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DK-8000 Aarhus C  
CVR no. 20 22 26 70

**MIE5 DATTERHOLDING 8 APS**  
**MOSEVEJ 20A, 8240 RISSKOV**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2023**

The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 27 June 2024

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Kristoffer Møller Pedersen

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**COMPANY DETAILS**

<b>Company</b>	MIE5 Datterholding 8 ApS Mosevej 20A 8240 Risskov  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 Vestre Ringgade 28 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 2023.*

*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 2023 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2023.*

*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, 28 May 2024

Executive Board

\_\_\_\_\_  
Kristoffer Møller Pedersen

\_\_\_\_\_  
Thomas Riis

Board of Directors

\_\_\_\_\_  
Thomas Riis  
Chairman

\_\_\_\_\_  
Christina Wendelbo

\_\_\_\_\_  
Kristoffer Møller Pedersen

## INDEPENDENT AUDITOR'S REPORT

*To the Shareholder 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 2023, 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 2023 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 2023 in accordance with the Danish Financial Statements Act.*

### **Basis for Opinion**

*We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.*

## INDEPENDENT AUDITOR'S REPORT

*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:*

- 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.*

## INDEPENDENT AUDITOR'S REPORT

*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.*

Aarhus, 28 May 2024

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Morten Trap Olesen  
State Authorised Public Accountant  
MNE no. mne35625

Jonas Lund Jacobsen  
State Authorised Public Accountant  
MNE no. mne46611

**FINANCIAL HIGHLIGHTS OF THE GROUP**

	2023	2022	2021	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Income statement</b>					
Net revenue.....	147,897	182,999	142,273	122,983	122,919
Gross profit/loss*.....	52,999	54,090	44,690	38,793	36,851
Adjusted EBITDA**.....	9,587	601	-2,026	7,736	19,823
Operating profit/loss of main activities...	-1,692	-10,863	-13,727	-3,336	-5,984
Financial income and expenses, net.....	-8,819	-5,384	-778	-4,122	-1,151
Profit/loss for the year before tax.....	-10,511	-16,247	-14,505	-7,459	-7,135
Profit/loss for the year.....	-12,726	-15,364	-13,679	-8,176	-7,908
Results for the year without minority interests.....	-12,656	-15,272	-13,517	-8,140	-7,959
<b>Balance sheet</b>					
Total assets.....	150,667	167,217	204,039	203,475	195,799
Equity.....	52,685	65,699	80,911	93,968	101,484
Equity ex minority interests.....	52,775	65,723	80,847	93,754	101,209
<b>Cash flows</b>					
Cash flows from operating activities.....	14,457	-4,682	-6,244	-10,808	12,856
Cash flows from investing activities.....	-75	-1,579	-3,243	-1,217	-179,944
Cash flows from financing activities.....	-7,205	-6,068	4,753	15,834	178,789
Total cash flows.....	7,177	-12,329	-4,734	3,809	11,701
Investment in property, plant and equipment.....	-115	-1,406	-2,587	-624	-2,416
<b>Key ratios</b>					
Equity ratio.....	35.0	39.3	39.6	46.1	51.7
Return on equity.....	-21.5	-21.0	-15.6	-8.4	-7.8

*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.*

*\*) Gross profit/loss is the gross profit/loss without other operating income.*

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

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 brand, Your Furn Partner. Manufacturing is executed at a subsidiary located in Vietnam, whilst the merchandising endeavours are conducted through the Danish subsidiary, Wendelbo Interiors A/S. The Wendelbo Møbel Design A/S subsidiary's principal activity is to develop new products in cooperation with external designers and consequently holds the legal entitlement to the production rights of designs not originated within the company.

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

### ***Development in activities and financial and economic position***

In 2023, the company encountered a downturn in its operations compared to the previous year. This decline was primarily attributed to a widespread international reduction in sales within the furniture retail sector, stemming from geopolitical upheavals and subsequent spikes in inflation rates. Despite observing an increase in activities and sales within the contract/project market segment, this failed to counterbalance the decline experienced in the retail market. Consequently, the Group incurred a financial loss of DKK ('000) -10.511 before taxes for the financial year 2023.

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

In 2023, the company witnessed a decrease in turnover as compared to the previous year, with revenues failing to align with the management's projections for the entire year. The profit/loss for 2023 did not meet the anticipated outcomes, owing to reduced activities. There was an expectation of sustaining the same level of activity in 2023 as in 2022, with projected earnings of 3 - 6 million DKK before tax. However, due to a general international downturn in sales within the furniture retail market, prompted by geopolitical events and subsequent escalated inflation rates, neither the forecasted revenue nor the expected profit was realised.

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

The company is not aware of any significant events after closing.

### ***Financial risk***

The nature of the Group's operations, investments, and financial arrangements, expose the Group to financial risks from fluctuations in foreign exchange rates and interest rate levels.

#### ***Currency risk***

The international activities imply that the Group's financial results, cash flows and equity are exposed to fluctuations in various foreign currencies. The main exchange rate exposure relates to the purchase of goods in foreign currency, mainly USD and the production costs in VND. The exposure is mitigated by sales conducted in USD.

Exchange rate exposures related to the translation of the financial results and equity of the Vietnamese subsidiary into DKK are not hedged.

#### ***Interest rate risk***

The Group is exposed to interest risk because entities of the Group borrow funds at variable interest rates.

#### ***Credit Risk***

The Group has limited credit risk exposure to trade receivables as the Group uses a credit insurance company to mitigate the credit risk.

#### ***Tax***

As part of the Group conducting business at multiple sites, the Group is exposed to potential tax and transfer pricing disputes with local tax authorities. The Group is committed to ensuring compliance with local tax laws and international transfer pricing regulations in the markets in which the Group operates.

## MANAGEMENT COMMENTARY

### *Knowledge resources*

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

### *Future expectations*

Management's outlook for 2024 anticipates a modest increase in activities when compared to 2023. Profit expectations for 2024 are forecasted to be in the vicinity of 2 - 4 million DKK before tax. Additionally, the year 2024 will witness a strategic enhancement of the company's ERP system to ensure adherence to the Digital Bookkeeping Law. This upgrade represents a minor investment, and apart from this, there are no substantial investments anticipated for 2024 beyond those following normal operations.

### *Treasury shares*

On December 31, 2023, the Parent Company owned equity interests of a nominal amount of DKK 936, equal to 0.9 per cent of the share capital. This is a change from December 31, 2022 where the Parent Company owned equity interests of a nominal amount of DKK 312, equal to 0.3 per cent of the share capital. The change in the share structure of a nominal amount of DKK 624, equal to 0.6 per cent of the share capital, was due to the company's decision to buy back shares from an employee who has since left the company.

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

At Wendelbo, we take our corporate commitments concerning the impact of actions and decisions very seriously and it is essential for us to continuously act and improve our efforts.

In 2023, one of our key initiatives was the establishment of the organisational framework for our ESG efforts. This involved forming a task force and implementing communication channels to ensure the development of holistic strategies that encompass all aspects of our company. This foundational work sets the stage for our ongoing commitment to ESG initiatives and underscores our dedication to integrating sustainability principles into every facet of our operations.

To ensure accountability, we have instituted five ESG commitments aligned with the UN Sustainable Development Goals (SDGs). Though the total list of SDGs 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, namely Responsible Consumption and Production (No. 12), Decent Work and Economic Growth (No. 8), and Gender Equality (No. 5). Our ESG commitments are encapsulated in what we call the 5 C's: Conscious designs, Considered materials, Climate and CO2 transparency, Caring community, and Codes of conduct. These commitments outline tangible actions and objectives aimed at fostering sustainability and responsibility throughout our operations.

## ENVIRONMENTAL EFFORTS

Throughout the year, we have strategically honed in on key ESG themes, specifically targeting environmental challenges. Our approach is divided into three dedicated commitments: Conscious Designs, Considered Materials, and Climate and CO2 Transparency.

### **Conscious Designs**

Wendelbo works with subsidiary policies and goals concerning SDG No. 12 concerning Responsible Consumption and Production. Accordingly, we aim to bring enduring designs to the market - in terms of aesthetics, functionality, and quality.

### *Testing*

We have relevant contract products undergo BIFMA testing to ensure the highest levels of strength and stability for commercial spaces.

### *Extended Warranty*

To offer our customers complete peace of mind and to truly accentuate the durability, high quality, and workmanship of our designs, we offer an extended warranty against production and construction defects. A five-year warranty applies to all furniture in our collection.

## MANAGEMENT COMMENTARY

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

#### *Lifecycle Programme*

In 2024, to extend the lifespan of our designs, we will launch a programme to educate our customers and partners on proper maintenance and care of our designs, as well as provide information about available spare parts and interchangeable covers.

#### **Considered Materials**

Aiming to challenge ourselves to make more sustainable choices in the design process and production, we carefully consider each component that goes into a design and the packaging surrounding it.

#### *Packaging*

At present, all our furniture packaging is crafted from 100% FSC®-certified cardboard, and our packaging materials contain a total of approximately 80% recycled content. Our ongoing efforts involve transitioning away from the use of PU-wrapping and Styrofoam in our packaging to achieve a complete transition by 2026.

#### *Fabrics*

We are committed to providing customers with environmentally conscious fabric choices by offering detailed information about fabric certifications. Presently, 58% of our fabric collection holds certifications such as EU Ecolabel, OEKO-TEX®, or both. We aim to increase this percentage to 80% by 2026.

#### **Climate and CO2 Transparency**

We are continuously working on our policies towards reducing our waste, our energy consumption and lowering our carbon footprint.

#### *Operational CO2 emissions*

We are currently conducting a thorough mapping of both our direct and indirect CO2 emissions to develop strategies for effectively reducing our carbon footprint.

#### *Product CO2 emissions*

In collaboration with Målbar, we launched a screening process in 2022 to meticulously track the components and origins of our products, enabling us to calculate the total CO2 emissions associated with each item. By integrating this tool into our operations and providing comprehensive staff training, we have successfully screened a total of 17 product families in 2023. Moving forward, our commitment extends to screening all product families by 2025, as part of our ongoing efforts to minimise emissions and eliminate toxic substances.

#### *Renewable energy*

All Danish offices and showrooms currently operate on 100% renewable energy. Additionally, our production facilities in Vietnam utilise solar panels to cover 70 - 80% of their energy needs. Our goal is to transition to 100% renewable energy at all facilities by 2030.

#### *Waste handling and recycling*

At Wendelbo, we prioritise waste sorting at all our facilities and have agreements with waste management authorities for responsible disposal and recycling of production waste, aiming to minimise environmental impact. We are currently laying the groundwork to gain an overview of all disposal and recycling processes. This is one of our main targets for 2024.

As a result of our environmental efforts, the Group has not identified any significant environmental risks.

## SOCIAL EFFORTS

At Wendelbo, we continuously seek to improve our social and staff policies to protect labour rights and human rights and to create a safe and secure working environment for all employees in alignment with SDG No. 8, concerning Decent Work and Economic Growth.

## MANAGEMENT COMMENTARY

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

#### **Caring Community**

##### *BSCI Audit*

While maintaining a safe and supportive work environment for all employees is paramount, we also prioritise adherence to external standards and criteria. To underscore our commitment to social responsibility, our production facilities have undergone rigorous BSCI audits to ensure compliance with industry best practices.

##### *Inclusion of Minority Groups*

We aim to introduce initiatives that will facilitate the employment of elderly and disadvantaged individuals at our production facilities by 2025.

##### *Gender Equality*

Wendelbo actively engages with policies aligned with SDG No. 5, focusing on Gender Equality. The company's board comprises three members, with the underrepresented gender making up one-third, thereby meeting the criteria for a balanced gender representation. Consequently, there is no obligation for Wendelbo to set specific targets for gender composition on the Board of Directors.

Within the Group's other management tiers, which include executives and select department and team leaders, gender parity is currently achieved. The Group is committed to preserving this balance, with policies advocating for, where feasible, equal gender distribution at all levels of management.

No significant social risks have been detected concerning our social endeavors. Nonetheless, we recognise the complexities involved in quantifying the impact of our social policies, acknowledging that it is an ongoing effort.

## GOVERNANCE EFFORTS

#### **Codes of Conduct**

We are dedicated to ensuring that Wendelbo's policies reflect our ethical and responsible business conduct that fully complies with all applicable rules, regulations, and laws. In addition to adhering to Danish laws and high standards, we follow regulations in the markets where we operate. We advocate for diversity, encourage transparency, and are strongly opposed to corruption in any form, including bribery and extortion.

##### *BSCI Audit*

Our production facilities in Vietnam are annually BSCI-audited to offer full transparency of our ethical and responsible business conduct. By subjecting our production facilities to rigorous assessments, we have achieved a top rating in 2023, demonstrating our dedication to upholding industry best practices.

##### *Whistle-blower Policy*

Additionally, we have introduced a comprehensive whistle-blower policy across our facilities, both in Vietnam and Denmark. This initiative empowers employees to report any irregularities they may encounter, thereby promoting a culture of accountability and integrity. By encouraging open communication and transparency, we strengthen the governance framework of our company and ensure that ethical conduct remains a cornerstone of our operations.

##### *Supplier Code of Conduct*

Within our supply chain, we foster enduring relationships anchored in shared value creation, respect, and open dialogue. We hold ourselves accountable for our business practices and expect similar standards from our suppliers. To this end, we've established a Code of Conduct for all our supply chain partners, encompassing respect for labour laws, human rights, ethical behaviour, and environmental stewardship. Integral to this code are anti-corruption measures and the strict prohibition of child labour. We are committed to regularly encouraging our suppliers to endorse and adhere to our Code of Conduct.

**MANAGEMENT COMMENTARY**

***Report of target figures and policies for the under-represented gender***

*Gender distribution within Management*

**2023**

Number of members of the supreme management body.....	3
Under-represented gender, share in % of the supreme management body.....	33%
Number of people at other management levels.....	7
Under-represented gender, share in % at other management levels.....	43%

*Of the total number of members of the Company's supreme management body, the under-represented gender comprises 33% which meet the criterion for equal distribution of men and women. Hence, the Company is not subject to the obligation of setting a target figure for the gender distribution of the supreme management body.*

*Of the total number of persons at the other management levels, the under-represented gender comprises 43% which meet the criterion for equal distribution of men and women. Hence, the Company is not subject to the obligation of setting a target figure and preparing a policy for the gender distribution of the other management levels.*

***Statutory Report on Data Ethics Policy***

At Wendelbo, we uphold a stringent data policy that underscores our ethical commitment to handling data with integrity and transparency. In response to the increased focus on the safeguarding of personal data and data in general, Wendelbo has instituted a policy that ensures data is managed ethically—not merely in adherence with applicable laws but also in a manner that reflects our core moral values.

At Wendelbo, our data policy is anchored in three fundamental domains: the management of customer data, the optimisation of internal processes, and our conduct in relation to external entities.

Our customers have the right to request access to and gain insight into the data we collect on them, including our processing practices. Wendelbo is dedicated to the ongoing refinement of our informational framework to foster greater transparency for our customers and partners. To this end, we are attentive to the data we retain and the information we share with third parties, ensuring the distribution of only what is essential for the delivery of our products. Concurrently, we are proactive in deleting personal information and obsolete data. The overarching aim of our policy is to ascertain that Wendelbo maintains no more customer and partner data than is necessary.

Our employees bear a significant responsibility for upholding this trust and transparency. As such, we are committed to the continuous refinement of our internal data policies. Our goal is to guarantee that all team members adhere to a unified course of action and operate following the same ethical standards. To this end, we consistently provide our employees with training in GDPR to ensure our collective compliance and integrity in data management.

At Wendelbo, safeguarding our employees' private information is paramount, and we secure consent before sharing specific personal details, such as images on websites, which can be withdrawn at any instance. Every new member of our team is given a comprehensive orientation regarding our internal systems, along with an introduction to our data policy and the ethical framework guiding our operations. We strive for our moral code to be instinctively reflected in our corporate culture, transcending the formality of written documents.

We operate worldwide and are aware of our responsibilities according to our moral obligations in 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.

## MANAGEMENT COMMENTARY

### *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 on the website 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 six board meetings every year, and the Board of Directors reviews and approves guidelines for the company management.

The gender diversity within the leadership team is that 40% of management group is women.

### Development in Number of Employees

	Denmark	Abroad	Total
On January 1, 2023	23	482	505
Additions/Disposals	-6	+41	+35
On December 31, 2023	17	523	540

### Financial Risks of the Elected Capital Structure

MIE5 Datterholding 8 ApS' share capital is not divided into classes. The Group's equity ratio is 35.0 per cent.

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

Maj Invest Equity 5 K/S owns directly 66.8 per cent of MIE5 Datterholding 8 ApS.

## MANAGEMENT COMMENTARY

### Board of Directors

Name	Other management and board positions
Thomas Riis (chairman) Partner Maj Invest Equity A/S Nominated by Maj Invest Equity 5 K/S	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 ApS (executive board) Ferm Living ApS (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) MIE5 Holding 8 ApS (executive board) MIE5 Holding 9 ApS (executive board) MIE5 Datterholding 9 ApS (executive board) Yellow Star Investment 3 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 Director Maj Invest Equity A/S Nominated by Maj Invest Equity 5 K/S	Investeringselskabet 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) Liva Healthcare A/S (Board of directors) Liva Healthcare Holding ApS (Board of directors) KMP Capital ApS (Board of directors) Wendelbo Interiors A/S (Executive board) Wendelbo Møbel Design A/S (Executive board)

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

	Note	Group		Parent Company	
		2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
<b>NET REVENUE</b> .....	1	<b>147,897</b>	<b>182,999</b>	0	0
Other operating income.....		297	1,014	0	0
Cost of sales.....		-68,503	-95,669	0	0
Other external expenses.....	2	-26,392	-33,240	-141	-153
<b>GROSS PROFIT/LOSS</b> .....		<b>53,299</b>	<b>55,104</b>	<b>-141</b>	<b>-153</b>
Staff costs.....	3	-43,579	-53,726	0	0
Depreciation, amortisation and impairment losses.....		-11,279	-11,464	0	0
Other operating expenses.....		-133	-777	0	0
<b>OPERATING LOSS</b> .....		<b>-1,692</b>	<b>-10,863</b>	<b>-141</b>	<b>-153</b>
Income from investments in subsidiaries.....		0	0	-3,562	-13,598
Other financial income.....	4	400	444	5	12
Other financial expenses.....	5	-9,219	-5,828	-4,239	-2,239
<b>LOSS BEFORE TAX</b> .....		<b>-10,511</b>	<b>-16,247</b>	<b>-7,937</b>	<b>-15,978</b>
Tax on profit/loss for the year.....	6	-2,215	883	963	526
<b>LOSS FOR THE YEAR</b> .....	7	<b>-12,726</b>	<b>-15,364</b>	<b>-6,974</b>	<b>-15,452</b>



## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Intangible fixed assets acquired....		357	485	0	0
Goodwill.....		97,016	106,558	0	0
<b>Intangible assets.....</b>	<b>8</b>	<b>97,373</b>	<b>107,043</b>	<b>0</b>	<b>0</b>
Production plant and machinery....		1,408	2,283	0	0
Other plant, machinery tools and equipment.....		441	743	0	0
Leasehold improvements.....		953	1,461	0	0
<b>Property, plant and equipment...</b>	<b>9</b>	<b>2,802</b>	<b>4,487</b>	<b>0</b>	<b>0</b>
Equity investments in group enterprises.....		0	0	105,290	111,852
Rent deposit and other receivables.....		1,645	1,869	0	0
<b>Financial non-current assets.....</b>	<b>10</b>	<b>1,645</b>	<b>1,869</b>	<b>105,290</b>	<b>111,852</b>
<b>NON-CURRENT ASSETS.....</b>		<b>101,820</b>	<b>113,399</b>	<b>105,290</b>	<b>111,852</b>
Raw materials and consumables....		9,678	13,421	0	0
Work in progress.....		3,243	3,624	0	0
Finished goods and goods for resale.....		12,495	18,816	0	0
<b>Inventories.....</b>		<b>25,416</b>	<b>35,861</b>	<b>0</b>	<b>0</b>
Trade receivables.....		8,950	7,228	0	0
Deferred tax assets.....	11	1,408	3,739	20	528
Other receivables.....		1,820	2,207	0	0
Corporation tax receivable.....		215	0	0	0
Joint tax contribution receivable...		0	0	990	0
Prepayments and accrued income..	12	1,206	2,128	0	0
<b>Receivables.....</b>	<b>13</b>	<b>13,599</b>	<b>15,302</b>	<b>1,010</b>	<b>528</b>
<b>Cash and cash equivalents.....</b>		<b>9,832</b>	<b>2,655</b>	<b>2,802</b>	<b>560</b>
<b>CURRENT ASSETS.....</b>		<b>48,847</b>	<b>53,818</b>	<b>3,812</b>	<b>1,088</b>
<b>ASSETS.....</b>		<b>150,667</b>	<b>167,217</b>	<b>109,102</b>	<b>112,940</b>

**BALANCE SHEET AT 31 DECEMBER**

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Share Capital.....	14	105	105	105	105
Retained earnings.....		52,670	65,618	60,147	67,621
Minority shareholders.....		-90	-24	0	0
<b>EQUITY.....</b>		<b>52,685</b>	<b>65,699</b>	<b>60,252</b>	<b>67,726</b>
Bank loan.....		48,733	64,899	24,972	34,959
Other long-term liabilities.....		637	618	0	0
<b>Non-current liabilities.....</b>	15	<b>49,370</b>	<b>65,517</b>	<b>24,972</b>	<b>34,959</b>
Bank loan.....		19,444	21,031	10,000	10,000
Prepayments received from customers.....		5,539	3,595	0	0
Trade payables.....		6,920	6,143	99	90
Debt to group enterprises.....		7,372	0	9,745	0
Payables to owners and management.....		3,157	0	3,157	0
Corporation tax.....		327	114	0	0
Other liabilities.....		5,853	5,118	877	165
<b>Current liabilities.....</b>		<b>48,612</b>	<b>36,001</b>	<b>23,878</b>	<b>10,255</b>
<b>LIABILITIES.....</b>		<b>97,982</b>	<b>101,518</b>	<b>48,850</b>	<b>45,214</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>150,667</b>	<b>167,217</b>	<b>109,102</b>	<b>112,940</b>
Contingencies etc.	16				
Charges and securities	17				
Related parties	18				
Consolidated Financial Statements	19				

**EQUITY**

	<b>Group</b>			
	Share Capital	Retained earnings	Minority shareholders	Total
Equity at 1 January 2023.....	105	65,618	-24	65,699
Proposed distribution of profit, cf. note 7.....		-12,656	-70	-12,726
<b>Transactions with owners</b>				
Purchase of own equity investments.....		-500		-500
<b>Other legal bindings</b>				
Other adjustments to equity value.....		208		208
Other adjustments.....			4	4
<b>Equity at 31 December 2023.....</b>	<b>105</b>	<b>52,670</b>	<b>-90</b>	<b>52,685</b>

  

	<b>Parent Company</b>			
	Share Capital	Reserve for net revaluation according to equity value method	Retained earnings	Total
Equity at 1 January 2023.....	105	0	67,621	67,726
Proposed profit allocation, cf. note 7.....		-3,562	-3,412	-6,974
<b>Transactions with owners</b>				
Purchase of own equity investments.....			-500	-500
<b>Transfers</b>				
Settlem. negative balance.....		3,562	-3,562	0
<b>Equity at 31 December 2023.....</b>	<b>105</b>	<b>0</b>	<b>60,147</b>	<b>60,252</b>

**CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER**

	<b>Group</b>	
	<b>2023</b> DKK '000	<b>2022</b> DKK '000
Profit/loss for the year.....	-12,726	-15,364
Depreciation and amortisation, reversed.....	11,265	11,452
Reversed realization gains.....	14	12
Tax on profit/loss, reversed.....	2,215	-883
Other adjustments.....	413	-277
Corporation tax paid.....	0	-1,803
Change in inventories.....	10,445	15,622
Change in receivables (ex tax).....	-628	4,602
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	3,459	-18,043
<b>CASH FLOWS FROM OPERATING ACTIVITY.....</b>	<b>14,457</b>	<b>-4,682</b>
Purchase of intangible assets.....	0	-181
Sale of tangible fixed assets.....	63	0
Purchase of property, plant and equipment.....	-115	-1,406
Exchange rate adjustments, property, plant and equipment.....	0	82
Purchase of financial assets.....	-23	-74
<b>CASH FLOWS FROM INVESTING ACTIVITY.....</b>	<b>-75</b>	<b>-1,579</b>
Instalments on loans.....	-10,000	-13,333
Loans from owners.....	10,529	0
Other cash flows from financing activities.....	-7,734	7,265
<b>CASH FLOWS FROM FINANCING ACTIVITY.....</b>	<b>-7,205</b>	<b>-6,068</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>7,177</b>	<b>-12,329</b>
Cash and cash equivalents at 1. januar.....	2,655	14,984
<b>CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....</b>	<b>9,832</b>	<b>2,655</b>
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	9,832	2,655
<b>CASH AND CASH EQUIVALENTS.....</b>	<b>9,832</b>	<b>2,655</b>

## NOTES

	Group		Parent Company		Note
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	
<b>Net revenue</b>					<b>1</b>
Revenue.....	147,895	182,975	0	0	
Exchange rate adjustments.....	2	24	0	0	
	<b>147,897</b>	<b>182,999</b>	<b>0</b>	<b>0</b>	
<b>Segment details (geography)</b>					
America.....	65,911	89,573	0	0	
Asia.....	31,141	36,383	0	0	
Europe.....	44,593	47,752	0	0	
Oceania.....	6,252	9,291	0	0	
	<b>147,897</b>	<b>182,999</b>	<b>0</b>	<b>0</b>	
<b>Fee to statutory auditor</b>					<b>2</b>
Fee in total:					
BDO.....	461	679			
KPMG.....	188	134			
	<b>649</b>	<b>813</b>			
Fees specified:					
Statutory audit.....	378	396			
Assurance engagements.....	271	417			
	<b>649</b>	<b>813</b>			
<b>Staff costs</b>					<b>3</b>
Average number of full time employees	539	501	0	0	
Wages and salaries.....	40,682	50,485	0	0	
Pensions.....	1,827	1,960	0	0	
Social security costs.....	663	997	0	0	
Other staff costs.....	407	284	0	0	
	<b>43,579</b>	<b>53,726</b>	<b>0</b>	<b>0</b>	
<b>Other financial income</b>					<b>4</b>
Group enterprises.....	25	0	0	0	
Other interest income.....	375	444	5	12	
	<b>400</b>	<b>444</b>	<b>5</b>	<b>12</b>	

## NOTES

	Group		Parent Company		Note
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	
<b>Other financial expenses</b>					<b>5</b>
Group enterprises.....	365	0	429	0	
Other interest expenses.....	8,854	5,828	3,810	2,239	
	<b>9,219</b>	<b>5,828</b>	<b>4,239</b>	<b>2,239</b>	
<b>Tax on profit/loss for the year</b>					<b>6</b>
Calculated tax on taxable income of the year.....	0	0	-990	0	
Adjustment of tax in previous years..	-1,281	5	-480	0	
Adjustment of deferred tax.....	3,496	-888	507	-526	
	<b>2,215</b>	<b>-883</b>	<b>-963</b>	<b>-526</b>	
<b>Proposed distribution of profit</b>					<b>7</b>
Allocation to reserve for net reval- uation according to equity value method.....	0	0	-3,562	-13,598	
Retained earnings.....	-12,656	-15,272	-3,412	-1,854	
Minority shareholders part of the results in subsidiary companies.....	-70	-92	0	0	
	<b>-12,726</b>	<b>-15,364</b>	<b>-6,974</b>	<b>-15,452</b>	
<b>Intangible assets</b>					<b>8</b>
			Group		
			Intangible fixed assets acquired	Goodwill	
Cost at 1 January 2023.....			1,482	143,139	
Exchange adjustment at closing rate.....			9	0	
<b>Cost at 31 December 2023.....</b>			<b>1,491</b>	<b>143,139</b>	
Amortisation at 1 January 2023.....			999	36,580	
Exchange adjustment at closing rate.....			9	0	
Amortisation for the year.....			126	9,543	
<b>Amortisation at 31 December 2023.....</b>			<b>1,134</b>	<b>46,123</b>	
<b>Carrying amount at 31 December 2023.....</b>			<b>357</b>	<b>97,016</b>	

## NOTES

	<b>Group</b>			<b>Note</b>
	Production plant and machinery	Other plant, machinery tools and equipment	Leasehold improvements	
<b>Property, plant and equipment</b>				<b>9</b>
Cost at 1 January 2023.....	5,896	1,974	3,681	
Exchange adjustment at closing rate.....	-359	-38	-224	
Additions.....	56	59	0	
Disposals.....	0	-63	0	
<b>Cost at 31 December 2023.....</b>	<b>5,593</b>	<b>1,932</b>	<b>3,457</b>	
Depreciation and impairment losses at 1 January 2023.....	3,613	1,231	2,220	
Exchange adjustment.....	-220	-26	-135	
Reversal of depreciation of assets disposed of..	0	-40	0	
Depreciation for the year.....	792	326	419	
<b>Depreciation and impairment losses at 31 December 2023.....</b>	<b>4,185</b>	<b>1,491</b>	<b>2,504</b>	
<b>Carrying amount at 31 December 2023.....</b>	<b>1,408</b>	<b>441</b>	<b>953</b>	
<b>Financial non-current assets</b>				<b>10</b>
			<b>Group</b>	
			<b>Rent deposit and other receivables</b>	
Cost at 1 January 2023.....			1,622	
Additions.....			23	
Disposals.....			0	
<b>Cost at 31 December 2023.....</b>			<b>1,645</b>	
<b>Carrying amount at 31 December 2023.....</b>			<b>1,645</b>	

## NOTES

		Note	
<b>Fixed asset investments (continued)</b>		<b>10</b>	
	<b>Parent Company</b>		
	<u>Equity investments in group enterprises</u>		
Cost at 1 January 2023.....	180,264		
Disposals.....	0		
<b>Cost at 31 December 2023.....</b>	<b>180,264</b>		
Revaluation at 1 January 2023.....	-22,740		
Dividend.....	-3,000		
Profit/loss for the year.....	6,160		
<b>Revaluation at 31 December 2023.....</b>	<b>-19,580</b>		
Impairment losses and amortisation of goodwill at 1 January 2023.....	45,672		
Amortisation of goodwill.....	9,722		
<b>Impairment losses and amortisation of goodwill at 31 December 2023.....</b>	<b>55,394</b>		
<b>Carrying amount at 31 December 2023.....</b>	<b>105,290</b>		
<b>Investments in subsidiaries (DKK '000)</b>			
<b>Name and domicil</b>	<b>Equity</b>	<b>Profit/loss for the year</b>	
		<b>Ownership</b>	
Wendelbo Møbel Design A/S, Aarhus, Denmark.	6,450	6,160	100 %
Wendelbo Interios A/S , Aarhus, Denmark.....	22,578	986	100 %
Wendelbo South East Asia JSC, Vietnam.....	-4,483	-3,488	98 %



## NOTES

Note

**Deferred tax assets**

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

	Group		Parent Company	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Deferred tax assets, beginning of year.....	3,739	2,791	528	2
Deferred tax of the year, income statement.....	-2,214	887	-508	526
Deferred tax from elimination.....	-117	61	0	0
<b>Deferred tax assets 31 December 2023.....</b>	<b>1,408</b>	<b>3,739</b>	<b>20</b>	<b>528</b>
Recognized as follows:				
Deferred tax (assets).....	1,408	3,739	20	528
	<b>1,408</b>	<b>3,739</b>	<b>20</b>	<b>528</b>

The Group's deferred tax assets are recognized in the balance sheet in the amount of DKK ('000) 1,408. 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 in the future expects to go completely beyond the negative results in the past, which has had a significant negative impact prior years. In addition, the order books for the Group at the beginning of the new year has reach a high level, and the company are profitable at the moment, and expect to be so in the future as well. 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**

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Prepayments and accrued income with a booked value per 31 December 2023 of DKK ('000) 1,206 includes prepaid costs, primarily insurance and rents relating to the following years.

	Group		Parent Company	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
<b>Receivables falling due after more than one year</b>				
Prepayments and accrued income....	92	684	0	0
	<b>92</b>	<b>684</b>	<b>0</b>	<b>0</b>

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## NOTES

	2023 DKK '000	2022 DKK '000	Note
<b>Share Capital</b>			<b>14</b>
Allocation of share capital:			
Shares, 104,742 unit in the denomination of 1 DKK.....	105	105	
	<b>105</b>	<b>105</b>	

<b>Long-term liabilities</b>	<b>15</b>
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	Group			
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Bank loan.....	68,177	19,444	0	78,232
Other long-term liabilities.....	637	0	637	618
	<b>68,814</b>	<b>19,444</b>	<b>637</b>	<b>78,850</b>

  

	Parent Company			
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Bank loan.....	34,972	10,000	0	44,959
	<b>34,972</b>	<b>10,000</b>	<b>0</b>	<b>44,959</b>

<b>Contingencies etc.</b>	<b>16</b>
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**Contingent liabilities**

The group has made lease agreements with a total remaining payment of DKK ('000) 21,373, and an remaining lease period up to 45 months.

The group has made tenancy agreements with a notice period of 6 months, and a liability of DKK ('000) 839 in the notice period.

The subsidiary Wendelbo South East Asia Jsc. has a unrecognised deferred tax asset with a tax value of DKK ('000) 2,266.

**Joint liabilities**

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****Charges and securities****17***The Group*

As security for debt to banks of DKK ('000) 13,245 a company charge has been given of DKK ('000) 10,000 on intangible rights (Value, DKK ('000) 7), operating equipment (Value, DKK ('000) 347), inventories (Value, DKK ('000) 26,983) and receivables (Value, DKK ('000) 13,673), which in total has a carrying amount of DKK ('000) 41,010.

*The Parent Company*

As security for debt to banks, DKK ('000) 34,972, the company has granted a security on the investments in subsidiaries with a booked value of DKK ('000) 105,290.

As security for the subsidiaries debt to banks, DKK ('000) 28,205, the company has granted a security on the investments in subsidiaries with a booked value of DKK ('000) 105,290.

The company has granted a security in the share capital of Wendelbo Møbel Design A/S, amounts to DKK ('000) 833.

The company has provided a suretyship for subsidiaries' debt with banks. The Group's total debt to banks amounts to DKK ('000) 63,177 per 31 December 2023.

**Related parties****18**

The Company's related parties include:

**Controlling interest**

MIE5 Holding 8 ApS, Gammeltorv 18, 1457 København K, CVR No. 40 21 58 08.

**Transactions with related parties**

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.

**Consolidated Financial Statements****19**

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 2023 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.*

### **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) 97,016 per 31 December 2023.*

*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.*

## ACCOUNTING POLICIES

### INCOME STATEMENT

#### **Net revenue**

Net revenue from sale of furnitures 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.

#### **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 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 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.

#### **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.

#### **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.

#### **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.

**ACCOUNTING POLICIES**

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.

**Financial non-current assets**

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.

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.

Received dividend is deducted in the carrying amount of the equity investment.

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.

## ACCOUNTING POLICIES

### **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.*

*Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.*

### **Accruals, assets**

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

### **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.*

## ACCOUNTING POLICIES

*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.*

### **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.*

### *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.*