



ROSENDAHL
DESIGN GROUP

Annual Report 2023



Approved at the company General Assembly, May 27 2024

Jimmi King Mortensen, Chairperson

Rosendahl Design Group A/S
Business reg. no. 52 84 31 11
Slotsmarken 1, DK, 2970 Hørsholm



ROSENDAHL DESIGN GROUP A/S

Slotsmarken 1
2970 Hørsholm
Denmark

CVR-nr. 52843111 (registration
number with the Danish Central
Business Register)

FINANCIAL YEAR

01.01.2023 – 31.12.2023

BOARD OF DIRECTORS

Jimmi King Mortensen, Chairperson
Nille Skalts
Kim Balle
Mikael Kruse Jensen

EXECUTIVE MANAGEMENT

Henrik Rosendahl, CEO
Lisbeth Dau, CFO

INDEPENDENT AUDITORS

Deloitte Statsautoriseret
Revisionspartnerselskab
Weidekampsgade 6
2300 København S
Denmark

Further information available on
Rosendahl Design Group's website:
www.rosendahl.com



Rosendahl Design Group at a Glance

ICONIC DANISH DESIGN

As an international design house, Rosendahl Design Group is home to a unique portfolio of eight iconic brands and a vast range of products that people all over the world use and treasure every day.

Featuring both timeless masterpieces and modern classics, our brands honor the Danish design tradition and make quality design available to the many.

Through two generations, the Rosendahl family has preserved, developed and rediscovered Danish design icons in collaboration with leading designers.

ROSENDAHL



JUNA

ARNE JACOBSEN
 CLOCKS



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Management's Review



ROSENDAHL
DESIGN GROUP

Words from our Owner

Successfully
obtaining priority
targets, while
navigating macro-
economic challenges



Proving to be yet a turbulent year from a macroeconomic viewpoint, 2023 did not live up to our expectations. In spite of exiting products, successful collaborations, and a significant reduction in stock, the macroeconomic trends have had a major impact on our financial results. War in several regions, pressure on the Nordic currencies, continued high interest rates, and a shift from home economics to the experience economy have not gone unnoticed by the company. However, we have approached the difficult times as a welcome opportunity to improve our internal processes and our business principles in general, and we look to the future with cautious yet more optimistic eyes.

In 2023, Rosendahl Design Group incl. subsidiaries in Norway, Sweden, Germany, China, and the US reported a total turnover of DKK 464 M. Operating profit before depreciation and amortization, EBITDA, was DKK 21 M while total loss for the year ended at DKK 16,8 M.

While still expecting challenging macroeconomic influences in the upcoming year, a healthier stock level as well as focus on procurement and tight management of our supply chain, an agile organization, lower financial costs, and a more robust capital structure shall contribute to bringing us positively through 2024. We remain fully focused on our strategy and long term ambitions.

RETURNING TO THE DAILY BUSINESS

On a personal level, returning to the company as CEO in June 2023 after three years as Chairperson of the Board, has been a significant decision. It has been rewarding to refamiliarize myself with all aspects of the business, the organization, and our brands after my time away from the daily business. I have been granted the opportunity to see the business from the outside and have returned with new ways, views, and ideas that I look forward to continue working on in the coming year.

RESPONSIBLY INTO THE FUTURE

Throughout 2023, large efforts have been invested in obtaining B Corp-certification, which we are proud to say was accomplished in the beginning of 2024. We are well underway with the preparations for CSRD compliance and benefiting positively from the synergies between the B Corp framework and the CSRD reporting requirements.

In 2023, we have changed our Articles of Association to reflect our societal ambition, which is to bring Danish design traditions responsibly into the future. It is now part of the formal purpose of the company to have a significant positive impact on society and the environment as a whole.

In view of this, it has so far been one of our greatest accomplishments this year to obtain our B Corp certification. The certification is based on a holistic view of the company and shows our commitment to responsible business conduct with regards to social and environmental performance as well as transparency.

With this certification we have become part of a global movement of businesses dedicated to building a better world. I am convinced that we are on the right path, and we take pride in dedicating time and resources to find ever better ways to manufacture our beautiful products with respect of both nature and people.

I am thankful to our organization for adopting these aspirations wholeheartedly and for investing their time and skills into a socially conscious, while still economically responsible, business model. It is my personal hope that our efforts will inspire others to act responsibly and work for a better world while pursuing their respective business goals.

LOOKING AHEAD

We continue to execute our defined strategic priorities. The further development of our e-commerce platform, which was launched in 2022, continues successfully, the Swedish market is doing very well in spite of the macroeconomic situation, and our youngest market, North America, is growing steadily.

Major strategic projects within procurement, S&OP and brand strategy have been established in the second half of 2023 and continue with full force into 2024 with the ambition to ensure a positive financial result in 2024.

While still expecting challenging times, Rosendahl Design Group is looking towards 2024 with the confidence that our new and improved processes will better equip us to face a rapidly fluctuating market. We approach the coming year with an adjusted cost base, reduced stock, and strong projects that will further shape the business for the unpredictable market conditions of the future. As such, we enter 2024 with an improved financial structure as well as with a new financial agreement which supports both operations and working capital. With our iconic brand portfolio, exiting new products, and our societal ambition as a guiding principle, we look to the future with both confidence and faith.

I wish to thank everyone involved with Rosendahl Design Group for their dedication and co-operation in 2023.

Henrik Rosendahl
CEO and owner, Rosendahl Design Group

Our Business



As one of Denmark's leading and most influential design houses with activities across the globe, our mission is to share Danish design with the world by preserving Danish design classics as well as developing new, original, and long-lasting designs. With eight iconic, yet contemporary, brands to play with, we have the perfect conditions for doing just that.

In close collaboration with leading designers and artists, whether historic or active, we bring to life timeless, innovative, and beautiful designs. Our collections offer something for every taste and generously support our purpose to promote Danish design to the many and for generations to come.

Being a B Corp company, we embrace the challenge to develop and manufacture more responsibly and bring Danish design responsibly into the future, and we take pride in creating an attractive workplace for our employees.

MISSION

WE PRESERVE
AND DEVELOP
DANISH DESIGN
ICONS TO MAKE
THEM AVAILABLE
FOR THE MANY

SOCIAL AMBITION

WE BRING
DANISH DESIGN
TRADITIONS
RESPONSIBLY
INTO THE
FUTURE

Our Heritage

A Danish Design Adventure

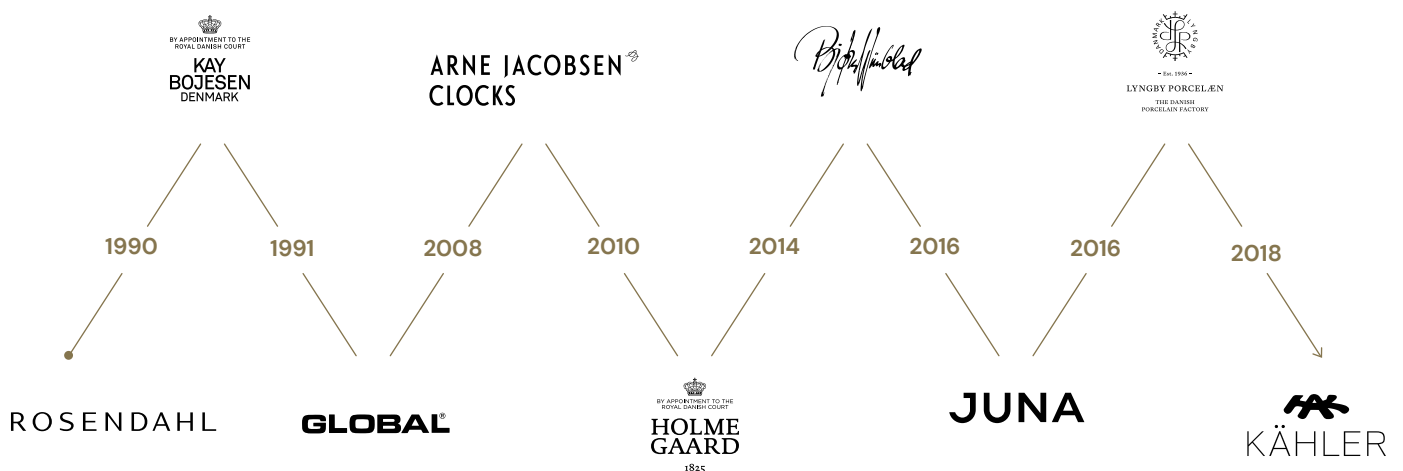
The story of Rosendahl Design Group dates back to 1984, when the industrious Erik Rosendahl founded our company. What began as an agency for foreign brands in Denmark has over the years transformed into one of the largest Danish-owned design houses focusing on iconic Danish design. The journey of the value driven design house continues under the leadership of Henrik Rosendahl, second generation in the Rosendahl family business.

Innovation, creativity and respect for the Danish design tradition remain the cornerstones of Rosendahl Design Group. We take pride in good craftsmanship, long lasting design and sustainable operations. We are proud to bring value to our customers by presenting a brand portfolio that includes beloved design classics as well as exciting new and innovative lifestyle products for the home.



Henrik Rosendahl, CEO and owner, Rosendahl Design Group

Erik Rosendahl (1936-2022), Founder of Rosendahl Design Group





Our Responsibility Strategy

OUR RESPONSIBILITY REACHES TO EVERY AREA OF OUR BUSINESS

Based on our social ambition, we have charted a strategy for our responsibility efforts. The wheel illustrates a 360-degree view on the efforts covered by the responsibility area in Rosendahl Design Group, influencing the different stakeholders around and in the company. We are responsible for our employees, and together we take responsibility for our engagement with customers, partners, local community, and the environment. The structure of the strategy is built upon, and closely linked to, the B Corp framework.

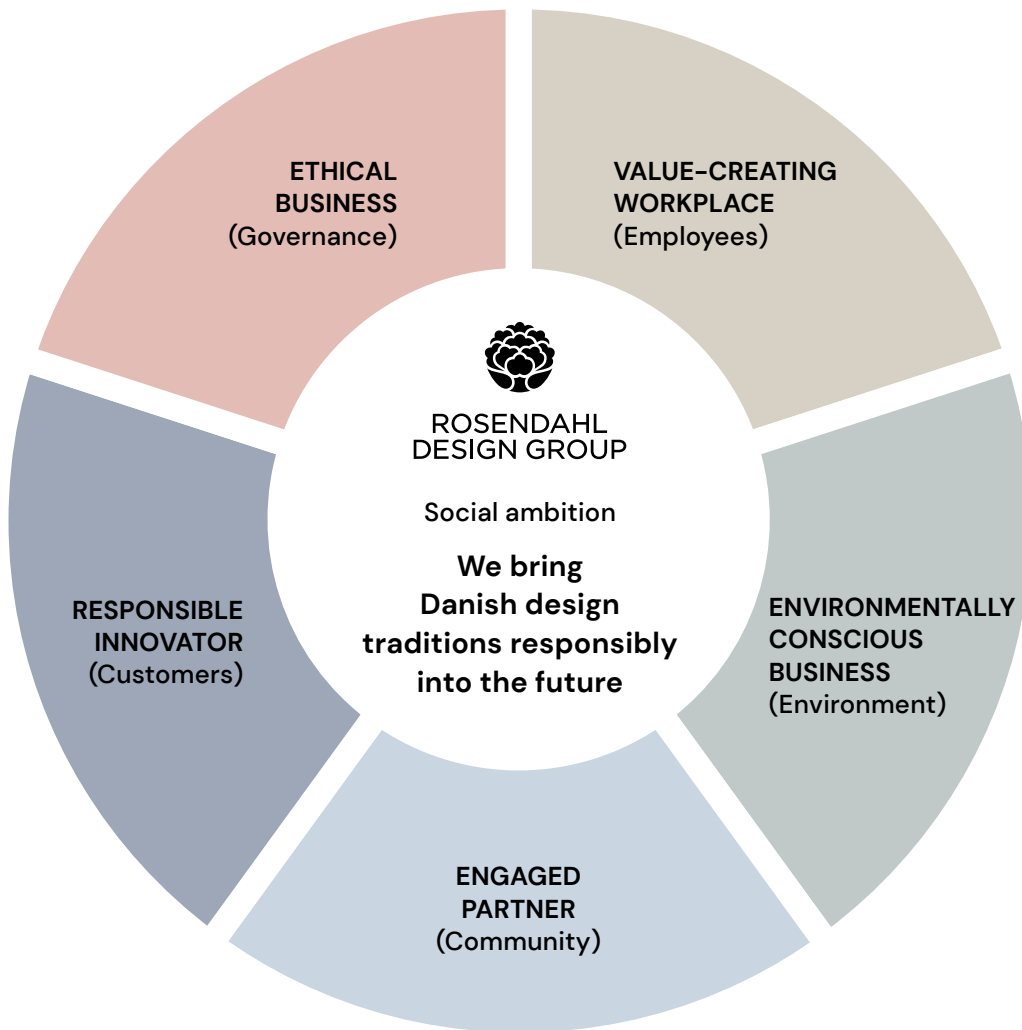


FIGURE 1
RESPONSIBILITY STRATEGY FRAMEWORK

STRATEGIC LINES OF ACTION BASED
ON OUR SOCIAL AMBITION

We bring Danish design traditions responsibly into the future

ETHICAL BUSINESS

1. Operating our business responsibly is priority one.
2. We are transparent in everything we do.

VALUE-CREATING WORKPLACE

3. Our social ambition inspires each of us to make a difference in our everyday work.
4. We prioritize development, learning and diversity.

ENVIRONMENTALLY CONSCIOUS BUSINESS

5. We strive to minimize the footprint of our collective activities.
6. We are working to drive our industry in a more environmentally conscious direction.

ENGAGED PARTNER

7. We take action to make our value chain more responsible.
8. We are an active and positive contributor in the local community.

RESPONSIBLE INNOVATOR

9. We represent renewal and innovation of Danish design traditions.
10. We make it easier to act responsibly.

How We Design

Our Design Principles

Rosendahl Design Group's design principles guide us in developing new products. They help us focus on the right things when developing designs that last for generations. They serve as a "positive resistance" that unleashes our creativity in a focused way, ensuring that we bring Danish design responsibly into the future.

During 2024 the design principles will become deeply embedded within the brand strategies for each of our eight brands, as we revisit and strengthen the brand strategy for each brand individually, interpreting the principles in each brand context.

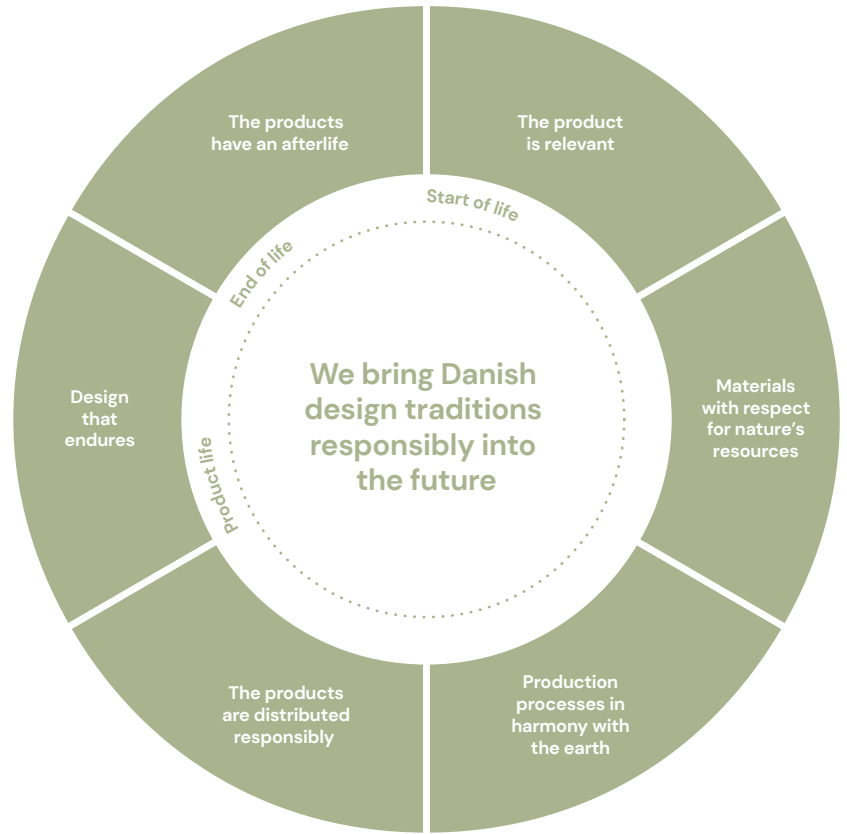


FIGURE 2
ROSENDAHL DESIGN GROUP DESIGN PRINCIPLES





2023 in numbers

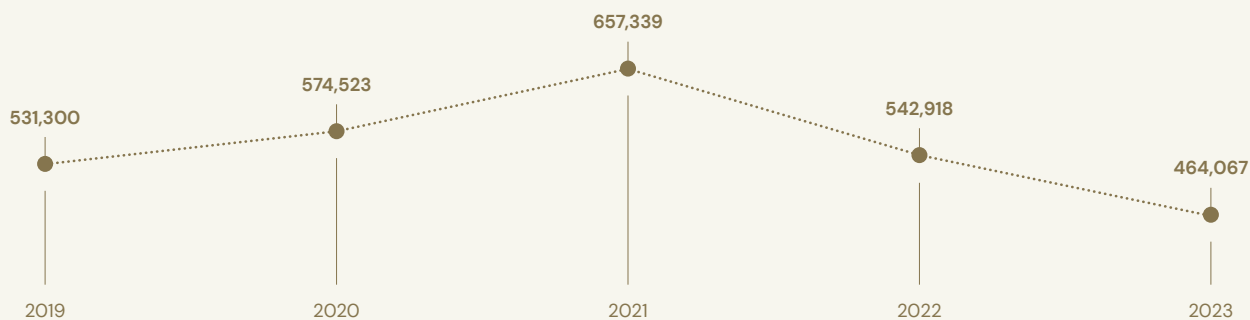
REVENUE
2023

464,067

EBITDA
2023

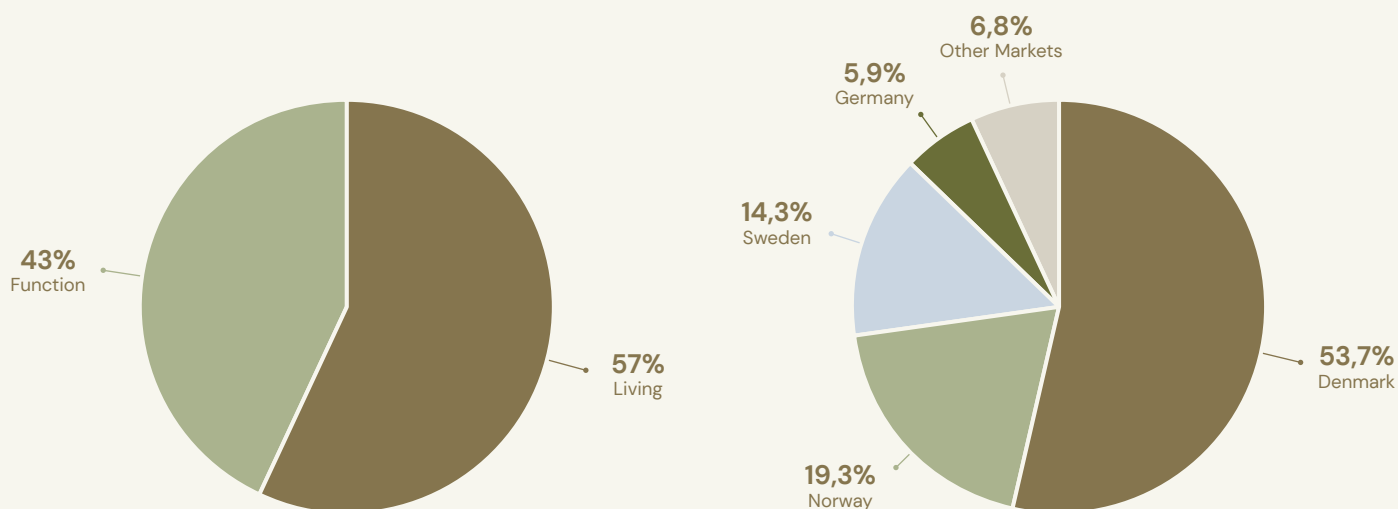
21,098

YEAR-ON-YEAR DEVELOPMENT IN REVENUE
2018-2022



DISTRIBUTION OF SALES

The distribution of revenue based on activities and geographical markets



Financial key figures

	2023 DKK'000	2022 DKK'000	2021 DKK'000	2020 DKK'000
Key figures				
Revenue	464,067	542,918	657,339	574,523
Gross profit/loss	110,859	131,016	197,033	144,893
EBITDA	21,098	31,886	103,333	44,011
Operating profit/loss	1,029	12,531	84,838	25,125
Net financials	(23,176)	(14,763)	2,121	(8,358)
Profit/loss for the year	(16,761)	(2,381)	67,326	12,704
Profit for the year excl. minority interests	(14,673)	(1,518)	67,326	12,704
Balance sheet total	530,755	679,098	629,520	655,492
Investments in property, plant and equipment	3,845	2,076	3,064	4,087
Equity	226,972	244,001	272,149	207,465
Equity excl. minority interests	229,505	244,446	272,149	207,465
Cash flows from operating activities	112,311	(103,213)	81,372	64,637
Cash flows from investing activities	(7,001)	(13,955)	(12,221)	(6,786)
Cash flows from financing activities	(108,575)	110,255	(91,942)	37,159
Ratios				
Gross margin (%)	23.89	24.13	29.97	25.22
EBITDA margin (%)	4.55	5.87	15.72	7.66
Net margin (%)	(3.61)	(0.44)	10.24	2.21
Return on equity (%)	(6.19)	(0.59)	28.08	12.25
Equity ratio (%)	43.24	36.00	43.23	31.65

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

$$\text{Gross margin (\%):} \\ \frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$$

$$\text{EBITDA margin (\%):} \\ \frac{\text{EBITDA} * 100}{\text{Revenue}}$$

$$\text{Net margin (\%):} \\ \frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$$

$$\text{Return on equity (\%):} \\ \frac{\text{Profit/loss for the year excl. minority interests} * 100}{\text{Average equity excl. minority interests}}$$

$$\text{Equity ratio (\%):} \\ \frac{\text{Equity excl. minority interests} * 100}{\text{Balance sheet total}}$$



Primary Activities

Rosendahl Design Group is among Denmark's leading design houses with eight well-known brands, activities in many countries, and a turnover of approximately DKK 500 M. Our mission is to ensure the continuity of Danish design classics and to develop new designs and distribute them throughout our selected markets.

Our products are sold through wholesale and retail trade partners, and increasingly through our own online platform to thousands of end consumers each year. We have an outlet store in Ringsted, Denmark, dedicated to the sale of discontinued products. We export Danish design primarily to Scandinavia and Northern Europe as well as to Japan and the United States. The majority of our revenue is generated in Denmark (54% in 2023), while Norway as our largest export market accounts for 20% of our revenue in 2023. Sweden, Germany and the US remain our additional focus markets.

The company has sales companies in Norway, Sweden, Germany, the US and China. Rosendahl Design Group's sister company, RDG Property ApS, primarily manages the company's facilities in Hørsholm, Denmark.

Development in Activities and Finances

2023 proved to be a year that, in essence, followed the downwards tendencies of the second half of 2022. The entire year of 2023 was heavily influenced by the effects on the global economy following first the continuance of the Russian aggression in Ukraine and later the intensified conflict between Israel and Hamas in the Middle East. Conflicts with enormous impact on the International trade and supply chains, and which have both directly influenced important financial factors such as inflation, rising interest rates, currency stability, and consumer behavior. For Rosendahl Design Group, heavily increased interest rates have had a significant effect on this year's financial result. The same applies to currency fluctuations – not least the rising dollar against the fall in Norwegian and Swedish currencies, creating a perfect storm between our purchase currency and our billing currency. At the end of the year, increased freight rates and delay on goods have incurred as a result of the Houthi attacks in the Red Sea.

Closer to home, consolidations, store closures, and bankruptcy among retail customers in core markets continue to influence turnover in the Scandinavian markets. Consumers remain cautious, and consumption seems focused around fast moving consumer goods and the experience industry.

While performing according to budget for most of the year, Christmas sales dropped unexpectedly, most likely due to the escalation of war in the Middle East in late October and the following drop in consumer confidence. Combined with a cautious purchase strategy that resulted in stock shortage on certain goods at the end of the year, the last two months of 2023 contributed significantly to the disappointing result.

Rosendahl Design Group finished the year with a result significantly lower than expected, however – on a positive note – also with a heavily reduced stock level while we enter 2024 with a more robust capital structure, a new bank agreement and a positive outlook to the future.

THE 2023 RESULT

Based on the tendencies in the second half of 2022, projections by Rosendahl Design Group were that both revenue and EBITDA decrease slightly compared to 2022. Total turnover was expected in the region of DKK 500 M and an EBITDA around 6%. Rosendahl finished the year with a revenue of DKK 464 M, while EBITDA ended at DKK 21 M.

The factors influencing the 2023 result adversely were many; failing Christmas sales, significant increases in the company's interest rates, increases in freight rates, and increased commodity prices. Combined with an unusual pressure on prices due to large stocks in the market in general as well as increased cost prices due to last year's challenged supply chains, our margins suffered. Despite hedging, it has not been possible to cover the full risk on the increase in the dollar.

Solvency and working capital are both improved during 2023 as a consequence of the reduction of our stock with approximately DKK 100 M.

Our focus for the coming year is continued improvement of working capital and cash flow through tight planning of procurement and a strong focus on turnover rate and trading conditions.

Overall the capital structure is sufficiently robust and our focus remain on profitable growth, improved efficiency and better cash conversion.



Outlook

The macroeconomic situation remains challenged due to war in several regions, inflation, and high interest rates. Consumer confidence and consumption in Rosendahl Design Group's sector remains equally low, and we expect the entire 2024 to be challenging as well.

That said, Rosendahl Design Group succeeded in accomplishing its priority target of reducing its stock level with approximately DKK 100 M over the year, thus laying the ground for its new strategic projects within procurement, planning and brand strategy. We detect a highly positive performance on our own online platform indicating that consumer trust may be on the rise, and we are cautiously optimistic about the increase in priority markets such as Sweden and the US. In the US, we have had a successful startup, overcoming initial difficulties and are now in place with a fully functional team as well as having landed important and attractive key accounts. All in all, positive groundwork is laid for a possible upscale of operations in 2024.

Although adopting a conservative and cautious approach, we expect 2024 to be a year where we develop the groundwork for future growth, and not least where we turn the negative results of the previous two years into a positive result corresponding with the company's long history of solidity and profit.

We have planned a slightly increase in turnover and expect the year to end around DKK 480–490 M, however, as the result of significant cost reductions as well as strategic projects in terms of procurement and planning, we expect an EBITDA around 6–8% and a positive result of DKK 6–8 M.

Risks

Rosendahl Design Group is exposed to a wide range of generic financial and non-financial risks and opportunities. The application of a holistic risk management approach is therefore an important management tool for Rosendahl Design Group.

PRODUCT FAILURE

An extensive and widespread supply chain distributed over large parts of the world increases the risk of product failure. Therefore, Rosendahl Design Group works systematically to ensure that all our products can be used without any risk to end users. Risk assessments are conducted on all new products, initiating tests where relevant and necessary e.g. testing for harmful chemical residues. Our products are systematically tested for health hazardous substances, we regularly carry out unannounced checks in production facilities and submit declarations of conformity under Danish and international legislation for products that come in contact with food. Furthermore, in-line and final inspections are conducted to make sure that no technical product failures arise. There have been no product recalls during 2023.

ENVIRONMENT AND CLIMATE

At Rosendahl Design Group we work long-term and systematically on reducing our environmental impact and ensuring environmental responsibility and accountability in our supply chain. The production of goods can affect the environment in several different ways, including CO₂e emissions from energy-intensive production or in connection with improper handling, mismanagement or inappropriate disposal of production waste, chemicals, and other harmful substances.

We strive to always work in accordance with existing and internationally recognized environmental standards and principles that fully or partially apply to liability for the environment and climate. These are among other the UN Global Compact principles, Greenhouse Gas Protocol for climate reporting and the regulations within REACH and WEEE. These guidelines contribute to our systematic work, ensuring that both our activities are carried out responsibly in relation to the environment and climate.

SOCIALLY RESPONSIBLE SUPPLY CHAIN

With production in many different parts of the world, we as a company have a responsibility to ensure the respect of human rights and fair working conditions throughout our supply chain. We have a code of conduct, shared with, and signed by, all our product suppliers, covering, among other areas, human rights, and labour rights. Furthermore, all suppliers in risk-classified countries are subject to yearly audits by a third-party audit company. The audit report provides an insight in the working conditions in the factories and enables us to initiate improvements, where necessary, based on audit results.

AGREEMENTS RESTRICTING COMPETITION

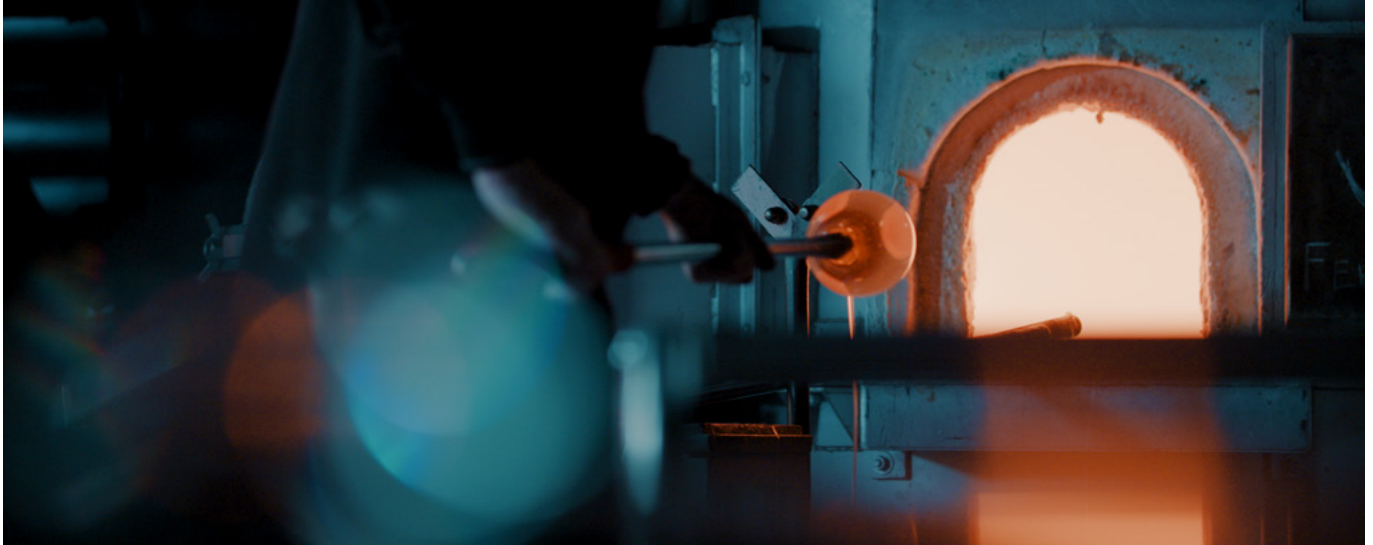
A competitive market with strong, consolidated retailers increases the risk of anti-competitive practices such as price agreements. Rosendahl Design Group takes an active approach against such risks by conducting compliance programs, reviewing contracts, upholding Chinese walls between sales channels, and implementing value based business practices.

INCREASED COMPLIANCE REQUIREMENTS

Increased requirements in the fields of GDPR, marketing law and equivalent regulated areas increase the risk of violations. Rosendahl Design Group has implemented designated software to manage procedures, documentation and agreements as well as adopted compliance policies and guidelines within all relevant topics.

REPUTATION

It is of significant importance to Rosendahl Design Group that we act ethically and socially responsible and that our practices and agreements are respectful of environmental and social considerations. Being a C Corp certified company goes hand in hand with this ambition and is further supported by the adoption of a social and environmental obligation in our Articles of Association. We strive to continuously improve the company's reputation so that we remain a trusted business partner, an attractive supplier to the consumer, and a preferred place to work.



Financial Risks

Rosendahl Design Group's financial risks include interest and exchange rate risks.

Manufacturing and distribution of consumer products through wholesale and retail trade is a liquidity-intensive industry, as most of the raw material and manufactured goods purchases are to be ordered well in advance and paid with short payment terms, while the customer side is characterised by normal and often long payment terms. Rosendahl Design Group forecast to have sufficient credit facilities that can accommodate the fluctuations that occur in day-to-day operations and the seasonal peaks, and that within these facilities Rosendahl Design Group has sufficient reserves to account for unforeseen liquidity needs.

Production and procurement takes place primarily outside of Denmark, and a significant part of the company group's turnover is export generated and settled in foreign currencies. Thus, the company is exposed to ongoing fluctuations in exchange rates, which impact both profit and cash flows. The currently unstable situation in large parts of the world, causing shipping routes to change and delays in deliveries, may influence the stability of our supply chain. It calls for an agile and robust supply chain suited to counter the fluctuations in logistics.

The unstable financial situation in our home markets increase the risk of losses on debtors. The company pursues a strict policy and has appropriate processes in place to mitigate that risk to the best of our abilities.

Ongoing hedging is carried out to limit risks on currency fluctuations. Macroeconomic trends in 2024 are still expected to cause significant fluctuations in currencies to which the company is exposed, as has been the case the previous years. The company's risks and uncertainties are expected to remain on the same level as in 2023 despite ongoing hedging, influencing both profit and cash flow.

Events after the balance sheet date

No subsequent events have occurred that affect the annual report for 2023.



ESG Reporting

2023



ROSENDAHL
DESIGN GROUP

Double materiality

A two-sided perspective

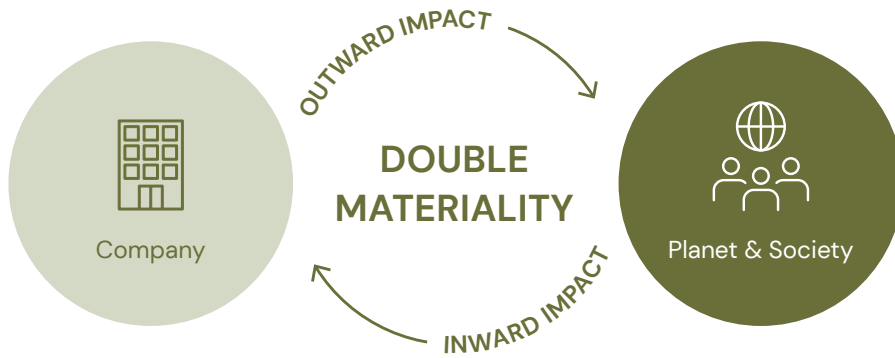


FIGURE 3
DOUBLE MATERIALITY

Double materiality is one of the cornerstones in the coming European Corporate Sustainability Reporting Directive (CSRD). Due to the size and turnover of Rosendahl Design Group, we are not required to comply with the CSRD until reporting year 2025, but the requirements are extensive, and we have therefore started preparing already. The Double Materiality Assessment presented in this report is a step towards aligning with

the coming legislation and the European Sustainability Reporting Standard (ESRS), as well as identifying any data gaps according to the standard.

The double materiality assessment takes the full value chain into consideration, an overview of the Rosendahl Design Group value chain can be seen on the next page.



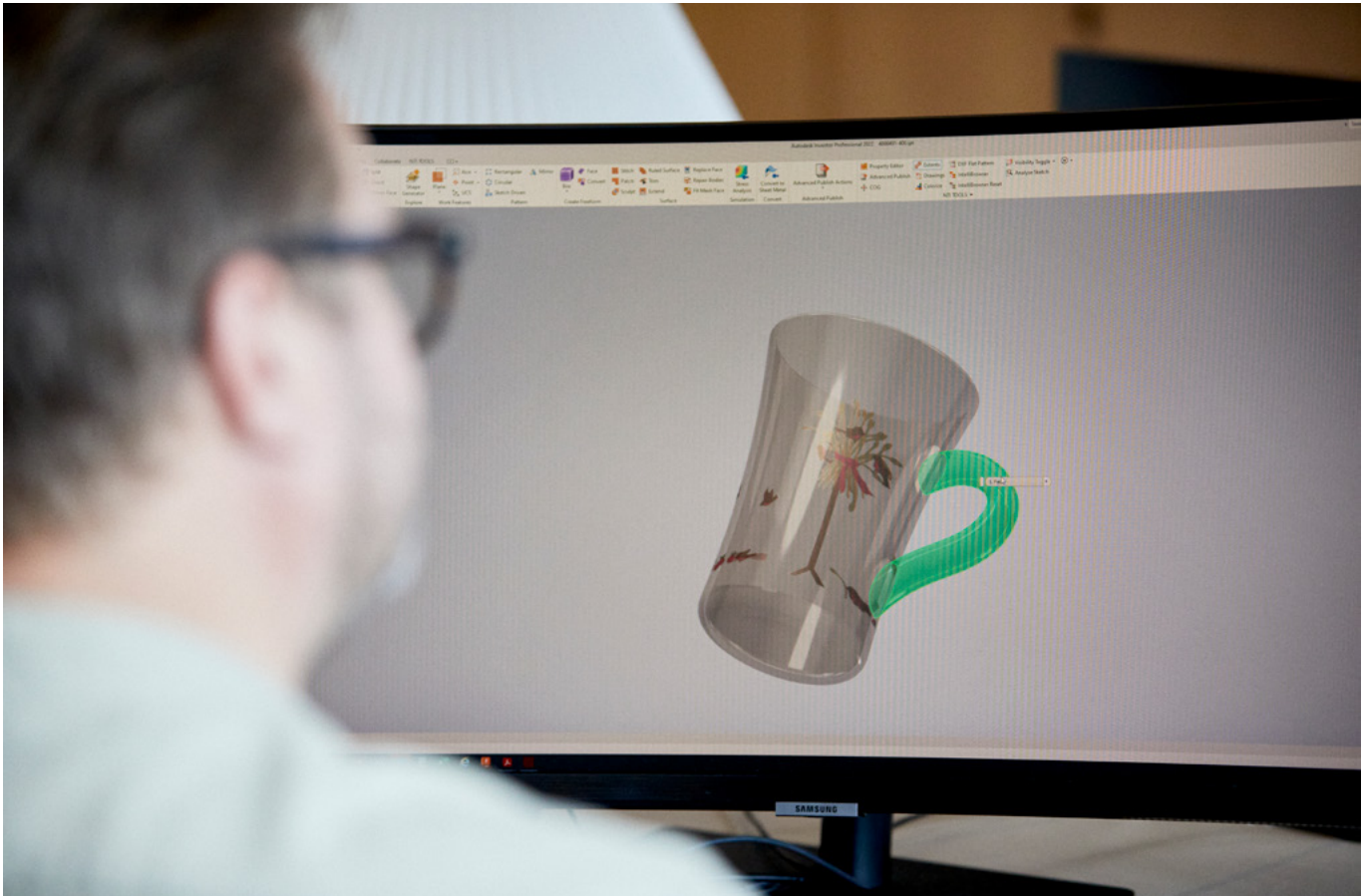
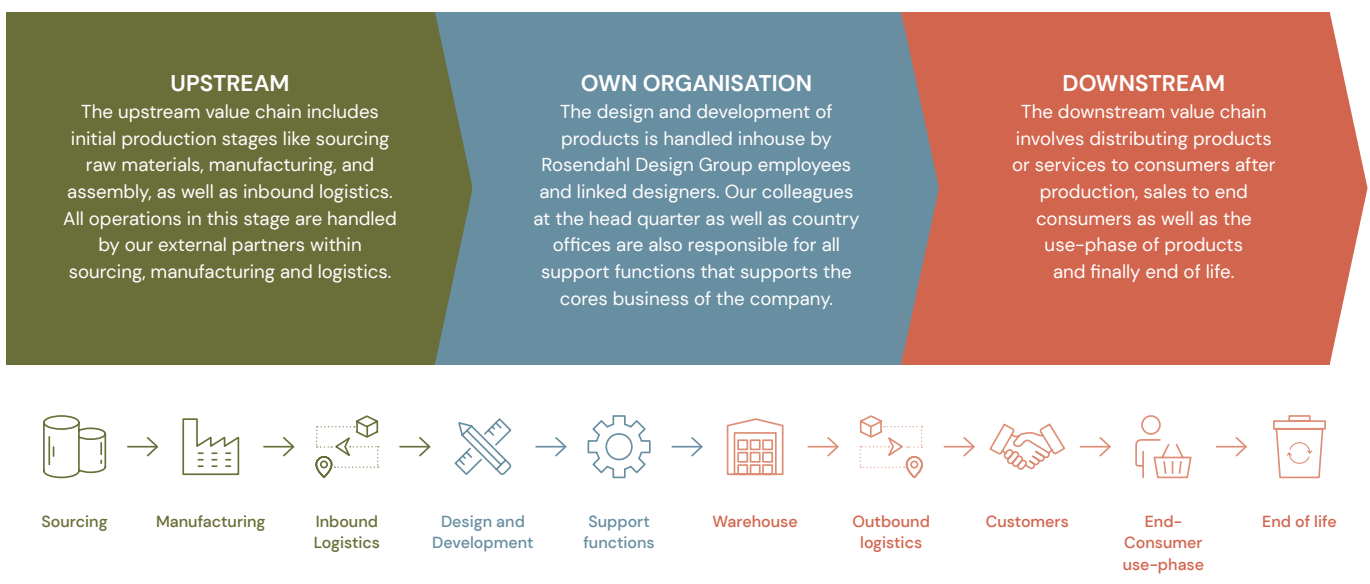


FIGURE 4
 ROSENDAHL DESIGN GROUP VALUE CHAIN



MATERIALITY ASSESSMENT

The double materiality assessment is a work in progress. We aim for the assessment to be fully compliant with the CSRD for reporting year 2024. New to this year's assessment is the involvement of a few external stakeholders via interviews (customers and suppliers) as well as internal stakeholders (employees) via survey.

Scoring is based on a mix of internal data, secondary data sources, assumptions, and stakeholder input. We will build upon the existing assessment, improving actual impact data as well as the process in quality and scale in the years to come.

The visual material matrix in figure 5 shows the identified material topics, ranked from low to high, impact and financial materiality presented on each axis.

STAKEHOLDER ENGAGEMENT

The views of some of our most important stakeholders have been integrated into this year's double materiality assessment. We have conducted interviews with 3 of our largest suppliers, 5 of our largest customers, and a survey among our employees.

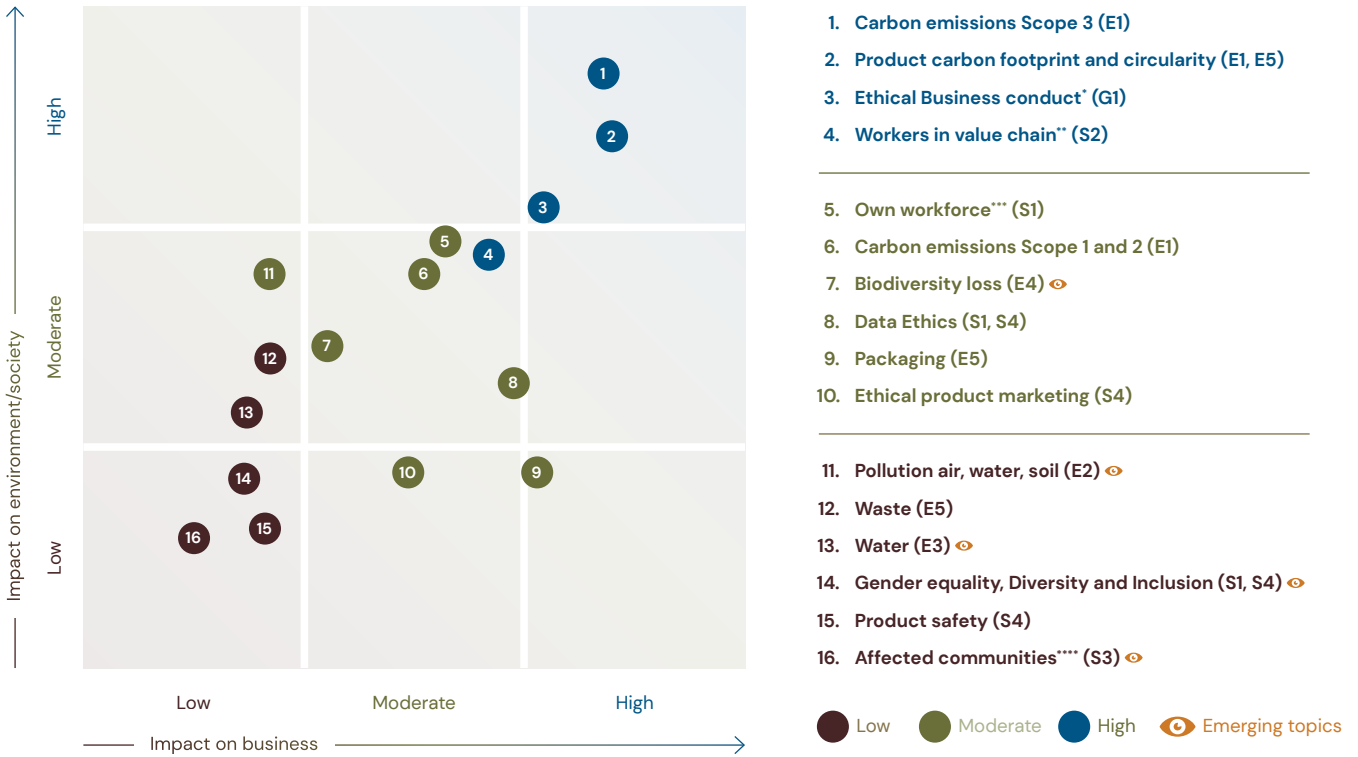
We see the interviews with customers and suppliers as a first step towards a deeper dialogue regarding ESG moving forward, building on the already conducted interviews as well as including more suppliers and customers in 2024.

Conducting the internal survey among employees has also taught us that ESG is a complicated topic and the need to simplify it is high in order to obtain relevant input. We will therefore improve the design of an internal survey until next time with the aim of getting more colleagues engaged in answering and contributing with their input to the assessment.

Nevertheless, the stakeholder interviews and the answers collected via the survey all highlighted climate change and carbon footprint related to products and energy as being the most important topics, followed by the topics related to workers in our supply chain including labour rights and health and safety.



FIGURE 5
MATERIALITY ASSESSMENT OUTCOME



TOP 4 MATERIAL TOPICS:	MITIGATION ACTIONS AND TARGETS	READ MORE:
1. Carbon emissions Scope 3 (E1)	During 2024 we will set a carbon emission reduction target and develop carbon emission reduction action plan in 2024. Supplier interview and dialogue will continue in the coming year to identify partnerships related to reduction.	p. 36
2. Product Carbon Footprint and circularity (E1, E5)	We aim to conduct lifecycle assessments on 100% of current assortment in 2024 and conduct analysis on materials and categories to identify the most material categories related to product carbon emissions.	p. 36
3. Ethical Business conduct (G1)	By becoming B Corp certified we are committed to continuous improvement. We will focus on the 4 most material topics listed here. During 2024 we will revisit and build upon our current Sustainability action plan making sure that we stay focused where it matters the most and aligning it with our B Corp commitment.	p. 10-12
4. Workers in value chain (S2)	We will continue our work with supplier CoC, and audits are of high priority, as this is a continuous work. Living wages and Working hours will be the primary topics to address during 2024, developing policies and engaging in dialogue with suppliers and industry peers.	p. 40-42

* Includes business ethic and company values, Management of supplier relations, Corruption and bribery, Political influence and lobbying

** Includes Secure employment, Living wages, Working hours, Migrant workers, Freedom of association, Health and safety, Discrimination, Child labour, Forced labour

*** Includes Secure employment, Adequate wages, Employee involvement/freedom of association, Working time, Work-life balance, Violence and harassment at workplace, Training and skills development, Health and safety

**** Includes Local communities, Indigenous people, Protection of whistleblowers, Animal welfare practices and Tax

ESG data 2023

	2022	2023
1 CO2 Absolute Scope 1 Emission	91.237 kg CO2e	87.836 kg CO2e
2 CO2 Absolute Scope 2 Emission	51.458 kg CO2e	196.757 kg CO2e
3 CO2 Absolute Scope 3 Emission	29.039.642 kg CO2e	13.147.749 kg CO2e
4 CO2 Total	29.182.337 kg CO2e	13.453.096 kg CO2e
5 Carbon Intensity	53.750,9 kg CO2e / MDKK	28.989,4 kg CO2e / MDKK
6 Energy Consumption	2.181 MWh	1799 MWh
7 Energy Intensity	0,004 kWh/DKK	0,004 kWh/DKK
8 Share Of Renewable Energy	50%*	40%*
9 Water Consumption	2.944,25 m3	2554,68 m3
10 Hazardous Waste	None	None
11 Recyclable Waste	63%	62%
12 Sickness Absence	2,2 %	1,6 %
13 Lost Time Injury Frequency	0	0
14 Employee Turnover	23,50%	30,88 %
15 Employee Satisfaction	23 (eNPS-score)	35 (eNPS-score)
16 Gender Diversity All Employees (female %)	70%	74 %
17 Gender Diversity Management (female %)	100%	86 %
18 Gender Diversity Other Management Levels (female %)	76%	72 %
19 Gender Diversity Board Of Directors	25%	25 %
20 CEO Pay Ratio	6,52	5,28
21 Gender Pay Ratio	5,43%	-1,91 %

* District heating used in Hørsholm office is not considered renewable in this case, as we lack data regarding the input mix for generating district heating in our area. Renewables are therefore the majority of electricity (not including warehouse nor outlet store in 2023) and wood pellets used for heating at the warehouse in Nakskov.

For further explanation of accounting principles, see p. 81-82.





ENVIRONMENT

We run a value-based, international design company with a focus on responsibility and sustainability. This means, for example, that we are working to ensure that our raw material extraction and production processes do not harm or damage the environment in the areas sourced from. The many products in Rosendahl Design Group's product range are produced from a variety of materials and our supply chain spans large parts of the world. We strive to continuously improve transparency in our supply chain, as well as in our own operations.

Our corporate responsibility for environmental impact has become more important for Rosendahl Design Group, as climate related challenges become more present. This includes our local impact at our own locations in Scandinavia, as well as the rest of the activities in our value chain. It is very clear that our Scope 3 emissions represent the largest environmental impact, with the majority stemming from the upstream activities in our value chain.

Climate Reporting

We have measured our carbon footprint for SCOPE 1, 2 and 3 following the Greenhouse Gas Protocol standard since 2020. We use the BEWO platform to register all data, and to calculate the CO2e emissions. Our Carbon report is a mix of supplier data, activity based data and spend based data. We aim to have more supplier and activity based data moving forward, to be able to actively work with reduction targets, and see the effect of these.

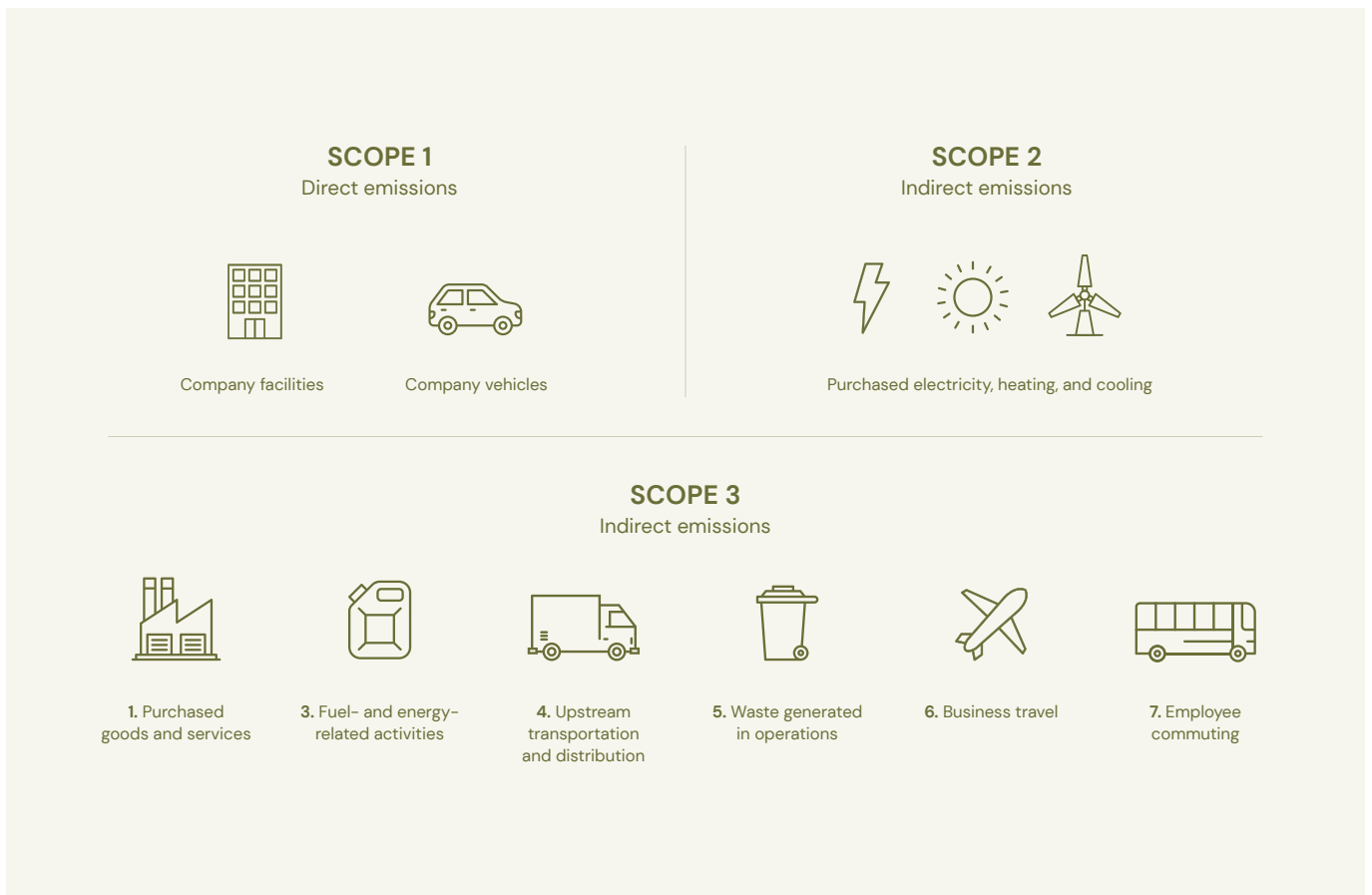
CARBON ACCOUNTING PRINCIPLES

The carbon footprint calculations of Rosendahl Design Group CO2e emissions are based on the internationally known Greenhouse Gas (GHG) Protocol. Rosendahl Design Group have used the Operational approach, which means that all entities for

which Rosendahl Design Group have operational control are included. The head office in Hørsholm, offices in Norway, Portugal and China, the Outlet in Ringsted Denmark, our joint venture in the US as well as the activities at the warehouse are all included in the carbon reporting.

According to the GHG protocol it is mandatory to report on SCOPE 1 and 2, while SCOPE 3 is voluntary. In the report of Rosendahl Design Group all 3 SCOPES are covered, and we have focused on the upstream activities of our supply chain by including the most relevant categories for our company, as well as one downstream category covering employee commuting emissions.

FIGURE 6
GHG CATEGORIES INCLUDED IN SCOPE 1, 2 AND 3.





WHAT IS INCLUDED IN SCOPE 1, 2 AND 3?

SCOPE 1 — covers on-site fossil fuel combustion and company car fleet fuel consumption. In our case this is our leased and owned company cars and trucks, as well as gas and wood pellets.

SCOPE 2 — includes all purchased energy for electricity, heating, and cooling. In our case this is electricity and district heating. The emissions for electricity are based on country specific electricity grid greenhouse gas emission factors, all calculated using the BEWO platform. The calculations for emissions caused by heating are based on direct data from HOFOR as well as DEFRA emission factors. Emissions for electricity are presented with a market-based approach as well as a location-based approach. The location-based approach presents the average emission-intensity of grids on which energy consumption occurs, while the market-based method reflects emissions from electricity that we have purposefully chosen to buy via green RECS certificates.

SCOPE 3 — includes the 6, out of 15 predefined categories, that are most relevant to Rosendahl Design Group.

- Category 1 is indirect emissions from purchased goods and services. The calculation is a mix of spend based input data combined with product emission data from Product Lifecycle Analysis calculation results. The category includes both direct and indirect spend.
- Category 3 covers fuel- and energy-related emissions that are not included in SCOPE 1 and 2. Such as emissions related to extraction, production and transportation of fuels and energy purchased.
- Category 4 is all transportation of goods to and from Rosendahl Design Group, covering both inbound and outbound transportation. It includes transport of samples to and from suppliers as well as finished goods from suppliers to the warehouse, and from warehouse to customers. Transports from our American joint venture Rosendahl Design Group US is excluded from this category, due to lack of data.
- Category 5 covers the waste generated in our own operations, at the head office and warehouse. The other locations are not included as data is not available.
- Category 6 is all business travel conducted. This includes taxi, train, ferry, flight, and km travelled in privately owned cars.
- Category 7 covers employee commuting. Including all Danish and Norwegian employees means of transportation used for transport to and from the head office in Hørsholm, Denmark, and sales office in Oslo, Norway.

Rosendahl Design Group CO2 emissions 2019, 2022, 2023

SCOPE / CATEGORY	2019 kg CO2e	2022 kg CO2e	2023 kg CO2e	Share	2023 vs. 2019 Change
SCOPE 1	176.627	91.237	87.836	0,72%	-50,3%
Fuel Combustion	42.664	7.394	4.390	0,04%	-89,7%
Company Vehicles	133.963	83.842	83.446	0,69%	-37,7%
SCOPE 2	306.317	51.458	196.843	1,62%	-35,7%
(Location-based)	154.242	94.024	171.202		11,0%
SCOPE 3	27.795.377	28.222.671	11.853.958	97,65%	-57,4%
1. Purchased goods and services	26.186.164	26.741.935	10.899.212	89,79%	-58,4%
1. Water	642	439	381	0,003%	-40,6%
3. Fuel-and energy-related activities	86.513	100.551	85.609	0,71%	-1,0%
4. Upstream transportation and distribution	1.107.521	1.149.695	670.547	5,52%	-39,5%
5. Waste generated in operations	5.480	5.799	2.806	0,02%	-48,8%
6. Business Travel	238.062	82.451	91.256	0,75%	-61,7%
7. Employee commuting	170.995	141.801	104.147	0,86%	-39,1%
TOTAL EMISSIONS	28.278.321	28.365.366	12.138.637	100,00%	-57,1%

REFERENCES FOR CONVERSION FACTORS

UK Government – Department for Environment, Food and Rural Affairs (DEFRA)
www.gov.uk/government/publications/green-house-gas-reporting-conversion-factors-2022

UK Government – Department for Environment, Food and Rural Affairs (DEFRA)
www.gov.uk/government/publications/green-house-gas-reporting-conversion-factors-2021

Danish Energy Agency
ens.dk/sites/ens.dk/files/Tilskud/co2-emissions-faktorer_og_standardenergipriser_15-01-2021.pdf

Carbon Footprint Ltd
www.carbonfootprint.com/docs/2022_01_emissions_factors_sources_for_2021_electricity_v10.pdf

Association of Issuing Bodies (AIB)
www.aib-net.org/facts/european-residual-mix/2022

United States Environmental Protection Agency (USEPA)
cfpub.epa.gov/si/si_public_record_Report.cfm?dirEntryId=349324&Lab=CESER

United Nations Framework Convention on Climate Change (UNFCCC)
unfccc.int/climate-action/sectoral-engagement/ifis-harmonization-of-standards-for-ghg-accounting/ifi-twg-list-of-methodologies

RESULTS OF 2023 CLIMATE REPORTING

The GHG category contributing to the most CO₂e emissions in our climate report is SCOPE 3 Category 1, Purchased goods and services. The emissions in this category have dropped by more than 50% compared to last year as well as base year 2019, resulting in a decline of approximately 50% for CO₂e emissions overall, all due to a low spend on purchased goods during 2023. We expect the spend on purchased goods and services to increase in the coming years, and this must therefore not be seen as an enduring reduction of emissions, but an effect of a short-term strategy to bring down product inventory at the warehouse, resulting in a lower spend on production orders in 2023.

In the 2023 climate reporting a larger amount of LCA (Lifecycle Assessment) calculation results have been integrated in category 1, to replace the spend based calculations for purchased goods. We still have not covered the full range of products with LCA calculations and therefore there is still a risk of double accounting regarding packaging. The risk of double accounting regarding transportation has however been removed. We aim to complete the LCA calculations for all active products by the end of 2024, and therefore expect to eliminate the risk of double accounting in the 2024 report. Furthermore, one more logistics provider has been added to the scope from 2019 to 2022.

The LCA calculations have been integrated in 2022 and 2023 results. They have not been included in the 2019 calculations yet as we plan to recalculate the base year 2019 when developing next years reporting, due to the adoption of a new climate reporting platform. In this process all data and calculations will be reviewed, LCA calculations completely integrated and base year of 2019 will be adjusted to fit the methods used for the coming years.

A slight decline in CO₂e emissions in SCOPE 1 can be seen due to the out phased oil combustion in the warehouse. This change in energy source is now complete and wood pellets are instead used for heating at the warehouse.

An in-house oversight has resulted in the 2023 decrease in CO₂e emissions in SCOPE 2, as RECs certificates were only requested for the head office in Hørsholm and not for the warehouse, nor the outlet store in Ringsted. This is now corrected with effect from April 2024 and moving forward, where RECs certificates are bought to cover the consumption of electricity on these sites.



2023 Highlights

REDUCING OUR EMISSIONS

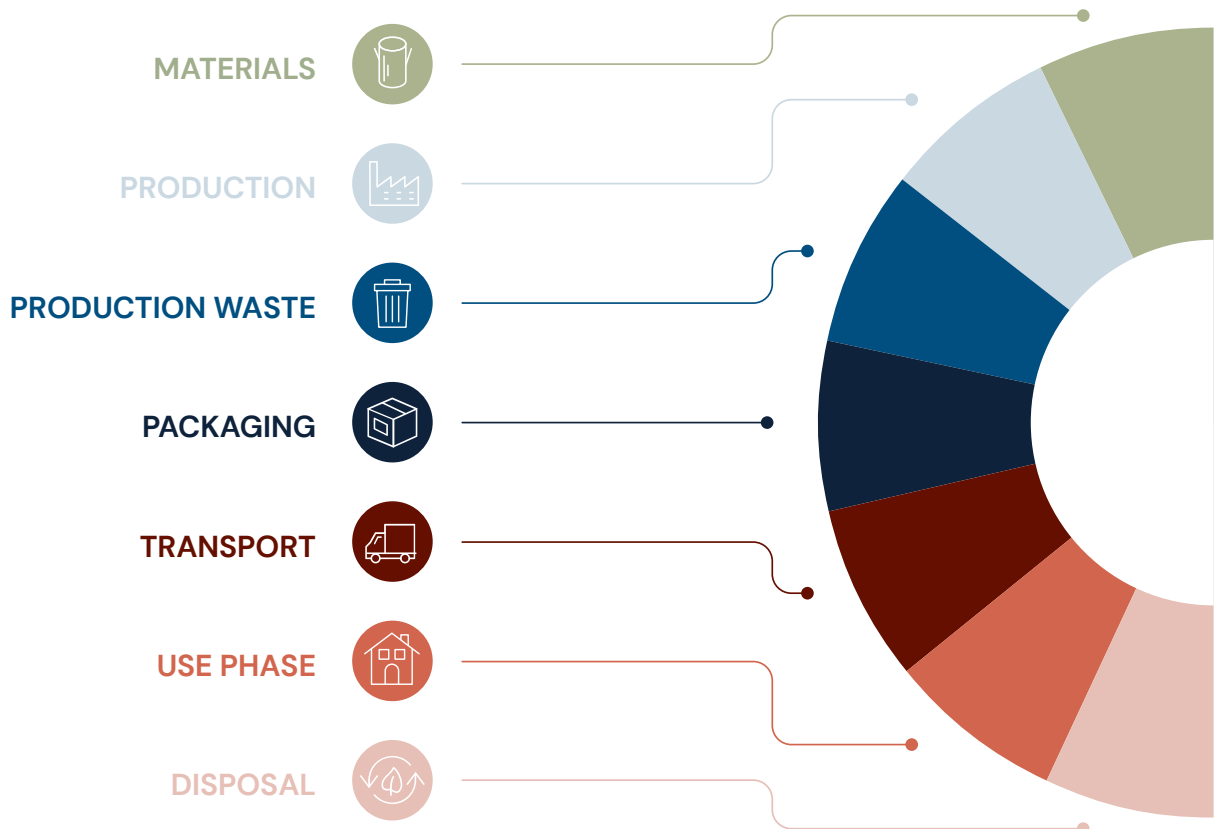
As a company designing products which are produced by suppliers around the world, our main emissions are generated in our downstream value chain. The production of glass and ceramic (among other materials) is energy intensive, and the energy used by suppliers is not necessarily from renewable sources. Emissions created in the downstream value chain are not under our own control, which complicates the work with reductions.

During 2024 we will commit to a carbon emission reduction target and develop an action plan for reductions moving forward. The commitment will cover all 3 scopes, due to the sizeable share generated in scope 3.

LIFECYCLE ASSESSMENTS – THE MÅLBAR CASE

We have a high focus on the quality of the data used in our climate reporting, as high-quality data is a prerequisite to be able to measure the changes made and see the potential reductions. During 2023 we have managed to calculate the CO2e footprint for over 50% of our current product assortment using the Lifecycle assessment tool Målbar. Our aim is to reach 100% in 2024. The improved data quality enables us to analyze the product assortment and materials to identify where the main emissions are to be found, and make sure that we act on reductions and improvements where they have the greatest impact. There are also learnings on the way, as we become aware of the small things that with a high quantity of products bought, also has a big impact, such as reducing packaging material used for one of our best-selling Christmas items, meaning less material used, less air shipped and a reduction of 25% CO2e per product.

FIGURE 7
PRODUCT LIFECYCLE PHASES INCLUDED IN THE MÅLBAR LIFECYCLE ASSESSMENT.



CLOSER DIALOGUE TO IMPROVE TRANSPARENCY

We have started up a closer dialogue covering the ESG (Environmental, Social & Governance) area with our largest business partners during 2023. The aim of the dialogues is to improve transparency in the value chain, as well as a more thorough understanding of the challenges and possibilities that we are facing within ESG. We will continue the dialogue moving forward, extending it to more business partners.

Common for all of them is that climate change and the environmental impact of their production sites is the main focus for them. Some are already in the process of shifting energy sources from non-renewable to renewable, while some have not yet started. A close dialogue is needed to create a mutual understanding of what it takes to transform to a more sustainable production. Our ambition is to support the suppliers on this journey.

BIODIVERSITY LOSS

Decline in biodiversity is closely linked to climate change, pollution, and land and water use. We manufacture products from natural materials, such as wood and cotton which, in the raw material production, influence the land use in the areas where it is grown. This is one of the reasons why we have become FSC® and GOTS certified – to make sure that the impact on nature is controlled.

We currently know too little about our overall impact on biodiversity throughout the value chain, but what we do know is that it is becoming increasingly more important to control and reduce, whatever the impact is. We have therefore tagged biodiversity as one of the emerging topics, to which we must give extra attention in the coming years.

Therefore, during 2024 we will focus on gaining more knowledge about the area and performing a biodiversity analysis of our value chain to identify the hot spots, and to develop an action plan for how to mitigate the potential negative impacts moving forward.





SOCIAL

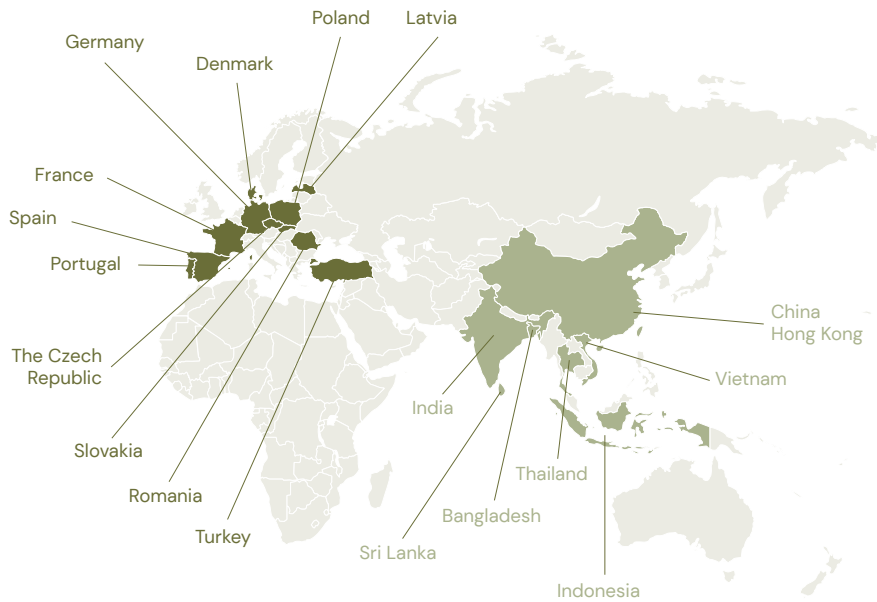
Our corporate social responsibility encompasses both people working at Rosendahl Design Group and those linked to our business via our global value chain. We aim to be a workplace where employees experience opportunities to develop both personally and professionally. We aim to promote respectful relationships and excellent cooperation with our business partners, regardless of where they are in the world. Rosendahl Design Group cooperates with suppliers in many different countries. We wish to collaborate with suppliers who meet their country's requirements for employee working conditions, enforce international rules, and engage in continuous human and labour rights improvements. We require that our suppliers' production should never take place under conditions which violate human and labour rights.

Workers in Value Chain

Rosendahl Design Group work with suppliers in Europe and Asia. We are members of Amfori Business Social Compliance Initiative (Amfori BSCI). The Amfori BSCI is a business association for companies and interbranch organizations that base their work in the supply chain on the 'Amfori BSCI Code of Conduct' (Amfori BSCI CoC). The Amfori BSCI CoC consists of 11 principles covering the prohibition of child labor, forced labor,

and corruption and discrimination, among others. The Amfori BSCI CoC also stipulates requirements that safeguard labor conditions, employee rights to freedom of association, and reasonable working hours and pay. Amfori BSCI is a recognized framework applied by more than 2,000 companies in more than 40 countries.

FIGURE 8
COUNTRIES WHERE ROSENDAHL DESIGN GROUP GOODS ARE PRODUCED



EUROPE 46%

ASIA 54%

EUROPE 46%			ASIA 54%	
CZECH REPUBLIC	GERMANY	ROMANIA	BANGLADESH	INDIA
Glass	Ceramics	Ceramics	Ceramics	Textile Packaging
DENMARK	LATVIA	SLOVAKIA	CHINA HONG KONG	SRI LANKA
Candles Electronics Metal Packaging Paper Plastics Wood	Metal	Glass	Ceramics Metal Glass Packaging Plastic Silicone Wood Electronics	Ceramics
FRANCE	POLAND	SPAIN	INDONESIA	THAILAND
Glass	Glass Packaging	Textile	Ceramics	Ceramics Glass
	PORTUGAL	TURKEY		VIETNAM
	Ceramics Textile Wood	Glass		Wood

SPLIT BASED ON INVOICED PURCHASED VALUE IN 2023.

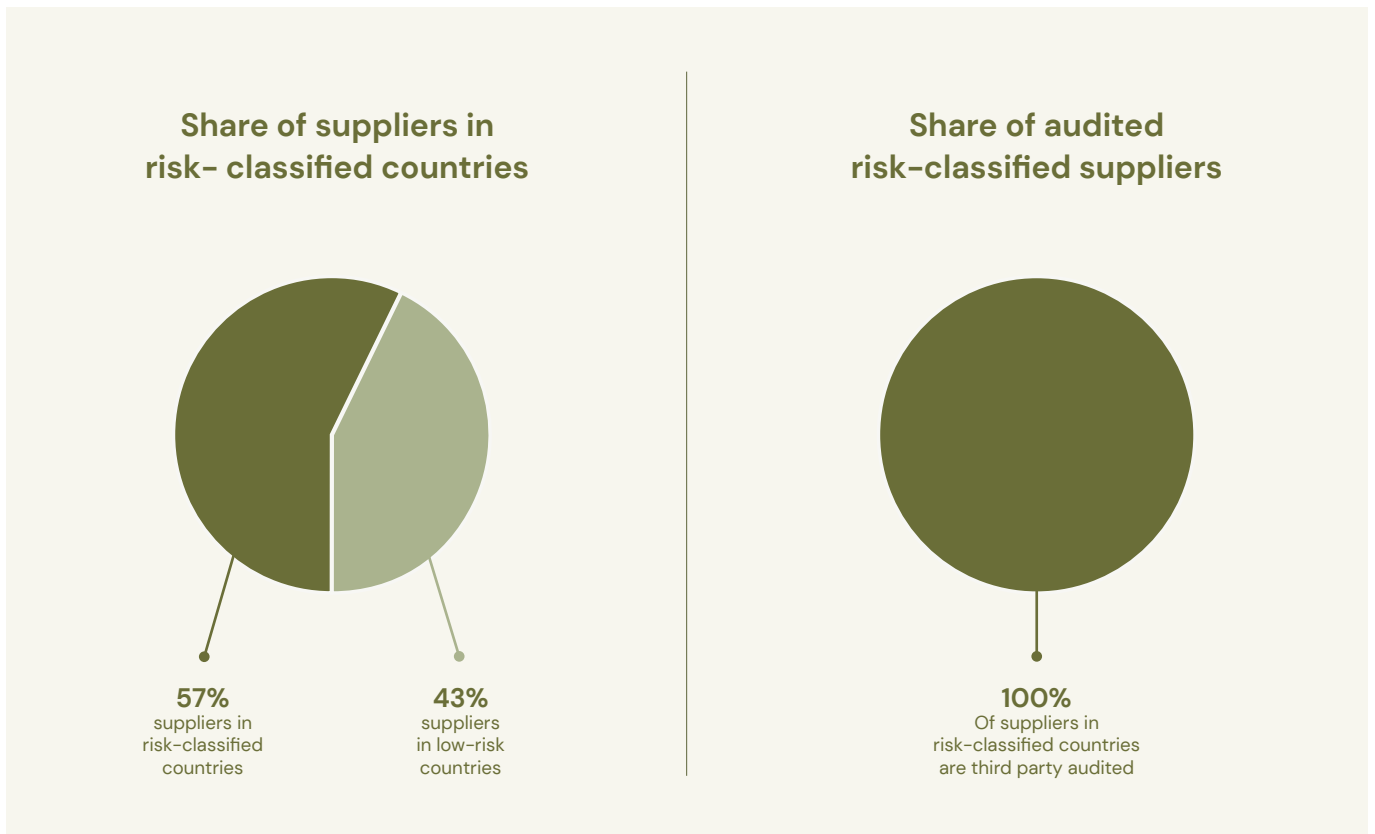
The Amfori BSCI CoC is the basis of our supply chain due diligence. As part of their contract with Rosendahl Design Group, our product suppliers, must sign the Amfori BSCI CoC. All our suppliers (both in risk classified and non-risk classified countries) have signed the CoC and we are thereby certain that they are all clear on what we stand for, and what we expect from them and their sub-suppliers, regarding social responsibility and labour rights.

AUDITS OF SUPPLIERS IN RISK-CLASSIFIED COUNTRIES

In addition to the Amfori BSCI CoC, Rosendahl Design Group initiates 3rd party Amfori BSCI Supplier audits. These audits help us to continuously improve the transparency of the processes in our global supply chain. For suppliers that are not members of Amfori BSCI, corresponding standards are accepted (such as Sedex, SMETA, etc). Rosendahl Design Group generally emphasizes close cooperation through dialogue with our suppliers and supports continuous improvements. The suppliers carrying a GOTS or GRS certification are also audited for human rights and labour rights under these certification audits.

To prioritize initiatives in our supply chain, we systematically divide our suppliers into segments based on Amfori BSCI's global mapping of risk countries. All suppliers located in risk classified countries (57% of our first-tier supplier base), are now third party audited. All new suppliers located in risk classified countries must be third party audited before receiving orders from us. Our initiatives cover first-tier suppliers in our supply chain and agents' first linked suppliers in their supply chain. In other words, partners with whom we have a direct relationship and whom it is easier for us to influence. We are working on mapping our tier 2 and 3 suppliers as well, although this is a more complicated task as our business partners are not used to sharing that information. Through closer dialogue with our largest suppliers, we hope to get closer to mapping the full supply chain of our products, ensuring that all tiers in the supply chain live up to our Code of Conduct and thereby the same standards as tier 1 suppliers.

FIGURE 9
ROSENDAHL DESIGN GROUP SPLIT OF NUMBER OF SUPPLIERS AS OF 01/03/2024



Challenges in the Supply Chain

We have learned, from the audit reports for suppliers in risk-classified countries, that the main challenges in our supply chain are Working time and Living wages.

WORKING TIME

The working time challenges are limited to Chinese suppliers. We know from fellow colleagues in the industry that this is a challenge for the whole industry. It is therefore one of the main focus areas moving forward to discuss the challenges with our Chinese suppliers to understand how this issue can be handled. It has also been emphasized in the updated CoC distributed to all suppliers in the end of 2023.

LIVING WAGE

Previously the focus in audits as well as code of conduct has been on compliance with national minimum wages. As minimum wages are not always enough to uphold a decent living standard, the focus is now shifting to living wages. The Amfori BSCI CoC now enforces its focus by asking suppliers to calculate the living wages in their area of operation (with the help of a given methodology) and compare this with the wages paid by the company. We see a large variety in results, where in some areas the national minimum wage is far from the living wage in the same area, and other areas where the difference is not that big. Naturally we are not the only ones facing this challenge and therefore we engage in networks where this is discussed to find the best solution. Adding to the updated CoC we will develop a Living Wage policy during 2024, using this as a starting point for a closer dialogue with suppliers. Meanwhile we will continue the dialogue in the industry with the aim of finding a common approach to the topic.



Working in Rosendahl Design Group

As a creative design house our skilled, dedicated, enthusiastic, and passionate employees are our most valuable asset. Our ambition is to create a workplace that focuses on improving job satisfaction and developing individual talents. Through internal training and teambuilding, we focus continuously on professional and personal development.

ENGAGED EMPLOYEES

We monitor worker engagement and satisfaction approximately 2 times a year with internal engagement surveys. The engagement score has shown to be upwards in 2023 resulting in an eNPS score of 35 compared to an eNPS score of 23 in 2022. The purpose of the surveys is not to reach a numerical target, but to enhance the internal dialogue regarding engagement and satisfaction. The results of the surveys are therefore actively used to foster dialogue in the different departments in the company.

Rosendahl Design Group has a workers committee consisting of three non-managerial employee members, two members from the Human Resource department and one member from the management team. The committee meets four times a year to evaluate the overall physical and psychological wellbeing of employees. An action plan is developed each year focusing on key areas and ensuring continuous improvement is achieved.

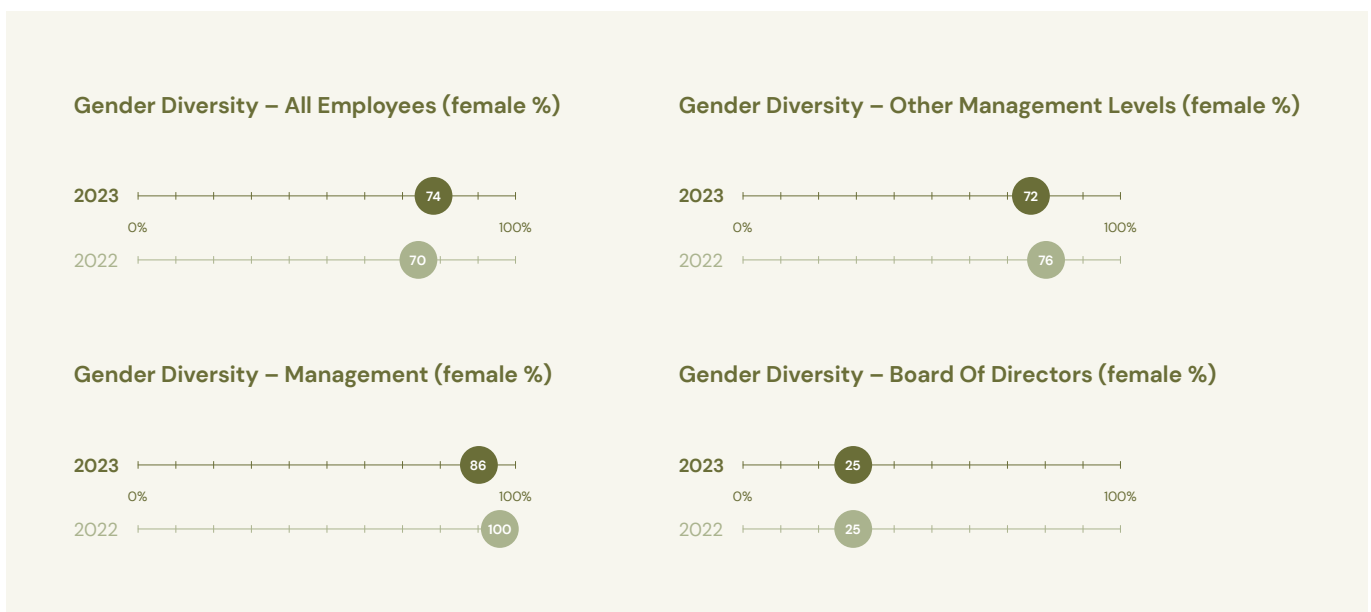
DIVERSITY

It is Rosendahl Design Groups position that diversity strengthens the business and competitiveness of the company. We believe that a diverse and inclusive organization and workplace contribute to having more motivated and dedicated employees. Different employees bring different experiences and perspectives into the company. We see equal opportunities, justice, and equal conditions for all employees as a prerequisite for attracting and retaining the best talents. Rosendahl Design Group has a Diversity policy and a Gender Policy for Management Bodies guiding our work in the area. The purpose of the diversity policy is to promote diversity in gender, age, ethnicity, religion etcetera. While the purpose of the Gender Policy is to ensure that women and men have equal access to employment within the leading bodies of the company and in particular, within the Board of Directors and the Management Group.

Different nationalities are included in our workforce. We are in a female dominated industry and the female presence is high, and in the management team in Rosendahl Design Group women are in majority.

Rosendahl Design Group supports gender equality and equal pay for work of equal value. Skills and personal match are the most important parameters when hiring new employees. Salaries are determined based on skills and experience.

FIGURE 10
GENDER DIVERSITY





ROSENDAHL
DESIGN GROUP

GOVERNANCE

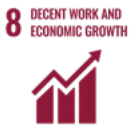
As an international design company, workplace, and business partner with suppliers around the world, we work actively to take responsibility for the impacts we have on the environment, the climate as well as the people involved in our business. The UN Sustainable Development Goals (SDGs) as well as UN Global Compact 10 principles are guiding us in this work. We have identified five SDGs which are the most important for us. These are SDG 8, 12, 13, 15 and 17. These include areas where Rosendahl Design group might have a possible negative impact that must be mitigated, as well as areas where we can contribute positively to a sustainable development with our own actions, and in cooperation with others.

During 2023 we have worked on finalizing our B Corp certification process. We reached a milestone in the beginning of 2024 when Rosendahl Design Group became certified. This holistic certification serves as a comprehensive endorsement of our commitment to social and environmental impact, transparency, and accountability. By achieving the B Corp Certification, we align with a global movement that views business as a catalyst for positive change. Our commitment is to balance profit and purpose to generate value for our business as well as for society, the people we work with and for the environment.

Memberships, Engagements and Certifications

Rosendahl Design group is a member of several organizations and networks under the sustainability agenda to stay up to date with the development within the area, as well as to take active part in networks. All memberships and partnerships contribute to keeping us updated on new developments and provide inspiration, as well as fostering discussions and cooperation within sustainability, sharing experiences with others. We also gladly engage in sharing experiences and generating discussions in relationships with educational institutions such as, Aalborg University, Royal Danish Design School among others.

Transparency is becoming even more important and one way of achieving this in our supply chain is via certification schemes. The B Corp certification is a company wide certification covering all our practices, while product certifications provide the necessary transparency for the more complicated supply chains of some of our products, controlling supply chain, from raw material to end product. Rosendahl Design Group is Forest Stewardship Council®, Global Organic Textile Standard, Global recycled Standard and OEKO-TEX® certified. The materials referred to are wood, cotton and recycled textiles and plastic. The materials to certify are chosen based on the supply chain (most often raw material), complexity and risks related.





Data Ethics in Rosendahl Design Group



Rosendahl Design Group has a Data Ethical Policy that sets the overall framework for the company's processing of data. It is supplemented by an External Personal Data Policy regulating personal data originating from consumers, customers, and business partners as well as an Internal Personal Data Policy regulating personal data belonging to or used by the company's employees. Together, the policies form the data ethical foundation on which the company operates.

The policies address the processing and use of personal data that is in the possession or care of Rosendahl Design Group. The company mainly processes ordinary personal data such as names, e-mail addresses, and comparable contact information.

Rosendahl Design Group processes personal data only to the extent that is necessary in order to fulfil a contractual, legislative, governance, or management commitment, or in order to provide relevant marketing, the latter only with the informed consent of the data owner.

COMPLIANCE AND REPORTING

Rosendahl Design Group oversees its compliance with GDPR on a regular and organized basis. Through a designated software, Rosendahl Design Group keeps track of Article 30 records and monitors the processing of data, the IT systems used for this purpose, deletion procedures, and security measures.

Management continuously reports to the Board of Directors on GDPR compliance.

PERSONAL DATA

The currently most extensive processing of personal data pertains to the employees of the company. Ordinary personal data may here be supplemented by data concerning position, salary, pension, age etc. This data is processed with the sole purpose of fulfilling the company's contractual obligations towards the employees.

On rare occasions, sensitive personal data such as the employee's health or family matters may be processed but only to the extent that it is necessary in relation to the employee's professional performance, well-being or the professional relation between employee and management.

In relation to external parties, Rosendahl Design Group processes personal data to the extent that it is necessary for the receiving or delivery of the company's products or for similar operational purposes.

In addition thereto, Rosendahl Design Group processes personal data originating from consumers with the purpose of marketing the company or its products, however only with the registrant's informed, active and voluntary consent to the processing of the data. In relation to marketing, the personal data processed is mainly ordinary contact data such as name, e-mail address and phone number.

Automatic personal data such as cookies is gathered and processed only in accordance with an informed cookie consent, which is submitted actively and voluntarily by the registrant.

For the past few years, Rosendahl Design Group has increasingly implemented profiled marketing, thereby using personal data to provide targeted marketing to individual consumers. The purpose of the profiling is to appear more relevant to and to improve the purchase experience of the individual consumer. Relevant personal data is for example the consumer's age, geographical location, fields of interest, favorite brands etc.

Profiled marketing is only exercised based on an informed, active, and voluntary consent from the consumer. The consent can be withdrawn by the consumer at any time, and efficient deletion procedures have been implemented to ensure compliance with GDPR as well as the immediate cease of marketing activities towards the consumer.

Rosendahl Design Group does not buy from nor does it sell personal data to other legal entities but it does, from time to time, collaborate with other (non-competing) businesses on the gathering of marketing consents. In connection with such collaborations, the consumer consents actively and voluntarily to the data processing by both companies on an informed basis. A compliant data processing agreement will always be established between the two companies.

INTERNAL CONTROL AND TRAINING

Supplementary to the tracking of compliance through a designated software, Rosendahl Design Group's Legal & Compliance department hosts internal GDPR courses and workshops for the purpose of ensuring awareness and compliance throughout the organization. Legal & Compliance also offers advice, tips, and reminders relating to GDPR on the company's intranet on a regular basis.

Finally, a designated software has been implemented since 2022 for the purpose of deleting GDPR sensitive material from the mailboxes of the company's employees. All employees receive monthly reports, and sensitive material is automatically deleted unless actively excluded by the employee.

ANCHORING IN THE ORGANIZATION

Policies on data ethics as well as decisions relating to the implementation and use of new data and/or technology are anchored in Management.

Whistleblower Scheme at Rosendahl Design Group

Since 2022, a Whistleblower Scheme, accessible to both employees and external parties, has been fully implemented at Rosendahl Design Group. The objective of the Whistleblower Scheme is to discover, as early as possible, matters that may be serious or damaging to the company or to others, and which might otherwise not have come forward. Whistleblowers may report confidentially or anonymously according to their choice.

Matters relevant to the Whistleblower Scheme could be illegal, unethical, or irregular conduct, including (but not exhaustive of) matters concerning bribery and corruption, abuse of funds, theft, fraud and the like, as well as violation of environmental regulations, competition law regulations, data security breaches, and sexual or other personal harassment.

Whistleblower reports filed with Rosendahl Design Group's Whistleblower Scheme are reviewed by a designated Whistleblower Committee consisting of members representing the Board of Directors, Governance and HR. A Whistleblower is free to exclude any member of the Whistleblower Committee from the report, should the informing of a Committee member potentially compromise the notification.

Since the implementation of the Whistleblower Scheme, Rosendahl Design Group has received only 6 reports, all of which pertained to matters not relevant under the Whistleblower Scheme; namely being consumers reporting on third party counterfeits of the company's products. However, the reports, even if not relevant under the Whistleblower scope, are a valid indication that the company's Whistleblower Scheme is easily located and accessed by the common stakeholder.



Board of Directors

Rosendahl Design Group's Board of Directors consists of members with experience within the design industry, international branding, and sustainability.



**JIMMY KING
MORTENSEN**
Chairperson of
the Board
CEO of Actona
Group A/S



NILLE SKALTS
Board member,
Founder &
Director of the
Nordic B Corp
Movement



KIM BALLE
Board member
CFO, TORM



**MIKAEL KRUSE
JENSEN**
Board member
CEO, BoConcept

Management



**HENRIK
ROSENDAHL**
CEO,
OWNER OF
ROSENDAHL
DESIGN GROUP



LISBETH DAU
CFO



**SUSANNE SKOV
ÆGIDIUS**
VP,
GOVERNANCE &
BRAND STRATEGY



KRISTINA GOTH
VP,
PLANNING
& BUSINESS
DEVELOPMENT



MICHELLE BERGØ
VP,
GLOBAL SALES

Financial Statements

2023



ROSENDAHL
DESIGN GROUP

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Rosendahl Design Group A/S for the financial year 01.01.2023 – 31.12.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 – 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Hørsholm, 27.05.2024

EXECUTIVE BOARD

Henrik Rosendahl
CEO

Lisbeth Dau
CFO

BOARD OF DIRECTORS

Jimmi King Mortensen
Chairperson

Nille Skalts

Kim Balle

Mikael Kruse Jensen



**ROSENDAHL
DESIGN GROUP**

Independent auditor's report

To the shareholders of Rosendahl Design Group A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Rosendahl Design Group A/S for the financial year 01.01.2023 – 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 – 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity 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 financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Entity'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 parent 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 Entity'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 parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the 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 parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 27.05.2024

DELOITTE

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant
Identification No (MNE) mne32127

Jens Serup

State Authorised Public Accountant
Identification No (MNE) mne45825

Consolidated Income Statements

2023



ROSENDAHL
DESIGN GROUP

Consolidated income statement for 2023

	Notes	2023 DKK '000	2022 DKK '000
Revenue	1	464,067	542,918
Own work capitalised		965	0
Other operating income		2,308	0
Costs of raw materials and consumables		(277,729)	(317,620)
Other external expenses	2	(78,752)	(94,282)
Gross profit/loss		110,859	131,016
Staff costs	3	(89,761)	(99,130)
Depreciation, amortisation and impairment losses	4	(20,069)	(19,355)
Operating profit/loss		1,029	12,531
Other financial income	5	7,176	6,852
Other financial expenses	6	(30,352)	(21,615)
Profit/loss before tax		(22,147)	(2,232)
Tax on profit/loss for the year	7	5,386	(149)
Profit/loss for the year	8	(16,761)	(2,381)

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 DKK '000	2022 DKK '000
Completed development projects	10	14,717	16,929
Acquired rights		78,947	87,584
Goodwill		47,791	51,082
Development projects in progress	10	3,069	134
Intangible assets	9	144,524	155,729
Land and buildings		0	0
Other fixtures and fittings, tools and equipment		8,722	9,821
Leasehold improvements		2,014	2,584
Property, plant and equipment in progress	11	417	611
Property, plant and equipment		11,153	13,016
Other receivables		12,549	15,284
Financial assets	12	12,549	15,284
Fixed assets		168,226	184,029
Raw materials and consumables		32,558	41,416
Manufactured goods and goods for resale		174,723	259,948
Prepayments for goods		600	308
Inventories		207,881	301,672
Trade receivables		98,227	124,878
Receivables from group enterprises		47,135	49,939
Other receivables		1,640	7,926
Prepayments	13	2,352	2,095
Receivables		149,354	184,838
Cash		5,294	8,559
Current assets		362,529	495,069
Assets		530,755	679,098

Consolidated balance sheet at 31.12.2023

Equity and liabilities

	Notes	2023 DKK '000	2022 DKK '000
Contributed capital		3,950	3,950
Retained earnings		225,555	240,496
Equity belonging to Parent's shareholders		229,505	244,446
Equity belonging to minority interests		(2,533)	(445)
Equity		226,972	244,001
Deferred tax	14	14,371	21,439
Provisions		14,371	21,439
Other payables	15	6,692	6,606
Non-current liabilities other than provisions	16	6,692	6,606
Bank loans		195,243	297,150
Prepayments received from customers		52	731
Trade payables		36,362	37,597
Payables to group enterprises		14,668	26,875
Payables to owners and management		30	30
Tax payable		671	2,361
Other payables	17	35,694	42,308
Current liabilities other than provisions		282,720	407,052
Liabilities other than provisions		289,412	413,658
Equity and liabilities		530,755	679,098
Unrecognised rental and lease commitments	19		
Assets charged and collateral	20		
Non-arm's length related party transactions	21		
Group relations	22		
Subsidiaries	23		

Consolidated statement of changes in equity for 2023

	Contributed capital DKK'000	Retained earnings DKK'000	Equity belonging to Parent's shareholders DKK'000	Equity belonging to minority interests DKK'000	Total DKK'000
Equity beginning of year	3,950	240,496	244,446	(445)	244,001
Exchange rate adjustments	0	(245)	(245)	0	(245)
Other entries on equity	0	(23)	(23)	0	(23)
Profit/loss for the year	0	(14,673)	(14,673)	(2,088)	(16,761)
Equity end of year	3,950	225,555	229,505	(2,533)	226,972

Consolidated cash flow statement for 2023

	Notes	2023 DKK '000	2022 DKK '000
Operating profit/loss		1,029	12,531
Amortisation, depreciation and impairment losses		20,069	19,355
Working capital changes	18	118,024	(101,574)
Other adjustments		(564)	0
Cash flow from ordinary operating activities		138,558	(69,688)
Financial income received		2,489	516
Financial expenses paid		(24,600)	(10,062)
Taxes refunded/(paid)		(4,136)	(23,979)
Cash flows from operating activities		112,311	(103,213)
Acquisition etc. of intangible assets		(4,843)	(11,879)
Acquisition etc. of property, plant and equipment		(3,845)	(2,076)
Sale of property, plant and equipment		1,687	0
Cash flows from investing activities		(7,001)	(13,955)
Free cash flows generated from operations and investments before financing		105,310	(117,168)
Loans raised		(114,114)	139,359
Repayments of loans etc.		2,804	(6,989)
Dividend paid		0	(25,000)
Other cash flows from financing activities		2,735	2,885
Cash flows from financing activities		(108,575)	110,255
Increase/decrease in cash and cash equivalents		(3,265)	(6,913)
Cash and cash equivalents beginning of year		8,559	15,472
Cash and cash equivalents end of year		5,294	8,559
Cash and cash equivalents at year-end are composed of:			
Cash		5,294	8,559
Cash and cash equivalents end of year		5,294	8,559

Notes to consolidated financial statements 2023

1. Revenue	2023 DKK '000	2022 DKK '000
Denmark	245,721	279,466
Othe EU-countries	104,159	137,201
Other european countries	88,253	81,732
Other countries	25,934	44,519
Total revenue by geographical market	464,067	542,918

2. Fees to the auditor appointed by the Annual General Meeting	2023 DKK '000	2022 DKK '000
Statutory audit services	391	426
Tax services	100	347
Other services	175	345
	666	1,118

3. Staff costs	2023 DKK '000	2022 DKK '000
Wages and salaries	78,899	86,630
Pension costs	7,167	7,675
Other social security costs	1,208	1,319
Other staff costs	2,487	3,506
	89,761	99,130

Average number of full-time employees	128	138
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	Remuneration of management 2023 DKK'000	Remuneration of management 2022 DKK'000
Executive Board	7,609	9,178
Board of Directors	1,381	1,350
	8,990	10,528

	2023 DKK '000	2022 DKK '000
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	16,048	14,690
Depreciation on property, plant and equipment	4,021	4,665
	20,069	19,355

	2023 DKK '000	2022 DKK '000
5. Other financial income		
Financial income from group enterprises	2,658	2,975
Other interest income	91	15
Exchange rate adjustments	2,029	3,361
Other financial income	2,398	501
	7,176	6,852

	2023 DKK '000	2022 DKK '000
6. Other financial expenses		
Financial expenses from group enterprises	818	1,009
Other interest expenses	22,991	8,785
Exchange rate adjustments	4,934	10,544
Other financial expenses	1,609	1,277
	30,352	21,615

	2023 DKK '000	2022 DKK '000
7. Tax on profit/loss for the year		
Current tax	2,213	1,635
Change in deferred tax	(7,082)	(1,486)
Adjustment concerning previous years	(517)	0
	(5,386)	149

	2023 DKK '000	2022 DKK '000
8. Proposed distribution of profit/loss		
Retained earnings	(14,673)	(1,518)
Minority interests' share of profit/loss	(2,088)	(863)
	(16,761)	(2,381)

9. Intangible assets	Completed development projects DKK'000	Acquired rights DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	21,589	230,062	74,164	134
Additions	1,844	64	0	2,935
Cost end of year	23,433	230,126	74,164	3,069
Amortisation and impairment losses beginning of year	(4,660)	(142,478)	(23,082)	0
Amortisation for the year	(4,056)	(8,701)	(3,291)	0
Amortisation and impairment losses end of year	(8,716)	(151,179)	(26,373)	0
Carrying amount end of year	14,717	78,947	47,791	3,069

10. Development projects

Development projects include direct costs associated with a cost reduction-focused initiative as well as the development and design of E-commerce platform and other applications. Completed projects are taken into use in the financial year and are normally depreciated over 5 years. The completed development projects are considered to be an important part of the company's earnings as well as commercial strategy.

The management has found no indications of impairment in relation to the accounting value of the company's development projects.

11. Property, plant and equipment	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	0	60,883	7,318	611
Transfers	0	504	0	(504)
Additions	1,687	1,848	0	310
Disposals	(1,687)	0	0	0
Cost end of year	0	63,235	7,318	417
Depreciation and impairment losses beginning of year	0	(51,062)	(4,734)	0
Depreciation for the year	0	(3,451)	(570)	0
Depreciation and impairment losses end of year	0	(54,513)	(5,304)	0
Carrying amount end of year	0	8,722	2,014	417

	Other receivables DKK'000
12. Financial assets	
Cost beginning of year	15,284
Disposals	(2,735)
Cost end of year	12,549
Carrying amount end of year	12,549

13. Prepayments

Prepayments relates to prepaid expenses.

	2023 DKK '000	2022 DKK '000
14. Deferred tax		
Changes during the year		
Beginning of year	21,439	22,925
Recognised in the income statement	(7,068)	(1,486)
End of year	14,371	21,439

	2023 DKK '000	2022 DKK '000
15. Other payables		
Holiday pay obligation	6,692	6,606
	6,692	6,606

	Due after more than 12 months 2023 DKK'000
16. Non-current liabilities other than provisions	
Other payables	6,692
	6,692

	2023 DKK '000	2022 DKK '000
17. Other payables		
VAT and duties	6,531	8,593
Wages and salaries, personal income taxes, social security costs, etc. payable	786	4,236
Holiday pay obligation	3,384	3,932
Other costs payable	24,993	25,547
	35,694	42,308

18. Changes in working capital	2023	2022
	DKK '000	DKK '000
Increase/decrease in inventories	93,791	(87,988)
Increase/decrease in receivables	35,453	30,180
Increase/decrease in trade payables etc.	(11,220)	(43,766)
	118,024	(101,574)

19. Unrecognised rental and lease commitments	2023	2022
	DKK '000	DKK '000
Total liabilities under rental or lease agreements until maturity	26,864	30,993

20. Assets charged and collateral

As security for the group's bank debt, a mortgage deed has been issued with a nominal value of DKK 100,000 thousand, in the following assets with accounting values per 31 December 2023: Receivables from sales; DKK 98,227 thousand, inventory; DKK 207,881 thousand, leasehold improvements; DKK 2,014 thousand, other operating assets and fixtures; DKK 8,722 thousand and Property, plant and equipment in progress; DKK 417 thousand.

In addition, payment guarantees have been provided for a total of DKK 351 thousand and security of DKK 1,461 thousand to Illums Bolighus the group per balance sheet date.

21. Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

22. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group: HRO Corporate ApS, Hørsholm

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Rosendahl Design Group A/S, Hørsholm

23. Subsidiaries

	Registered in	Corporate form	Ownership %
Rosendahl Trading Co. Ltd.	Shenzhen, China	Co. Ltd.	100.00
Rosendahl Design Group Norge AS	Oslo, Norway	AS	100.00
Rosendahl Design Group AB	Hørsholm, Denmark	AB	100.00
Rosendahl Design Group Holding US LLC	New York, USA	LLC	100.00
Rosendahl Design Group US LLC	New York, USA	LLC	60.00
Rosendahl Design Group Germany GmbH	Harrislee, Germany	GmbH	100.00

Parent Income Statements

2023



ROSENDAHL
DESIGN GROUP

Parent income statement for 2023

	Notes	2023 DKK '000	2022 DKK '000
Revenue	1	433,375	518,537
Own work capitalised		965	0
Other operating income		2,308	0
Costs of raw materials and consumables		(274,546)	(316,279)
Other external expenses	2	(64,842)	(80,574)
Gross profit/loss		97,260	121,684
Staff costs	3	(78,922)	(91,819)
Depreciation, amortisation and impairment losses	4	(19,766)	(18,920)
Operating profit/loss		(1,428)	10,945
Income from investments in group enterprises		4,476	2,581
Other financial income	5	7,776	6,866
Other financial expenses	6	(31,163)	(22,550)
Profit/loss before tax		(20,339)	(2,158)
Tax on profit/loss for the year	7	5,623	683
Profit/loss for the year	8	(14,716)	(1,475)

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 DKK '000	2022 DKK '000
Completed development projects	10	14,717	16,929
Acquired rights		78,601	87,302
Goodwill		47,791	51,082
Development projects in progress	10	3,069	134
Intangible assets	9	144,178	155,447
Land and buildings		0	0
Other fixtures and fittings, tools and equipment		8,714	9,808
Leasehold improvements		184	455
Property, plant and equipment in progress		417	611
Property, plant and equipment	11	9,315	10,874
Investments in group enterprises		15,230	11,491
Other receivables		12,549	15,232
Financial assets	12	27,779	26,723
Fixed assets		181,272	193,044
Raw materials and consumables		32,558	41,416
Manufactured goods and goods for resale		171,517	257,584
Prepayments for goods		600	308
Inventories		204,675	299,308
Trade receivables		97,194	124,739
Receivables from group enterprises		53,458	49,939
Other receivables		1,576	4,174
Prepayments	13	2,238	5,596
Receivables		154,466	184,448
Cash		672	4,365
Current assets		359,813	488,121
Assets		541,085	681,165

Parent balance sheet at 31.12.2023

Equity and liabilities

	Notes	2023 DKK '000	2022 DKK '000
Contributed capital		3,950	3,950
Reserve for net revaluation according to equity method		11,283	7,731
Reserve for development costs		13,873	13,309
Retained earnings		200,441	219,499
Equity		229,547	244,489
Deferred tax	14	17,138	22,244
Provisions		17,138	22,244
Other payables	15	6,692	6,601
Non-current liabilities other than provisions	16	6,692	6,601
Bank loans		195,243	297,149
Prepayments received from customers		0	602
Trade payables		36,062	36,943
Payables to group enterprises		28,609	35,435
Payables to owners and management		30	30
Other payables	17	27,764	37,672
Current liabilities other than provisions		287,708	407,831
Liabilities other than provisions		294,400	414,432
Equity and liabilities		541,085	681,165
Assets charged and collateral	18		
Related parties with controlling interest	19		
Non-arm's length related party transactions	20		

Parent statement of changes in equity for 2023

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Reserve for development costs DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	3,950	7,731	13,309	219,499	244,489
Exchange rate adjustments	0	(245)	0	0	(245)
Other entries on equity	0	4,023	0	(4,004)	19
Dividends from group enterprises	0	(4,702)	0	4,702	0
Transfer to reserves	0	0	564	(564)	0
Profit/loss for the year	0	4,476	0	(19,192)	(14,716)
Equity end of year	3,950	11,283	13,873	200,441	229,547

Notes to parent financial statements 2023

1. Revenue	2023 DKK '000	2022 DKK '000
Denmark	247,873	279,362
Other EU-countries	90,420	126,880
Other european countries	74,844	81,732
Other countries	20,238	30,563
Total revenue by geographical market	433,375	518,537

2. Fees to the auditor appointed by the Annual General Meeting	2023 DKK '000	2022 DKK '000
Statutory audit services	325	345
Tax services	53	296
Other services	175	345
	553	986

3. Staff costs	2023 DKK '000	2022 DKK '000
Wages and salaries	69,671	80,227
Pension costs	6,784	7,304
Other social security costs	1,209	1,319
Other staff costs	1,258	2,969
	78,922	91,819

Average number of full-time employees	105	118
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	Remuneration of management 2023 DKK'000	Remuneration of management 2022 DKK'000
Executive Board	7,459	9,178
Board of Directors	1,381	1,350
	8,840	10,528

	2023 DKK '000	2022 DKK '000
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	16,049	14,655
Depreciation on property, plant and equipment	3,717	4,265
	19,766	18,920

	2023 DKK '000	2022 DKK '000
5. Other financial income		
Financial income from group enterprises	3,270	2,990
Other interest income	91	15
Exchange rate adjustments	2,029	3,361
Other financial income	2,386	500
	7,776	6,866

	2023 DKK '000	2022 DKK '000
6. Other financial expenses		
Financial expenses from group enterprises	1,677	2,179
Other interest expenses	23,000	8,776
Exchange rate adjustments	4,932	10,340
Other financial expenses	1,554	1,255
	31,163	22,550

	2023 DKK '000	2022 DKK '000
7. Tax on profit/loss for the year		
Change in deferred tax	(5,106)	(683)
Adjustment concerning previous years	(517)	0
	(5,623)	(683)

	2023 DKK '000	2022 DKK '000
8. Proposed distribution of profit and loss		
Retained earnings	(14,716)	(1,475)
	(14,716)	(1,475)

9. Intangible assets	Completed development projects DKK'000	Acquired rights DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	21,589	229,744	74,164	134
Additions	1,844	0	0	2,935
Cost end of year	23,433	229,744	74,164	3,069
Amortisation and impairment losses beginning of year	(4,660)	(142,442)	(23,082)	0
Amortisation for the year	(4,056)	(8,701)	(3,291)	0
Amortisation and impairment losses end of year	(8,716)	(151,143)	(26,373)	0
Carrying amount end of year	14,717	78,601	47,791	3,069

10. Development projects

Development projects include direct costs associated with a cost reduction-focused initiative as well as the development and design of E-commerce platform and other applications. Completed projects are taken into use in the financial year and are normally depreciated over 5 years. The completed development projects are considered to be an important part of the company's earnings as well as commercial strategy. The management has found no indications of impairment in relation to the accounting value of the company's development projects.

11. Property, plant and equipment	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	0	60,843	4,022	611
Transfers	0	504	0	(504)
Additions	1,687	1,848	0	310
Disposals	(1,687)	0	0	0
Cost end of year	0	63,195	4,022	417
Depreciation and impairment losses beginning of year	0	(51,034)	(3,568)	0
Depreciation for the year	0	(3,447)	(270)	0
Depreciation and impairment losses end of year	0	(54,481)	(3,838)	0
Carrying amount end of year	0	8,714	184	417

	Investments in group enterprises DKK'000	Other receivables DKK'000
12. Financial assets		
Cost beginning of year	3,760	15,232
Additions	187	0
Disposals	0	(2,683)
Cost end of year	3,947	12,549
Revaluations beginning of year	7,731	0
Exchange rate adjustments	(245)	0
Share of profit/loss for the year	5,314	0
Adjustment of intra-group profits	(838)	0
Dividend	(4,702)	0
Investments with negative equity value depreciated over receivables	4,023	0
Revaluations end of year	11,283	0
Carrying amount end of year	15,230	12,549

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

13. Prepayments

Prepayments relates to prepaid cost.

	2023 DKK '000	2022 DKK '000
14. Deferred tax		
Changes during the year		
Beginning of year	22,244	22,927
Recognised in the income statement	(5,106)	(683)
End of year	17,138	22,244

	2023 DKK '000	2022 DKK '000
15. Other payables		
Holiday pay obligation	6,692	6,601
	6,692	6,601

	Due after more than 12 months 2023 DKK'000
16. Non-current liabilities other than provisions	
Other payables	6,692
	6,692

	2023 DKK '000	2022 DKK '000
17. Other payables		
VAT and duties	6,536	8,605
Wages and salaries, personal income taxes, social security costs, etc. payable	302	3,581
Holiday pay obligation	3,384	3,932
Other costs payable	17,542	21,554
	27,764	37,672

18. Assets charged and collateral

As security for the group's bank debt, a mortgage deed has been issued with a nominal value of DKK 100,000 thousand, in the following assets with accounting values per 31 December 2023: Receivables from sales; DKK 97,194 thousand, inventory; DKK 204,466 thousand, leasehold improvements; DKK 184 thousand, other operating assets and fixtures; DKK 8,714 thousand and Property, plant and equipment in progress; DKK 417 thousand.

In addition, payment guarantees have been provided for a total of DKK 351 thousand and security of DKK 1,461 thousand to Illums Bolighus the group per balance sheet date.

19. Related parties with controlling interest

HRO Corporate ApS, 2970 Hørsholm (ultimate parent) owns majority shares in the Entity.

20. Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting Policies

2023



ROSENDAHL
DESIGN GROUP

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement

Revenue

Revenue from the sale of goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for intangible assets.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities,

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and normal writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10–20 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3–5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10–20 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value. Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Minority interests

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.

ESG data

CO2 Absolute Scope 1 Emission

Absolute CO2e direct emissions from sources that are owned or controlled/leased by Rosendahl Design Group including on-site fossil fuel combustion and fleet fuel consumption. Calculated according to the GHG Protocol.

CO2 Absolute Scope 2 Emission

Absolute CO2e emissions from purchased energy for electricity, heating and cooling. Calculated according to GHG protocol.

CO2 Absolute Scope 3 Emission

Absolute CO2e emissions generated from the 6 most material categories identified, in SCOPE 3 in the GHG protocol.

CO2 Total

Total absolute CO2e emissions from SCOPE 1, 2 and 3.

Carbon Intensity

Total CO2 emissions / turnover

Energy Consumption

Σ (used fuel * energy factor per fuel type) per fuel type + (used electricity (MWh) * 3,6 + (used district heating (GJ))

Energy Intensity

Total energy consumption / turnover

Share Of Renewable Energy

(Renewable energy / energy consumption) * 100

Water Consumption

Total water consumption for all facilities in operational control.

Hazardous Waste

Share of hazardous waste sent for destruction.

Recyclable waste

Total waste sent for recycling (kg) / Total waste (kg)

Sickness Absence

Sickness absence hours / total working hours * 100

Lost Time Injury Frequency

(Number of work accidents * 1.000.000) / total number of working hours for all FTE's

Employee Turnover

(Voluntary + non-voluntary leaving FTE's) / FTE's * 100

Employee Satisfaction

Share of employees that would recommend the company to others (eNPSscore)

Gender Diversity All Employees

(Female FTE's + female temporary employees) / (Total number of FTE's) * 100

Gender Diversity Management

(Female members of management team / total members of management team) * 100

Gender Diversity Other Management

Levels (Female leaders / total number of leaders) * 100

Gender Diversity Board Of Directors

(Female members of the board / total number of members of the board) * 100

CEO Pay Ratio

CEO pay / median employee pay



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