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BDO Statsautoriseret revisionsaktieselskab  
Kystvejen 29  
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CVR no. 20 22 26 70

**MIE5 DATTERHOLDING 8 APS**  
**GAMMELTORV 18, 1457 KØBENHAVN K**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2021**

The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 25 May 2022

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Kristoffer Møller Pedersen

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**COMPANY DETAILS**

<b>Company</b>	MIE5 Datterholding 8 ApS Gammeltorv 18 1457 Copenhagen K
	CVR No.: 40 21 63 24
	Established: 25 January 2019
	Municipality: Copenhagen
	Financial Year: 1 January - 31 December
<b>Board of Directors</b>	Thomas Riis, chairman Christina Wendelbo Kristoffer Møller Pedersen
<b>Executive Board</b>	Kristoffer Møller Pedersen Thomas Riis
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C
<b>Bank</b>	Jyske Bank A/S Vesterbrogade 9 1780 Copenhagen V

## MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of MIE5 Datterholding 8 ApS for the financial year 1 January - 31 December 2021.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2021 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2021.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 25 May 2022

Executive Board

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Kristoffer Møller Pedersen

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Thomas Riis

Board of Directors

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Thomas Riis  
Chairman

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Christina Wendelbo

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Kristoffer Møller Pedersen

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MIE5 Datterholding 8 ApS

### Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of MIE5 Datterholding 8 ApS for the financial year 1 January - 31 December 2021, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2021 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2021 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 Annual Financial Statements of the Company" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company

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

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements and the Annual Financial Statements of the Company.

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

## INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

## INDEPENDENT AUDITOR'S REPORT

Aarhus, 25 May 2022

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Morten Trap Olesen  
State Authorised Public Accountant  
MNE no. mne35625

## FINANCIAL HIGHLIGHTS OF THE GROUP

	2021 DKK	2020 DKK	2019 DKK
<b>Income statement</b>			
Net revenue.....	142,273,100	122,982,850	122,919,232
Gross profit/loss.....	45,073,441	38,818,439	37,951,348
Adjusted EBITDA*.....	-2,024,298	7,736,293	19,822,737
Operating profit/loss of main activities.....	-13,725,217	-3,336,435	-5,984,207
Financial income and expenses, net.....	-778,982	-4,122,325	-1,150,773
Profit/loss for the year before tax.....	-14,504,199	-7,458,760	-7,134,980
Profit/loss for the year.....	-13,678,748	-8,176,155	-7,907,910
Results for the year without minority interests.....	-13,516,672	-8,139,819	-7,959,091
<b>Balance sheet</b>			
Total assets.....	208,329,973	203,475,088	195,799,128
Equity.....	80,912,005	93,968,023	101,484,360
Equity ex minority interests.....	80,847,242	93,753,640	101,208,763
<b>Cash flows</b>			
Cash flows from operating activities.....	-6,243,606	-10,808,476	12,855,911
Cash flows from investing activities.....	-3,243,188	-1,217,344	179,944,003
Cash flows from financing activities.....	4,752,607	15,833,629	178,789,342
Total cash flows.....	-4,734,187	3,807,809	11,701,250
Investment in property, plant and equipment.....	-236,599	-623,685	-2,415,981
<b>Key ratios</b>			
Equity ratio**.....	38.8	46.1	51.7
Return on equity.....	-15.6	-8.4	-15.6

The financial key figures for 2019 do not cover a 12 months period, but a period from 19 February 2019 to 31 December 2019, due to the group was established for the first time at this point.

\*) Adjusted EBITDA is operating profit before depreciation adjusted for non-recurring costs in connection with group establishment and transaction costs.

\*\*) As a result of the changes resulting from material misstatement previous year, the "Equity ratio" has been changed for 2020 from 44.0 to 46.1.

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio: 
$$\frac{\text{Equity (ex. minorities), at year end} \times 100}{\text{Total equity and liabilities, at year end}}$$

Return on equity: 
$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$



## MANAGEMENT COMMENTARY

### Principal activities

The Group's main activities are to manufacture and sell furniture under the Wendelbo brand and the private label "W". The production is carried out from a subsidiary in Vietnam while the products are sold from the Danish subsidiary, Wendelbo Interiors A/S. The Wendelbo Møbel Design A/S subsidiary principal activity is to develop new products in cooperation with external designers and is therefore the legal holder of production rights for external owned design rights.

The Parent Company's main activity is to own shares in Wendelbo Møbel Design A/S as well as other activities relating hereto.

### Unusual matters

The group's management has found that due to an error in the elimination of the consolidated financial statements for 2020, the group's inventories and current liabilities was stated too high.

Reference is also made to the description under accounting policies, including a description of the impact on the annual report of the correction of material errors.

### Development in activities and financial and economic position

In March 2020, WHO declared the until now unknown coronavirus 2019 (COVID-19) outbreak a pandemic. This pandemic has impacted the results and financial conditions of the Company's customers and business partners as well as the Company.

The group experienced an increase in turnover compared to 2020, but due to a lockdown in Vietnam end of 2021, the group was not able to convert this increase in revenue into a positive result. The Group realised in the financial year 2021 a loss of DKK ('000) 14,504 before tax. The results for the year are profoundly affected by COVID-19. Still, management finds the results satisfactory considering the abovementioned effects of COVID-19.

### Profit/loss for the year compared to the expected development

The results for the year were not as expected since COVID-19 had a negative impact on sales and supply at the end of 2021. The government of Vietnam enforced a full lockdown of the factory in Vietnam for a period of 3 months end of 2021. The group chose to keep and support employees during the lockdown. After the full lockdown the government allowed minor production under strict health regulations for the remaining of 2021. These countermeasures increased costs and is main driver for the Group not performing as expected back in 2020.

### Significant events after the end of the financial year

COVID-19 continues to be a global concern in 2022 and it is still unclear when the pandemic will be definitively under control. The final impacts of COVID-19 on the Group and its financial conditions are thus not known at the present time but look to "Future expectations" for additional information. The Financial Statements for the year ended on December 31, 2021, and do not disclose the effect of these subsequent events.

### Financial risk

The Group is not exposed to any special risks other than those that are common in the industry, including exposure concerning foreign currencies. The Group assesses that the foreign exchange risk is immaterial considering that the Group's current income and expenses in foreign currencies are almost balanced.

### Environmental situation

Wendelbo works with specific subsidiary goals concerning the UN Global Goal no. 12: Responsible Consumption and Production. Therefore, Wendelbo seeks to use materials and suppliers that are dedicated to impacting the environment as little as possible, wherever and whenever possible.

### Knowledge resources

The Group aims consciously to employ highly qualified people, especially with high technical knowledge within the Group's main activities.

## MANAGEMENT COMMENTARY

### Research and development activities

Currently, the Group works on raising the competence level by training and developing its employees and recruiting new people with enhanced competencies to complete the complex customer projects, that the company finalises, and in general to pursue the Group's strategy.

### Future expectations

Management expects that the results for 2022 will continue to be affected by the global health and supply crisis caused by COVID-19. There remains uncertainty regarding the effect of COVID-19, but Management expects that revenue to be higher than 2021 and in the range of 240-260 million DKK. Expectation for earnings for 2022 is in the range 2-6 million DKK. There are no major investments planned for 2022, other than investments following normal operation.

### Treasury shares

On December 31, 2021, the Parent Company owns equity interests of a nominal amount of DKK 312, equal to 0.30 per cent of the share capital. No shares have been sold or bought during the year.

### Corporate social responsibility (CSR) report

Wendelbo's efforts concerning Environmental, Social, and Governance (ESG) are taken very seriously, and the company is formulating and implementing an ambitious ESG strategy. It covers the corporate commitment concerning the impact of actions and decisions at an environmental and societal level, demonstrating that it is essential for Wendelbo to take action and continuously improve these to protect the planet and the people who inhabit it. The ESG strategy also serves as Group policy.

The strategy is aligned with the UN Global Goals (UNGG). Though the total list of UNGGs spans an extensive range of global issues and concerns, Wendelbo has identified a line of priority areas that correspond to those goals related to the design business.

The effect of the result of the groups policies on social responsibility is hard to measure as it is an ongoing process, and the Group does not have any non-financial KPI's. The Group expects the initiatives to support the groups policy to be a responsible company ongoing.

### *Environmental Efforts*

Wendelbo works with specific subsidiary goals concerning the UN Global Goal no. 12: Responsible Consumption and Production. Therefore, Wendelbo seeks to use materials and suppliers that are dedicated to impacting the environment as little as possible, wherever and whenever possible. To reach a more sustainable outcome, Wendelbo aims to design, produce, and distribute more durable products. To achieve this, Wendelbo designs and manufactures timeless and long-lasting designs of the highest quality, manufactured by skilled staff.

The initiatives also include:

- Implementation of a code of conduct for suppliers which addresses labour rights, health and safety, the environment, and ethics. Suppliers must sign the code of conduct.
- Implementation and continuous improvement of the company's waste reduction and disposal scheme.
- Continuous efforts to reduce the company's energy and water consumption.
- A profound commitment to sourcing responsible raw materials. All wood is FSC-certified, and duck feathers are certified non-live plucked as part of Wendelbo's participation in the Waterfowl Animal Welfare Commitment. Textiles used follow OEKO-TEX® standards.

The Group has not identified any significant environmental risks.

### *Social Efforts*

Wendelbo has a policy to respect and support all human rights, not only concerning its staff, but also suppliers' staff. Wendelbo has committed to the UN Global Goal no. 8: Decent Work and Economic Growth, where Wendelbo works with specific subsidiary goals and, through the beforementioned code of conduct, encourages suppliers to do the same.

Wendelbo continuously seeks to improve the company's social and staff conditions and creating a positive and safe work environment is always a high priority. In the production facilities in Vietnam,

## MANAGEMENT COMMENTARY

### **Corporate social responsibility (CSR) report (continued)**

the noise level, microclimate, air humidity and chemical levels are regularly assessed to ensure an acceptable level, and ergonomic workstations are offered to employees.

Incidents of harassment are not formally registered, but in general, to prevent incidents, Wendelbo organises awareness training on sexual harassment for employees with a focus on newly hired employees at the production facilities in Vietnam. Also, a hotline for staff to report harassment has been established.

The group has not identified any significant workers or social risks.

### *Governance Efforts*

Wendelbo has a zero accept policy for corruption or bribery of any kind.

As mentioned, Wendelbo has outlined a code of conduct for suppliers which addresses labour rights, health and safety, the environment, and ethics. Suppliers must sign the code of conduct. Wendelbo also visits suppliers regularly to evaluate the factories. The company reviews recruitment procedures, the age of employees, working conditions, and chemical treatment systems, among other things and discusses improvements with the owners. If suppliers breach the code of conduct, a warning is given in case of a minor breach. As a last resort, the contract with the suppliers is terminated. The company also sources materials from suppliers which comply with EU standards on environmental matters and have sound health and safety procedures in place for employees.

### **Target figures and policy for the underrepresented gender**

Wendelbo supports and works with specific subsidiary goals under the UN Global Goal no. 5: Gender Equality. The total number of Board members in the Company is three of which the underrepresented gender accounts for 1/3, which fulfils the criteria for equal distribution of men and women. Thus, the Company is not subject to the duty to define target figures for the gender composition in the Board of Directors.

At the other managerial levels in the Group, which includes executives and a small number of department and team managers, there is at present time an equal gender distribution. The Group aims to maintain the number of female managers in the Group itself and the subsidiaries, and the Group policy in this respect is that the focus should, as far as possible, be on an equal gender distribution at the managerial level.

## MANAGEMENT COMMENTARY

### Statutory Report on Data Ethics Policy

At Wendelbo, we have a profound focus on how we handle data. We place great emphasis on our moral obligations to treat data with respect and transparency.

In line with the increased focus on the protection of personal data and data in general, Wendelbo also holds a very strong focus on treating data ethically correct, not only by complying with the applicable law but also in line with our own moral principles.

At Wendelbo, data ethics is based on the following core areas: customer data, internal processes and how we act in accordance with the outside world.

Our customers can always request and gain insight into the information we store about them and how we process this information. We work continuously on optimising the information structure so that we ensure a continuous overview and increased transparency towards our customers.

To achieve this, we have a constant focus on what information we store and what information we pass on to 3rd parties. Only information that is necessary for delivering the product will be passed on. Likewise, we have an ongoing focus on deleting personal information and other data that is no longer relevant to us. The overall aim is to ensure that Wendelbo never stores more information about customers and partners than necessary.

Our employees hold a huge responsibility for this trust and transparency. Therefore, we continuously focus on optimising our internal data policies. We are dedicated to ensuring that all employees follow a common path and operate within the same moral principles, and we continuously train employees in GDPR.

At Wendelbo, we ensure high protection of employees' private information and we have gained consent to be able to share specified personal data, such as pictures on websites, which may be revoked at any time. All new employees receive a thorough introduction to our internal systems and an introduction to our data policy and the ethical framework under which we operate. Our aim is that our moral code of conduct becomes an inherent and visible part of our corporate culture and not just a written statement.

We operate worldwide and are aware of our responsibilities according to the moral obligations we have in terms of sharing the data we handle. We have signed data processor agreements with all relevant 3rd parties and our database is regularly updated with changes or when new agreements are being made.

### Corporate Governance

The Private Equity fund Maj Invest Equity 5 K/S has since February 2019 been the majority shareholder in MIE5 Datterholding 8 ApS and, thus, the Wendelbo Group. Maj Invest Equity 5 K/S is a member of Active Owners (former DVCA) in Denmark, and the Company is therefore subject to Active Owners' guidelines. The guidelines can be found at the website [aktiveejere.dk](http://aktiveejere.dk). As a private equity fund owned business, MIE5 Datterholding 8 ApS complies with the guidelines. An audit committee has not been appointed due to the size of the Company. Such tasks are performed by the Board of Directors.

The company has 6 board meetings every year, and the Board of Directors reviews and approve guidelines for the company management.

### Development in Number of Employees

	Denmark	Abroad	Total
On January 1, 2021	16	661	677
Additions/Disposals	3	103	106
On December 31, 2021	19	764	783

## MANAGEMENT COMMENTARY

### Financial Risks of the Elected Capital Structure

MIE5 Datterholding 8 ApS' share capital is not divided into classes. The Group's equity ratio is 44 percent.

### Ownership and the Board of Directors' Managerial Duties

Maj Invest Equity 5 K/S owns 66.8 percent of MIE5 Datterholding 8 ApS.

#### Board of Directors

Name	Other management and board positions
Tomas Riis (chairman) Partner Maj Invest Equity A/S Nominated by Maj Invest Equity 5 K/S	Sticks 'N' Sushi A/S (board of directors) Management Equity Vietnam I ApS (executive board) Danish Microfinance Partners Management ApS (executive board) General Partner Equity Vietnam ApS (executive board) Danish Microfinance Partners General Partner ApS (executive board) Wendelbo Interiors A/S (board of directors) Wendelbo Møbel Design A/S (board of directors) Ole Riis Holding (executive board) Ferm Living ApS (board of directors) Sticks 'N' Sushi Holding A/S (board of directors) MIE4 Holding 2 ApS (executive board) DMP Holding 1 ApS (executive board) ACE Capital ApS (executive board) MIE5 Holding 1 ApS (executive board) MIFIF III GP ApS (executive board) MIE5 Holding 8 ApS (executive board) MIE5 Holding 9 ApS (executive board) MIE5 Datterholding 9 ApS (executive board) MIFIN GP ApS (executive board) Yellow Star Investment 3 Pte. Ltd. (board of directors) Yellow Star Investment 6 Pte. Ltd. (board of directors) Yellow Star Investment 21 Pte. Ltd. (board of directors) Yellow Star Investment 22 Pte. Ltd. (board of directors)
Christina Wendelbo Nominated by Wendelbo Holding A/S	Wendelbo Holding A/S (chairman) Wendelbo Holding 3 ApS (executive board, chairman) Wendelbo Holding 2 ApS (executive board, chairman)
Kristoffer Møller Petersen Investment manager Maj Invest Equity A/S Nominated by Maj Invest Equity 5 K/S	Investeringsselskabet af 4. juli 2018 ApS (executive Board) MIE5 Holding 7 ApS (executive board) RoM Invest ApS (executive board) MIE5 Holding 8 ApS (executive board) MIE5 Holding 9 ApS (executive board) MIE5 Datterholding 9 ApS (executive board) MIE5 Holding 10 ApS (executive board)

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

		<b>Group</b>		<b>Parent Company</b>	
	<b>Note</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
		<b>DKK</b>	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
<b>NET REVENUE .....</b>	<b>1</b>	<b>142,273,100</b>	<b>122,982,850</b>	<b>0</b>	<b>0</b>
Cost of sales.....		-72,377,316	-69,803,917	0	0
Other operating income.....		383,128	24,965	0	0
Other external expenses.....	<b>2</b>	-25,205,471	-14,385,459	-75,038	-136,090
<b>GROSS PROFIT/LOSS .....</b>		<b>45,073,441</b>	<b>38,818,439</b>	<b>-75,038</b>	<b>-136,090</b>
Staff costs.....	<b>3</b>	-47,097,739	-31,082,146	0	0
Depreciation, amortisation and impairment losses.....		-11,136,675	-10,731,358	0	0
Other operating expenses.....		-564,244	-341,370	0	0
<b>OPERATING LOSS .....</b>		<b>-13,725,217</b>	<b>-3,336,435</b>	<b>-75,038</b>	<b>-136,090</b>
Income from investments in subsidiaries.....		0	0	-11,957,374	-6,614,550
Other financial income.....	<b>4</b>	2,469,833	175,845	61,744	3,150
Other financial expenses.....		-3,248,815	-4,298,170	-2,219,081	-2,074,326
<b>LOSS BEFORE TAX .....</b>		<b>-14,504,199</b>	<b>-7,458,760</b>	<b>-14,189,749</b>	<b>-8,821,816</b>
Tax on profit/loss for the year .....	<b>5</b>	825,451	-717,395	493,770	484,016
<b>LOSS FOR THE YEAR .....</b>	<b>6</b>	<b>-13,678,748</b>	<b>-8,176,155</b>	<b>-13,695,979</b>	<b>-8,337,800</b>

# BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
Intangible fixed assets acquired....		483,081	538,229	0	0
Goodwill.....		116,101,093	125,643,649	0	0
<b>Intangible assets.....</b>	<b>7</b>	<b>116,584,174</b>	<b>126,181,878</b>	<b>0</b>	<b>0</b>
Production plant and machinery...		2,666,455	1,685,774	0	0
Other plant, machinery tools and equipment.....		981,812	843,766	0	0
Leasehold improvements.....		1,040,220	808,760	0	0
<b>Property, plant and equipment...</b>	<b>8</b>	<b>4,688,487</b>	<b>3,338,300</b>	<b>0</b>	<b>0</b>
Equity investments in group enterprises.....		0	0	136,300,302	155,647,402
Receivables from group enterprises.....		0	0	1,317,648	0
Rent deposit and other receivables.....		1,634,927	1,280,897	0	0
<b>Financial non-current assets.....</b>	<b>9</b>	<b>1,634,927</b>	<b>1,280,897</b>	<b>137,617,950</b>	<b>155,647,402</b>
<b>NON-CURRENT ASSETS.....</b>		<b>122,907,588</b>	<b>130,801,075</b>	<b>137,617,950</b>	<b>155,647,402</b>
Raw materials and consumables...		20,816,297	11,151,090	0	0
Work in progress.....		11,950,752	8,050,888	0	0
Finished goods and goods for resale.....		18,715,253	14,343,352	0	0
<b>Inventories.....</b>		<b>51,482,302</b>	<b>33,545,330</b>	<b>0</b>	<b>0</b>
Trade receivables.....		9,543,776	11,293,964	0	0
Deferred tax assets.....	10	2,790,464	596,123	1,919	0
Other receivables.....		2,700,511	5,650,460	0	1,800,191
Corporation tax receivable.....		0	0	491,851	484,016
Prepayments and accrued income..	11	3,921,460	1,870,077	0	0
<b>Receivables.....</b>	<b>12</b>	<b>18,956,211</b>	<b>19,410,624</b>	<b>493,770</b>	<b>2,284,207</b>
<b>Cash and cash equivalents.....</b>		<b>14,983,872</b>	<b>19,718,059</b>	<b>68,315</b>	<b>3,191,949</b>
<b>CURRENT ASSETS.....</b>		<b>85,422,385</b>	<b>72,674,013</b>	<b>562,085</b>	<b>5,476,156</b>
<b>ASSETS.....</b>		<b>208,329,973</b>	<b>203,475,088</b>	<b>138,180,035</b>	<b>161,123,558</b>

# BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
Share capital.....	13	104,742	104,742	104,742	104,742
Reserve for unpaid share capital...		0	1,800,191	0	1,800,191
Retained earnings.....		80,742,500	91,848,707	82,924,091	94,209,606
Minority shareholders.....		64,763	214,383	0	0
<b>EQUITY.....</b>		<b>80,912,005</b>	<b>93,968,023</b>	<b>83,028,833</b>	<b>96,114,539</b>
Bank loan.....		78,213,096	71,750,442	44,946,428	54,933,571
Other long-term liabilities.....		605,646	596,039	0	0
<b>Non-current liabilities.....</b>	14	<b>78,818,742</b>	<b>72,346,481</b>	<b>44,946,428</b>	<b>54,933,571</b>
Bank loan.....		13,785,351	13,695,207	10,000,000	10,000,000
Prepayments received from customers.....		10,864,170	4,704,839	0	0
Trade payables.....		13,259,465	10,986,829	39,519	39,518
Corporation tax.....		1,903,861	237,439	0	0
Other liabilities.....		4,491,128	5,014,929	165,255	35,930
Accruals and deferred income.....	15	4,295,251	2,521,341	0	0
<b>Current liabilities.....</b>		<b>48,599,226</b>	<b>37,160,584</b>	<b>10,204,774</b>	<b>10,075,448</b>
<b>LIABILITIES.....</b>		<b>127,417,968</b>	<b>109,507,065</b>	<b>55,151,202</b>	<b>65,009,019</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>208,329,973</b>	<b>203,475,088</b>	<b>138,180,035</b>	<b>161,123,558</b>
Contingencies etc.	16				
Charges and securities	17				
Related parties	18				
Fee to statutory auditor	2				
Consolidated Financial Statements	19				



## EQUITY

	Group				
	Share capital	Reserve for unpaid share capital	Retained earnings	Minority shareholders	Total
Equity at 1 January 2021.....	104,742	1,800,191	91,848,707	214,383	93,968,023
Proposed distribution of profit, cf. note 6.....			-13,516,672	-162,076	-13,678,748
<b>Other legal bindings</b>					
Foreign exchange adjustments.....			610,274		610,274
Other adjustments.....				12,456	12,456
<b>Transfers</b>					
Paid reserve for share capital.....		-1,800,191	1,800,191		0
<b>Equity at 31 December 2021 .....</b>	<b>104,742</b>	<b>0</b>	<b>80,742,500</b>	<b>64,763</b>	<b>80,912,005</b>

  

	Parent Company				
	Share capital	Reserve for net revaluation according to equity value method	Reserve for unpaid share capital	Retained earnings	Total
Equity at 1 January 2021.....	104,742	0	1,800,191	94,209,605	96,114,538
Proposed profit allocation, jf. note 6.....		-11,957,374		-1,738,605	-13,695,979
<b>Other legal bindings</b>					
Foreign exchange adjustments.....				610,274	610,274
<b>Transfers</b>					
Settlem. negative balance.....		11,957,374		-11,957,374	0
Allowed equalization.....			-1,800,191	1,800,191	0
<b>Equity at 31 December 2021 .....</b>	<b>104,742</b>	<b>0</b>	<b>0</b>	<b>82,924,091</b>	<b>83,028,833</b>

# CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2021 DKK	2020 DKK
Profit/loss for the year.....	-13,678,748	-8,176,155
Depreciation and amortisation, reversed.....	11,136,675	10,731,358
Tax on profit/loss, reversed.....	1,216,169	717,395
Other adjustments.....	228,580	362,277
Corporation tax paid.....	450,253	-3,032,975
Change in inventories.....	-17,936,972	-9,960,756
Change in receivables (ex tax).....	2,648,754	-7,519,780
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	9,691,683	6,070,160
<b>CASH FLOWS FROM OPERATING ACTIVITY.....</b>	<b>-6,243,606</b>	<b>-10,808,476</b>
Purchase of intangible assets.....	-119,533	-441,273
Purchase of property, plant and equipment.....	-2,586,960	-1,173,020
Exchange rate adjustments, property, plant and equipment.....	-256,405	305,059
Purchase of financial assets.....	-280,290	-256,150
Sale of financial assets.....	0	348,040
<b>CASH FLOWS FROM INVESTING ACTIVITY.....</b>	<b>-3,243,188</b>	<b>-1,217,344</b>
Capital increase.....	0	2,300,334
Proceeds from non-current borrowing.....	20,000,000	19,966,667
Instalments on loans.....	-13,333,333	-4,987,143
Paid/unpaid share capital.....	-1,800,191	-1,800,191
Transactions in treasury shares.....	0	-500,142
Other cash flows from financing activities.....	-113,869	854,104
<b>CASH FLOWS FROM FINANCING ACTIVITY.....</b>	<b>4,752,607</b>	<b>15,833,629</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>-4,734,187</b>	<b>3,807,809</b>
Cash and cash equivalents at 1. januar.....	19,718,059	15,910,250
<b>CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....</b>	<b>14,983,872</b>	<b>19,718,059</b>
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	14,983,872	19,718,059
<b>CASH AND CASH EQUIVALENTS, NET DEBT.....</b>	<b>14,983,872</b>	<b>19,718,059</b>

## NOTES

## Note

	Group		Parent Company		
	2021 DKK	2020 DKK	2021 DKK	2020 DKK	
<b>Net revenue</b>					<b>1</b>
Revenue.....	142,265,959	122,978,240	0	0	
Exchange rate adjustments.....	7,141	4,610	0	0	
	<b>142,273,100</b>	<b>122,982,850</b>	<b>0</b>	<b>0</b>	
<b>Segment details (geography)</b>					
Africa.....	69,609	292,467	0	0	
America.....	77,824,439	71,498,341	0	0	
Asia.....	22,066,795	17,828,528	0	0	
Europe.....	35,741,119	26,896,990	0	0	
Oceania.....	6,571,138	6,466,524	0	0	
	<b>142,273,100</b>	<b>122,982,850</b>	<b>0</b>	<b>0</b>	
<b>Fee to statutory auditor</b>					<b>2</b>
Fee in total:					
BDO.....	365,148	228,825			
KPMG.....	129,600	117,900			
	<b>494,748</b>	<b>346,725</b>			
Fees specified:					
Statutory audit.....	272,313	212,500			
Other services.....	222,435	134,225			
	<b>494,748</b>	<b>346,725</b>			
<b>Staff costs</b>					<b>3</b>
Average number of employees	877	684	0	1	
Wages and salaries.....	44,151,695	29,524,679	0	0	
Pensions.....	2,098,038	1,007,696	0	0	
Social security costs.....	650,877	325,757	0	0	
Other staff costs.....	197,129	224,014	0	0	
	<b>47,097,739</b>	<b>31,082,146</b>	<b>0</b>	<b>0</b>	
Remuneration of Executive Board....	2,830,000	2,316,980	0	0	
Remuneration of board of directors.	400,000	350,000	0	0	
	<b>3,230,000</b>	<b>2,666,980</b>	<b>0</b>	<b>0</b>	

## NOTES

	Group		Parent Company		Note
	2021 DKK	2020 DKK	2021 DKK	2020 DKK	
<b>Other financial income</b>					<b>4</b>
Group enterprises.....	0	0	56,904	0	
Other interest income.....	2,469,833	175,845	4,840	3,150	
	<b>2,469,833</b>	<b>175,845</b>	<b>61,744</b>	<b>3,150</b>	
<b>Tax on profit/loss for the year</b>					<b>5</b>
Calculated tax on taxable income of the year.....	1,216,169	1,044,896	-491,851	-484,016	
Adjustment of tax in previous years.....	0	127,599	0	0	
Adjustment of deferred tax.....	-2,041,620	-455,100	-1,919	0	
	<b>-825,451</b>	<b>717,395</b>	<b>-493,770</b>	<b>-484,016</b>	
<b>Proposed distribution of profit</b>					<b>6</b>
Allocation to reserve for net revaluation according to equity value method.....	0	0	-11,957,374	-6,614,550	
Retained earnings.....	-13,516,672	-8,139,819	-1,738,605	-1,723,250	
Minority shareholders part of the results in subsidiary companies.....	-162,076	-36,336	0	0	
	<b>-13,678,748</b>	<b>-8,176,155</b>	<b>-13,695,979</b>	<b>-8,337,800</b>	
<b>Intangible assets</b>					<b>7</b>
			Group		
			Intangible fixed assets acquired	Goodwill	
Cost at 1 January 2021.....			8,992,392	143,138,878	
Additions.....			119,533	0	
<b>Cost at 31 December 2021.....</b>			<b>9,111,925</b>	<b>143,138,878</b>	
Amortisation at 1 January 2021.....			8,454,163	17,495,229	
Amortisation for the year.....			174,681	9,542,556	
<b>Amortisation at 31 December 2021.....</b>			<b>8,628,844</b>	<b>27,037,785</b>	
<b>Carrying amount at 31 December 2021.....</b>			<b>483,081</b>	<b>116,101,093</b>	

## NOTES

Note

## Property, plant and equipment

8

	Group		
	Production plant and machinery	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2021.....	3,406,332	1,485,912	2,050,287
Exchange adjustment.....	338,033	32,442	203,464
Additions.....	1,631,568	427,255	528,137
Disposals.....	-48,240	0	0
<b>Cost at 31 December 2021.....</b>	<b>5,327,693</b>	<b>1,945,609</b>	<b>2,781,888</b>
Depreciation and impairment losses at 1 January 2021.....	1,720,559	642,145	1,241,527
Exchange adjustment.....	170,742	18,632	123,205
Reversal of depreciation of assets disposed of..	-31,883	0	0
Depreciation for the year.....	801,820	303,020	376,936
<b>Depreciation and impairment losses at 31 December 2021.....</b>	<b>2,661,238</b>	<b>963,797</b>	<b>1,741,668</b>
<b>Carrying amount at 31 December 2021.....</b>	<b>2,666,455</b>	<b>981,812</b>	<b>1,040,220</b>

## Financial non-current assets

9

	Group
	Rent deposit and other receivables
Cost at 1 January 2021.....	1,280,897
Exchange adjustment.....	87,009
Additions.....	267,021
Disposals.....	0
<b>Cost at 31 December 2021.....</b>	<b>1,634,927</b>
<b>Carrying amount at 31 December 2021.....</b>	<b>1,634,927</b>

## NOTES

Note

## Fixed asset investments (continued)

9

	Parent Company	
	Equity investments in group enterprises	Receivables from group enterprises
Cost at 1 January 2021.....	180,263,752	0
Additions.....	0	1,317,648
<b>Cost at 31 December 2021.....</b>	<b>180,263,752</b>	<b>1,317,648</b>
Revaluation at 1 January 2021.....	2,296,834	0
Dividend.....	-8,000,000	0
Profit/loss for the year.....	-2,235,509	0
Equity movements.....	610,274	0
<b>Revaluation at 31 December 2021.....</b>	<b>-7,328,401</b>	<b>0</b>
Impairment losses and amortisation of goodwill at 1 January 2021.....	26,913,184	0
Amortisation of goodwill.....	9,721,865	0
<b>Impairment losses and amortisation of goodwill at 31 December 2021.....</b>	<b>36,635,049</b>	<b>0</b>
<b>Carrying amount at 31 December 2021.....</b>	<b>136,300,302</b>	<b>1,317,648</b>

## Investments in subsidiaries (DKK)

Name and domicil	Equity	Profit/loss for the year	Ownership
Wendelbo Møbel Design A/S, Aarhus, Denmark..	18,017,616	-2,235,511	100 %
Wendelbo Interiors A/S , Aarhus, Denmark.....	11,973,775	2,036,547	100 %
Wendelbo South East Asia JSC, Vietnam.....	3,238,101	-8,103,796	98 %

## NOTES

## Note

**Deferred tax assets**

10

Provision for deferred tax comprises deferred tax on intangible and tangible fixed assets as well as carry-forward losses.

	<b>Group</b>		<b>Parent Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
Deferred tax, beginning of year.....	596,123	-12,898	0	0
Deferred tax of the year, income statement.....	2,041,620	455,100	1,919	0
Deferred tax from elimination.....	152,721	153,921	0	0
<b>Deferred tax assets 31 December 2021.....</b>	<b>2,790,464</b>	<b>596,123</b>	<b>1,919</b>	<b>0</b>
It is recognized as follows:				
Deferred tax (assets).....	2,790,464	596,123	1,919	0
	<b>2,790,464</b>	<b>596,123</b>	<b>1,919</b>	<b>0</b>

The Group's deferred tax assets are recognized in the balance sheet in the amount of DKK ('000) 2,790. The deferred tax asset primarily relates to carry-forward losses in the income statement. The key factors that have been given a special impact regarding the recognition of the deferred tax assets, are that the group expects to go completely beyond the Covid-19 situation, which has had an significant impact in the books for 2021. In addition, the order books for the Group at the beginning of 2022 has reach an historically high level. The deferred tax assets is recognized on the basis of the expectations for the next few years' profits, whereby the deficits are expected to be fully utilized within 3-5 years.

**Prepayments and accrued income**

11

Prepayments and accrued income with a booked value per 31 December 2021 of DKK 1,870,000 includes prepaid costs, primarily insurance and rents relating to the following years.

	<b>Group</b>		<b>Parent Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
<b>Receivables falling due after more than one year</b>				
Prepayments and accrued income...	1,476,348	887,998	0	0
	<b>1,476,348</b>	<b>887,998</b>	<b>0</b>	<b>0</b>

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## NOTES

					Note
		2021	2020		
		DKK	DKK		
<b>Share capital</b>					<b>13</b>
Allocation of share capital:					
Shares, 104,742 unit in the denomination of 1 DKK.....	104,742		104,742		
	<b>104,742</b>		<b>104,742</b>		
<b>Long-term liabilities</b>					<b>14</b>
	<b>Group</b>				
	31/12 2021	Repayment	Debt	31/12 2020	
	total liabilities	next year	outstanding	total liabilities	
			after 5 years		
Bank loan.....	91,546,429	13,333,333	10,000,000	85,445,649	
Other long-term liabilities.....	605,646	0	605,646	596,039	
	<b>92,152,075</b>	<b>13,333,333</b>	<b>10,605,646</b>	<b>86,041,688</b>	
	<b>Parent Company</b>				
	31/12 2021	Repayment	Debt	31/12 2020	
	total liabilities	next year	outstanding	total liabilities	
			after 5 years		
Bank loan.....	54,946,428	10,000,000	5,000,000	64,933,571	
	<b>54,946,428</b>	<b>10,000,000</b>	<b>5,000,000</b>	<b>64,933,571</b>	
<b>Accruals and deferred income</b>					<b>15</b>
Accruals and deferred income relate to pre-invoiced revenue, which relates to income in subsequent financial years.					
<b>Contingencies etc.</b>					<b>16</b>
<b>Contingent liabilities</b>					
The group has made lease agreements with a yearly payment of DKK ('000) 5,083, total remaining payments of DKK ('000) 20,456, and an remaining lease period up to 57 months.					
The group has made tenancy agreements with a notice period of 6 months, and a liability of DKK ('000) 745 in the notice period.					
<b>Joint liabilities</b>					
The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.					
Tax payable on the Group's joint taxable income is stated in the annual report of MIE5 Holding 8 ApS, which serves as management company for the joint taxation.					



## NOTES

	Note
<b>Charges and securities</b>	<b>17</b>
<i>The Group</i>	
As security for debt to banks of DKK ('000) 17,097 a company charge has been given of DKK ('000) 2,500 on intangible rights, operating equipment, ordinary claims, inventories and receivables of a total carrying amount of DKK ('000) 62,304.	
<i>The Parent Company</i>	
As security for debt to banks, DKK ('000) 54,946, the company has granted a security on the investments in subsidiaries with a booked value of DKK ('000) 136,300.	
As security for the subsidiaries debt to banks, DKK ('000) 17,097 the company has granted a security on the investments in subsidiaries with a booked value of DKK ('000) 136,300.	
The company has provided a suretyship for subsidiaries' debt with banks. The Group's total debt to banks amounts to DKK ('000) 91,998 per 31 December 2021.	
<b>Related parties</b>	<b>18</b>
The Company's related parties include:	
<b>Controlling interest</b>	
MIE5 Holding 8 ApS, Gammeltorv 18, 1457 København K, CVR No. 40 21 58 08.	
<b>Transactions with related parties</b>	
The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.	
<b>Consolidated Financial Statements</b>	<b>19</b>
The Company is included in the Consolidated Financial Statements of MIE5 Holding 8 ApS, Gammeltorv 18, 1457 Copenhagen K, CVR no. 40 21 58 08, which is the Company's Parent Company.	

## ACCOUNTING POLICIES

The Annual Report of MIE5 Datterholding 8 ApS for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

### **Change resulting from material misstatement**

It can be concluded that in the annual report for 2020 there was a significant error due to an elimination error in the consolidated financial statements. It has been found that by an unintended mistake, prepayment for goods within the Group has not been eliminated in the consolidated financial statements for 2020.

The error is incorporated in the annual report and causes the accounting item "Prepayment for goods" under the group's inventories to decrease by DKK 9,796,387. The accounting items "Prepayments received from customers" and "Trade payables" under the group's current liabilities is respectively reduced by DKK 4,247,217 and DKK 5,549,170. As a result, the balance sheet total has been decreased by DKK 9,796,387.

The error further means that the item "Change in inventories" under the Cash Flow Statements for 2020 is increased by DKK 9,796,387. The item "Change in current liabilities (ex bank, tax, installments payable and transfer facility)" is reduced by a equivalent amount. The error does not result in further corrections to the Cash Flow Statement.

The material error has no impact on the group's equity.

### **Consolidated Financial Statements**

The consolidated financial statements include the parent company MIE5 Datterholding 8 ApS and its subsidiaries in which MIE5 Datterholding 8 ApS directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group structure.

The consolidated financial statements consolidate the financial statements of the parent company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

New acquired or established enterprises are recognised in the consolidated financial statements from the time of acquisition. Sold or wound up enterprises are recognised in the consolidated income statement up to the time of disposal. Comparative figures are not adjusted for new acquired, sold or wound up enterprises.

The date of acquisition is the date at which the Group gains actual control over the acquired business.

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Deferred tax on the acquired reassessments is recognised with the exception of goodwill.

Positive differences (goodwill) between the acquisition value and fair value of the acquired identified assets and liabilities are recognized under intangible fixed assets as goodwill and is depreciated systematically over the income statement after an individual assessment of the economic life.

Negative differences are recognized in the income statement at the time of acquisition. The difference in the amount from acquired companies amount to DKK ('000) 116,101 per 31 December 2021.

## ACCOUNTING POLICIES

Transaction costs, incurred in connection with acquisition of businesses, are recognised in the income statement in the year when costs are incurred.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' market value of net assets and liabilities at the acquisition date.

### Minority interests

The accounting items of the subsidiaries are recognised in full in the consolidated financial statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and in individual main items under equity.

## INCOME STATEMENT

### Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

### Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

### Other operating expenses

Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.

### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

### Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

### Income from investments in subsidiaries

The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

### Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

## ACCOUNTING POLICIES

### Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

## BALANCE SHEET

### Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 15 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

Acquired intangible rights is measured at cost less accumulated amortisation or at the recoverable amount, if it is lower. Acquired intangible rights is depreciated over 3-7 years.

### Tangible fixed assets

Production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Production plant and machinery.....	5-12 years	0 %
Other plant, fixtures and equipment.....	3-5 years	0 %
Leasehold improvements.....	5 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### Fixed asset investments

Investments in subsidiaries are measured in the company's balance sheet under the equity method.

Investments in subsidiaries are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill

When acquiring companies, the acquisition method is used with a revaluation of all identified assets and liabilities at fair value on the acquisition date. The fair value is calculated on the basis of trades on an active market, alternatively calculated using generally accepted valuation models.

The acquisition date is the time when the company actually gains control of the acquired company.

## ACCOUNTING POLICIES

Group goodwill is amortized over the estimated useful life, which is determined on the basis of management's experiences within the individual business areas. Group goodwill is amortized on a straight-line basis, the depreciation period, which is 15 years. The depreciation period is based on an assessment of it acquired company's market position and earnings profile as well as industry conditions.

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the company's has a legal or actual liability to cover the subsidiaries deficit.

### **Impairment of fixed assets**

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

### **Inventories**

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

### **Receivables**

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

### **Accruals, assets**

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

## ACCOUNTING POLICIES

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

### Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

### Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

## CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

## ACCOUNTING POLICIES

### Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

### Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

### Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

### Cash and cash equivalents:

Cash and cash equivalents include cash in hand.