
Wonder HoldCo A/S

Sletten 21, DK-7500 Holstebro

Annual Report for
1 May 2023 - 30 April 2024

CVR No. 42 87 88 20

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 27/6 2024

Jesper Berg Folke
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	5
Group Chart	6
Financial Highlights	7
Management's Review	8
Financial Statements	
Income Statement 1 May - 30 April	9
Balance sheet 30 April	10
Statement of changes in equity	12
Cash Flow Statement 1 May - 30 April	13
Notes to the Financial Statements	14

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Wonder HoldCo A/S for the financial year 1 May 2023 - 30 April 2024.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 April 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023/24.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Holstebro, 27 June 2024

Executive Board

Caroline Lundgaard Jensen
Executive Officer

Board of Directors

Martin Stephan Welna
Chairman

Morten Dalsgaard Nielsen

Caroline Lundgaard Jensen

Independent Auditor's report

To the shareholders of Wonder HoldCo A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 April 2024 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 May 2023 - 30 April 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Wonder HoldCo A/S for the financial year 1 May 2023 - 30 April 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's report

Holstebro, 27 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Poul Spencer Poulsen

State Authorised Public Accountant

mne23324

Daniel Mogensen

State Authorised Public Accountant

mne45831

Company information

The Company	Wonder HoldCo A/S Sletten 21 7500 Holstebro CVR No: 42 87 88 20 Financial period: 1 May 2023 - 30 April 2024 Municipality of reg. office: Holstebro
Board of Directors	Martin Stephan Welna, chairman Morten Dalsgaard Nielsen Caroline Lundgaard Jensen
Executive Board	Caroline Lundgaard Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Hjaltesvej 16 DK-7500 Holstebro

Group Chart

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
Wonder HoldCo A/S	Denmark	
Wonder BidCo A/S	Denmark	100
Westpack A/S	Denmark	100
Westpack Limited	Hong Kong	100
Westpack Trading Ltd	China	100

Financial Highlights

Seen over a 3-year period, the development of the Group is described by the following financial highlights:

	Group		
	2023/24	2022/23	2021/22
	TDKK 12 months	TDKK 12 months	TDKK 5 months
Key figures			
Profit/loss			
Gross profit	90,520	86,007	29,812
EBITDA	55,589	54,655	6,667
Profit/loss of primary operations	22,295	22,044	-3,867
Profit/loss of financial income and expenses	-16,682	-15,502	-3,114
Net profit/loss for the year	-1,310	-313	-9,481
Balance sheet			
Balance sheet total	553,386	584,974	628,160
Investment in property, plant and equipment	3,616	9,136	2,072
Equity	328,640	329,474	329,783
Cash flows			
Cash flows from:			
- operating activities	34,741	41,733	-19,207
- investing activities	-4,062	-8,659	-483,492
- financing activities	-32,794	-15,708	494,687
Change in cash and cash equivalents for the year	-2,115	17,366	-8,012
Number of employees	194	177	169
Ratios			
Return on assets	4.0%	3.8%	-0.6%
Solvency ratio	59.4%	56.3%	52.5%
Return on equity	-0.4%	-0.1%	-5.7%

Management's review

Key activities

The Group's principal activities are to develop, market and sell quality packaging and accessories for the jewellery, watch and glasses trade.

Development in the year

The income statement of the Group for 2023/24 shows a loss of TDKK 1,310, and at 30 April 2024 the balance sheet of the Group shows a positive equity of TDKK 328,640.

The year was affected by continued declining consumer confidence across markets, but the investments made in previous and current years helped to improve earnings.

The past year and follow-up on development expectations from last year

Profit for the year meets the expectations as described in the Annual Report 2022/23. The profit for the year is considered satisfactory.

Foreign exchange risks

It is Group policy to cover special risks relating to currency as well as possible. Currency risks are covered via currency forwards.

Targets and expectations for the year ahead

In 2024/25, increasing activity is expected in both revenue and earnings growth of approx. 0-10%. Expectations are based on continued low growth across the markets, while the focus on improving earnings is maintained.

External environment

During the year, the Group has on a current basis invested in reducing the environmental impact and has through these investments achieved minor energy consumption savings. The Group will keep its focus on this.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 30 April 2024 of the Group and the results of the activities and cash flows of the Group for the financial year for 2023/24 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 May 2023 - 30 April 2024

	Note	Group		Parent company	
		2023/24	2022/23	2023/24	2022/23
		TDKK	TDKK	TDKK	TDKK
Gross profit		90,520	86,007	0	0
Distribution expenses	1	-24,353	-21,816	0	25,330
Administrative expenses	1	-43,872	-42,147	-27	-25,362
Profit/loss before financial income and expenses		22,295	22,044	-27	-32
Income from investments in subsidiaries		0	0	-1,292	-288
Financial income		676	536	4	0
Financial expenses		-17,358	-16,038	0	0
Profit/loss before tax		5,613	6,542	-1,315	-320
Tax on profit/loss for the year	2	-6,923	-6,855	5	7
Net profit/loss for the year	3	-1,310	-313	-1,310	-313

Balance sheet 30 April 2024

Assets

	Note	Group		Parent company	
		2023/24	2022/23	2023/24	2022/23
		TDKK	TDKK	TDKK	TDKK
Software		253	631	0	0
Goodwill		411,986	437,316	0	0
Development projects in progress		605	322	0	0
Intangible assets	4	412,844	438,269	0	0
Plant and machinery		12,718	14,619	0	0
Other fixtures and fittings, tools and equipment		2,107	3,146	0	0
Leasehold improvements		123	165	0	0
Prepayments for property, plant and equipment		755	1,580	0	0
Property, plant and equipment	5	15,703	19,510	0	0
Investments in subsidiaries	6	0	0	328,027	329,287
Fixed asset investments		0	0	328,027	329,287
Fixed assets		428,547	457,779	328,027	329,287
Inventories	7	82,210	84,876	0	0
Trade receivables		32,239	30,349	0	0
Other receivables	8	471	215	0	0
Corporation tax receivable from group enterprises		0	0	5	11
Prepayments		2,305	2,069	0	0
Receivables		35,015	32,633	5	11
Cash at bank and in hand		7,614	9,686	635	202
Current assets		124,839	127,195	640	213
Assets		553,386	584,974	328,667	329,500

Balance sheet 30 April 2024

Liabilities and equity

	Note	Group		Parent company	
		2023/24	2022/23	2023/24	2022/23
		TDKK	TDKK	TDKK	TDKK
Share capital	9	340,222	339,778	340,222	339,778
Reserve for hedging transactions		62	-80	0	0
Reserve for exchange rate conversion		2,544	2,654	0	0
Retained earnings		-14,188	-12,878	-11,582	-10,304
Equity		328,640	329,474	328,640	329,474
Provision for deferred tax	10	1,706	2,159	0	0
Provisions		1,706	2,159	0	0
Credit institutions		159,100	182,094	0	0
Lease obligations		0	498	0	0
Long-term debt	11	159,100	182,592	0	0
Credit institutions	11	14,075	24,032	0	0
Lease obligations	11	498	244	0	0
Prepayments received from customers		5,857	4,465	0	0
Trade payables		21,096	16,240	27	26
Corporation tax		2,708	6,267	0	0
Other payables	8	19,706	19,501	0	0
Short-term debt		63,940	70,749	27	26
Debt		223,040	253,341	27	26
Liabilities and equity		553,386	584,974	328,667	329,500
Contingent assets, liabilities and other financial obligations	14				
Related parties	15				
Subsequent events	16				
Accounting Policies	17				

Statement of changes in equity

Group

	Share capital	Reserve for hedging transactions	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 May	339,778	-80	2,654	-12,878	329,474
Cash capital increase	444	0	0	0	444
Exchange adjustments relating to foreign entities	0	0	-110	0	-110
Fair value adjustment of hedging instruments, beginning of year	0	103	0	0	103
Fair value adjustment of hedging instruments, end of year	0	79	0	0	79
Tax on adjustment of hedging instruments for the year	0	-40	0	0	-40
Net profit/loss for the year	0	0	0	-1,310	-1,310
Equity at 30 April	340,222	62	2,544	-14,188	328,640

Parent company

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 May	339,778	-10,304	329,474
Cash capital increase	444	0	444
Exchange adjustments relating to foreign entities	0	-110	-110
Fair value adjustment of hedging instruments, beginning of year	0	103	103
Fair value adjustment of hedging instruments, end of year	0	79	79
Tax on adjustment of hedging instruments for the year	0	-40	-40
Net profit/loss for the year	0	-1,310	-1,310
Equity at 30 April	340,222	-11,582	328,640

Cash flow statement 1 May 2023 - 30 April 2024

	Note	Group	
		2023/24	2022/23
		TDKK	TDKK
Result of the year		-1,310	-313
Adjustments	12	56,789	54,491
Change in working capital	13	7,062	12,865
Cash flow from operations before financial items		62,541	67,043
Financial income		676	537
Financial expenses		-17,501	-15,515
Cash flows from ordinary activities		45,716	52,065
Corporation tax paid		-10,975	-10,332
Cash flows from operating activities		34,741	41,733
Purchase of intangible assets		-451	-412
Purchase of property, plant and equipment		-3,611	-9,135
Business acquisition		0	888
Cash flows from investing activities		-4,062	-8,659
Repayment of loans from credit institutions		-32,994	-15,469
Reduction of lease obligations		-244	-239
Cash capital increase		444	0
Cash flows from financing activities		-32,794	-15,708
Change in cash and cash equivalents		-2,115	17,366
Cash and cash equivalents at 1 May		9,354	-8,012
Cash and cash equivalents at 30 April		7,239	9,354
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		7,614	9,686
Overdraft facility		-375	-332
Cash and cash equivalents at 30 April		7,239	9,354

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
1. Staff				
Wages and salaries	69,415	67,673	0	0
Pensions	6,557	4,807	0	0
Other social security expenses	1,921	1,696	0	0
Other staff expenses	3,092	2,050	0	0
	80,985	76,226	0	0

Wages and salaries, pensions, other social security expenses and other staff expenses are recognised in the following items:

Production expenses	57,762	49,698	0	0
Distribution expenses	14,422	12,786	0	0
Administrative expenses	8,801	13,742	0	0
	80,985	76,226	0	0

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	194	177	1	1
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The group has incentive programs for key employees that includes an option on new subscription, in the period from 2022 to 2026, of shares of up to 2% of the present share capital. Each assigned A-Warrant gives the right to subscribe for one B-Warrant in Wonder HoldCo A/S. The subscription price for A- and B-Warrants is DKK 1 increased by 9% per year.

Incentive programmes are not recognised in the Financial Statements.

Notes to the Financial Statements

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
2. Income tax expense				
Current tax for the year	7,460	7,410	-5	-7
Deferred tax for the year	-453	-419	0	0
Adjustment of tax concerning previous years	-44	0	0	0
	6,963	6,991	-5	-7
thus distributed:				
Income tax expense	6,923	6,855	-5	-7
Tax on equity movements	40	136	0	0
	6,963	6,991	-5	-7

	Parent company	
	2023/24	2022/23
	TDKK	TDKK
3. Profit allocation		
Retained earnings	-1,310	-313
	-1,310	-313

Notes to the Financial Statements

4. Intangible fixed assets Group

	Software	Goodwill	Develop- ment projects in progress
	TDKK	TDKK	TDKK
Cost at 1 May	5,245	505,707	322
Additions for the year	168	0	283
Cost at 30 April	<u>5,413</u>	<u>505,707</u>	<u>605</u>
Impairment losses and amortisation at 1 May	4,614	68,391	0
Amortisation for the year	546	25,330	0
Impairment losses and amortisation at 30 April	<u>5,160</u>	<u>93,721</u>	<u>0</u>
Carrying amount at 30 April	<u>253</u>	<u>411,986</u>	<u>605</u>
Amortised over	<u>3 years</u>	<u>20 years</u>	

Development projects regarding continued investment and development in the webshop. The project is in its final phase and the new webshop is expected to be commissioned in May/June 2024 and will help support future online growth.

Notes to the Financial Statements

5. Property, plant and equipment Group

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Prepayments for property, plant and equipment
	TDKK	TDKK	TDKK	TDKK
Cost at 1 May	50,652	10,095	397	1,580
Exchange adjustment	0	-7	-8	0
Additions for the year	2,675	141	45	755
Transfers for the year	1,478	102	0	-1,580
Cost at 30 April	<u>54,805</u>	<u>10,331</u>	<u>434</u>	<u>755</u>
Impairment losses and depreciation at 1 May	36,033	6,949	232	0
Exchange adjustment	0	-6	-5	0
Depreciation for the year	6,054	1,281	84	0
Impairment losses and depreciation at 30 April	<u>42,087</u>	<u>8,224</u>	<u>311</u>	<u>0</u>
Carrying amount at 30 April	<u>12,718</u>	<u>2,107</u>	<u>123</u>	<u>755</u>
Amortised over	<u>3-5 years</u>	<u>3-5 years</u>	<u>5-10 years</u>	
Including assets under finance leases amounting to	<u>151</u>	<u>0</u>	<u>0</u>	<u>0</u>

Notes to the Financial Statements

	Parent company	
	2023/24	2022/23
	TDKK	TDKK
6. Investments in subsidiaries		
Cost at 1 May	339,550	338,800
Additions for the year	0	750
Cost at 30 April	<u>339,550</u>	<u>339,550</u>
Value adjustments at 1 May	-10,263	-9,979
Exchange adjustment	-110	-477
Net profit/loss for the year	-1,292	-288
Fair value adjustment of hedging instruments for the year	142	481
Value adjustments at 30 April	<u>-11,523</u>	<u>-10,263</u>
Carrying amount at 30 April	<u>328,027</u>	<u>329,287</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Wonder BidCo A/S	Denmark	DKK 339,550,000	100%
Westpack A/S	Denmark	DKK 1,000,000	100%
Westpack Limited	Hong Kong	HKD 1	100%
Westpack Trading Ltd	China	RMB 1,000,000	100%

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
7. Inventories				
Raw materials and consumables	10,848	10,724	0	0
Work in progress	3,892	4,910	0	0
Finished goods and goods for resale	67,253	68,716	0	0
Prepayments for goods	217	526	0	0
	<u>82,210</u>	<u>84,876</u>	<u>0</u>	<u>0</u>

Notes to the Financial Statements

Group		Parent company	
2023/24	2022/23	2023/24	2022/23
TDKK	TDKK	TDKK	TDKK

8. Derivative financial instruments

Derivative financial instruments contracts in the form of forward exchange contracts have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

Assets	79	0	0	0
Liabilities	0	103	0	0

Forward exchange contracts have been concluded to hedge future sale of goods in SEK and costs of sales in CNH. At the balance sheet date, the fair value of the forward exchange contracts amounts to TDKK 79. Sale of goods in SEK of TDKK 12.000 and costs of sales in CNH of TDKK 7.000 have been hedged. The forward exchange contracts have a maturity of 0 - 12 months.

		Value adjustment, equity	Fair value at 30. April
		TDKK	TDKK
Forward exchange contracts		182	79

9. Share capital

The share capital consists of 340,222,222 shares of a nominal value of TDKK 340,222. No shares carry any special rights.

Group		Parent company	
2023/24	2022/23	2023/24	2022/23
TDKK	TDKK	TDKK	TDKK

10. Provision for deferred tax

Deferred tax liabilities at 1 May	2,159	2,578	0	0
Amounts recognised in the income statement for the year	-453	-419	0	0
Deferred tax liabilities at 30 April	1,706	2,159	0	0

Notes to the Financial Statements

Group		Parent company	
2023/24	2022/23	2023/24	2022/23
TDKK	TDKK	TDKK	TDKK

11. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Credit institutions

After 5 years	0	0	0	0
Between 1 and 5 years	159,100	182,094	0	0
Long-term part	159,100	182,094	0	0
Within 1 year	13,700	23,700	0	0
Other short-term debt to credit institutions	375	332	0	0
	173,175	206,126	0	0

Lease obligations

After 5 years	0	0	0	0
Between 1 and 5 years	0	498	0	0
Long-term part	0	498	0	0
Within 1 year	498	244	0	0
	498	742	0	0

Group	
2023/24	2022/23
TDKK	TDKK

12. Cash flow statement - Adjustments

Financial income	-676	-536
Financial expenses	17,358	16,038
Depreciation, amortisation and impairment losses, including losses and gains on sales	33,294	32,611
Tax on profit/loss for the year	6,923	6,855
Exchange adjustments	-110	-477
	56,789	54,491

Notes to the Financial Statements

	Group	
	2023/24	2022/23
	TDKK	TDKK
13. Cash flow statement - Change in working capital		
Change in inventories	2,666	14,386
Change in receivables	-2,382	8,709
Change in trade payables, etc	6,596	-10,847
Fair value adjustments of hedging instruments	182	617
	<u>7,062</u>	<u>12,865</u>

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	TDKK	TDKK	TDKK	TDKK
14. Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	392	374	0	0
Between 1 and 5 years	129	157	0	0
	<u>521</u>	<u>531</u>	<u>0</u>	<u>0</u>
Rental obligations, period of non-terminability 124 months (136 months)	60,264	63,857	0	0
Rental obligations, period of non-terminability 18 months	1,019	0	0	0

Other contingent liabilities

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

Notes to the Financial Statements

15. Related parties

	<u>Basis</u>
Controlling interest	
Sileda VIII Group AB, Regeringsgatan 20, 111 53 Stockholm, Sverige	Ultimate Parent Company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

16. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

17. Accounting policies

The Annual Report of Wonder HoldCo A/S for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023/24 are presented in TDKK.

Changes in accounting policies

In the annual report for 2022/23 amortisation of goodwill were presented as distribution expenses but should have been presented as administrative expenses. The changed presentation is incorporated in the annual report for 2023/24. The total net effect on the comparative figures is an increase in administrative expenses of TDKK 25,330 and a decrease in distribution expenses of TDKK 25,330. The balance sheet and cash flow of the company have not been affected.

Recognition and measurement

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

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

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

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

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Wonder HoldCo A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

Notes to the Financial Statements

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

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

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

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Notes to the Financial Statements

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Production expenses

Production expenses comprise costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Gross profit

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

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

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

Tax on profit/loss for the year

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

Notes to the Financial Statements

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 20 year.

Useful life is determined based on an assessment of the extent to which the enterprises are acquired for strategic purposes and have a significant market position and long-term earnings profile. Useful life is reassessed annually. The amortisation periods constitute 20 years.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 3 year.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	3-5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

Notes to the Financial Statements

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

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

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

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

Financial liabilities

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

Notes to the Financial Statements

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

Cash Flow Statement

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise .

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$