deposits, investments
Cost at 1 January 2022	983,035
Cost at 31 December 2022	983,035
Carrying amount at 31 December 2022	983,035

DKK	Parent company Investments in group enterprises
Cost at 1 January 2022	109,851,348
Cost at 31 December 2022	109,851,348
Value adjustments at 1 January 2022	11,180,681
Foreign exchange adjustments	-134,748
Dividend received	-10,000,000
Profit/loss for the year	10,983,362
Depreciation of goodwill	-7,126,821
Value adjustments at 31 December 2022	4,902,474
Carrying amount at 31 December 2022	114,753,822

Parent company

Name	Domicile	Interest
KA Interiør A/S	Grindsted	100.00%
KA Skjutdorrar AB	Sverige	100.00%

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

8 Share capital

The parent's share capital has remained DKK 50,000 in the past year.

9 Non-current liabilities other than provisions

	Group			
DKK	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	968,581	176,824	791,757	0
Other payables	3,572,838	47,265	3,525,573	0
	4,541,419	224,089	4,317,330	0

10 Staff costs

Staff costs are recognised as follows in the consolidated financial statements and the parent company financial statements:

	Group		Parent company	
DKK	2022	2021	2022	2021
Production costs	28,229,633	25,561,013	0	0
Distribution costs	13,304,501	11,171,692	0	0
Administrative expenses	8,815,742	8,011,100	0	0
	50,349,876	44,743,805	0	0
Average number of full-time employees	97	87	0	0

Group

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the group Management is not disclosed.

Parent company

The parent Company has no employees.

11 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
DKK	2022	2021	2022	2021
Rent and lease liabilities	25,859,531	27,817,135	0	0

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

Parent company

As management company, the Company is jointly taxed with other Danish group entities. The Company is jointly and severally with other jointly taxed group entities for payment of income taxes in the group of jointly taxed entities.

12 Collateral

Group

As security for withdrawals on mastercard and currency trading, a security of DKK 400,000 has been provided.

As security for Norwegian customs credit, the bank has provided security a security of NOK 480,000 has been provided.

13 Related parties

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

		Parent company	
	DKK	2022	2021
14	**Appropriation of profit**		
	Recommended appropriation of profit		
	Net revaluation reserve according to the equity method	-6,278,207	2,170,005
	Retained earnings	6,702,863	7,318,747
		424,656	9,488,752
15	**Adjustments**		
	Amortisation/depreciation and impairment losses	2,758,468	2,834,445
	Gain/loss on the sale of non-current assets	0	98,185
	Financial income	-136,957	-204,226
	Financial expenses	12,779,416	10,533,466
	Tax for the year	2,224,005	4,781,606
	Other value adjustments of equity	-134,747	-19,086
		17,490,185	18,024,390
16	**Changes in working capital**		
	Change in inventories	-4,617,711	-2,563,717
	Change in receivables	2,213,619	-4,325,233
	Change in trade and other payables	503,545	7,487,157
		-1,900,547	598,207
17	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	10,563,686	5,441,588
		10,563,686	5,441,588