KA Furniture ApS

Odinsvej 5, 7200 Grindsted

CVR no. 39 65 24 20

Annual report 2024

Approved at the Company's annual general meeting on 30 June 2025

Chair of the meeting:

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Kristian Bonde

Contents

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of KA Furniture ApS for the financial year 1 January - 31 December 2024.

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

In my opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2024 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2024.

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

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

Grindsted, 28. February 2025
Executive Board:

Gernot Konrad Mang

Independent auditor's report

To the shareholder of KA Furniture ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of KA Furniture ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report

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

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aabenraa, 28 February 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lars Mortensen
State Authorised Public Accountant
mne32743

Management's review

Company details

Name	KA Furniture ApS
Address, Postal code, City	Odinsvej 5, 7200 Grindsted
CVR no.	39 65 24 20
Established	18 June 2018
Registered office	Grindsted
Financial year	1 January - 31 December
Executive Board	Gernot Konrad Mang
Auditors	EY Godkendt Revisionspartnerselskab Skibbroen 16, 6200 Aabenraa, Denmark

Management's review

Financial highlights for the Group

DKK'000	2024	2023	2022	2021	2020
Key figures					
Gross profit	53,478	59,193	75,442	74,564	62,544
Operating profit/loss	-22,563	-16,978	15,286	24,698	15,873
Net financials	-8,366	-8,124	-12,642	-10,329	-10,640
Profit/loss for the year	-26,684	-24,601	425	9,489	2,564
Total assets	114,377	130,611	140,582	143,355	147,601
Investments in property, plant and equipment	2,303	3,865	4,014	1,263	1,564
Equity	-40,454	-13,720	10,788	10,498	1,029
Financial ratios					
Return on assets	-18.4%	-12.5%	10.8%	17.0%	15.4%
Equity ratio	-35.4%	-10.5%	7.7%	7.3%	0.7%

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

Operating profit/loss: Profit/loss before net financials +/- Other operating income and other operating expenses

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

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

Management's review

Business review

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

Financial review

The income statement for 2024 shows a loss of DKK 26,683,628 against a loss of DKK 24,601,202 last year, and the balance sheet at 31 December 2024 shows a negative equity of DKK 40,453,571. The year's result is unsatisfactory and does not meet expectations for the year.

In the consolidated financial statements, we have activated intangible assets in the form of developed specialized systems for the company, as well as acquired goodwill. The total acquisition cost for the intangible fixed assets amounts to 126 million DKK. Of this, 62 million DKK has been depreciated, of which 7 million DKK was depreciated in 2024. Thus, 65 million DKK has been activated. The group has incurred losses in the last two years, with a smaller loss in 2023 and a smaller loss in 2024, excluding special expenses related to decisions made in previous years and due to the parent company's challenges. It is our opinion that the future value of the intangible assets exceeds their book value. The budgets for 2025-2027, which we believe are based on realistic assumptions, show that the company's earnings will be restored and can fully generate a return on the intangible assets that justifies their value. However, we would like to point out that the assumptions are based on a future that may be different, and the changes could be significant. Nevertheless, we assess that the assumptions we have based our conclusions on are the most realistic.

As a result, we have chosen to maintain the value of the intangible assets.

The financial statements are affected by several extraordinary circumstances.

We have been part of the German group Vivonio, which faced financial challenges in 2024. After unsuccessful attempts to restore profitability, the German and Dutch operations went into reconstruction. A number of these costs have been distributed among the group companies, where KA Interiør has had to take its share. Most activities in the parent company in Germany were sold at the beginning of 2025. The shares in KA Furniture ApS were sold to Dansani Holding in Haderslev at the time of the financial statement, which continues the company with the same activities and management. The company is thus no longer part of the Vivonio group. The aforementioned reconstruction has resulted in special costs of 3.9 million DKK, all of which have been expensed in the 2024 financial statements. Dansani Holding A/S has secured credit facilities for the company to operate.

Investments in Growth
It has been our goal and the goal of our previous owner to grow in markets outside of the Nordic region. Thus, in previous years, and particularly in 2024, significant investments have been made in the DACH and BENELUX markets. We have chosen to significantly scale back this investment at the end of 2024 and in 2025. The costs of operating this investment and the costs of closure have all been expensed in the 2024 financial statements and have amounted to approximately 6 million DKK.

Savings
Additionally, a number of savings and cost-saving initiatives have been implemented in the fiscal year 2024. The total costs, which primarily include severance pay, amount to approximately 1 million DKK.

Ordinary Operations
We have also been affected by a significant decline in new construction in the Nordic countries, partly due to high interest rates, which has resulted in a substantial reduction in demand for the company's products from this segment. Similarly, the renovation segment and the turnover of residential properties have been impacted by a decline due to high inflation and high interest rates. Our total revenue has thus fallen from 2023 to 2024 without it being possible to react quickly enough to reduce costs. Our earnings from ordinary operations have therefore not been sufficient in 2024.

Quality standards

The company maintains a strong focus on quality assurance throughout the production process. All products are manufactured in accordance with strict quality standards, which are continuously verified through internal control mechanisms.

Management's review

The group is certified according to ISO 9001, supporting a systematic approach to quality management and process optimization. Additionally, there is ongoing work to improve the environmental strategy, including the further development of the company's environmental policies. This effort is anchored in certifications such as ISO 14001 (environmental management) and PEFC (sustainable forestry). The group has a clear objective to collaborate with suppliers who are also certified under the PEFC certification system, wherever possible.

Financial risks and use of financial instruments

Price risk

The group primarily uses wood, aluminum, and glass as raw materials. Price increases for these raw materials can impact the cost level, but the group accounts for such fluctuations with a delayed effect in the pricing of finished products. Financial instruments are not used to hedge price risks, but there is active work on strategic sourcing to ensure competitive prices.

Currency risk

The company operates in international markets and is therefore exposed to fluctuations in exchange rates. It is not the company's policy to hedge currency risks through financial instruments such as currency forward contracts. However, the development of exchange rates is closely monitored, and price adjustments are made with a delayed effect to mitigate any potential negative consequences.

Research and development activities

The group's research and development activities are anchored in the parent company and primarily focus on the development of new products and product variants in close collaboration with customers. The innovation efforts are crucial for meeting market needs and differentiating the group's products in a competitive market.

In the coming years, the group will continue to invest in efficiency and process optimization with the aim of increasing competitiveness and creating long-term value.

Outlook

Management expects a positive development in 2025, with an anticipated result in the range of 0-1 million DKK. The market share in the Nordic markets has shown growth, particularly in Norway and Sweden, where the company has experienced an increasing influx of new customers. This trend, which gained momentum in 2024, is expected to continue into 2025.

To meet the rising demand, the company invested significantly in new production facilities and product development in 2024. This is aimed at ensuring a competitive product portfolio and an efficient value chain that can support future growth and improved profitability.

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

Income statement

		Group		Parent company	
Note	DKK	2024	2023	2024	2023
	Gross profit	53,477,892	59,193,269	0	0
12	Distribution costs	-41,387,561	-41,589,587	0	0
12	Administrative expenses	-34,830,435	-34,517,395	-5,157,812	-8,339,303
	Operating profit/loss	-22,740,104	-16,913,713	-5,157,812	-8,339,303
	Income from investments in group enterprises	0	0	-15,827,299	-8,879,947
3	Financial income	284,343	342,521	0	0
4	Financial expenses	-8,650,231	-8,466,632	-7,698,516	-7,381,953
	Profit/loss before tax	-31,105,992	-25,037,824	-28,683,627	-24,601,203
5	Tax for the year	4,422,364	436,622	2,000,000	0
	Profit/loss for the year	-26,683,628	-24,601,202	-26,683,627	-24,601,203

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

Balance sheet

Note	DKK	Group 2024	Group 2023	Parent company 2024	Parent company 2023
	ASSETS				
	Fixed assets				
7	**Intangible assets**				
	Acquired intangible assets	4,539,610	3,573,637	0	0
	Goodwill	60,593,621	67,720,442	0	0
		65,133,231	71,294,079	0	0
8	**Property, plant and equipment**				
	Plant and machinery	11,212,819	10,153,737	0	0
	Fixtures and fittings, other plant and equipment	274,369	1,108,031	0	0
	Leasehold improvements	661,121	871,525	0	0
		12,148,309	12,133,293	0	0
9	**Investments**				
	Investments in group enterprises	0	0	76,089,656	105,967,360
	Deposits, investments	983,035	983,035	0	0
		983,035	983,035	76,089,656	105,967,360
	Total fixed assets	78,264,575	84,410,407	76,089,656	105,967,360
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	11,345,767	10,796,658	0	0
	Work in progress	1,437,867	1,746,271	0	0
	Finished goods and goods for resale	225,075	271,928	0	0
	Prepayments for goods	283,150	153,857	0	0
		13,291,859	12,968,714	0	0
	Receivables				
	Trade receivables	12,764,416	21,886,904	0	0
	Receivables from group enterprises	217,299	0	0	0
	Deferred tax assets	5,281,000	580,000	2,000,000	0
	Corporation tax receivable	108,404	0	0	0
	Other receivables	200,265	365,961	0	0
10	Prepayments	936,806	789,287	0	0
		19,508,190	23,622,152	2,000,000	0
	Cash	3,312,206	9,609,826	13,385	22,635
	Total non-fixed assets	36,112,255	46,200,692	2,013,385	22,635
	TOTAL ASSETS	114,376,830	130,611,099	78,103,041	105,989,995

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

Balance sheet

		Group		Parent company	
Note	DKK	2024	2023	2024	2023
	EQUITY AND LIABILITIES				
	Equity				
	Share capital	50,000	50,000	50,000	50,000
	Retained earnings	-40,503,571	-13,769,538	-40,503,571	-13,769,539
	Total equity	-40,453,571	-13,719,538	-40,453,571	-13,719,539
	Liabilities other than provisions				
11	**Non-current liabilities other than provisions**				
	Lease liabilities	5,640,939	5,321,410	0	0
	Other payables	3,428,334	3,481,237	0	0
		9,069,273	8,802,647	0	0
	Current liabilities other than provisions				
11	Short-term part of long-term liabilities other than provisions	1,462,715	1,253,128	0	0
	Trade payables	15,043,735	14,415,926	21,599	21,601
	Payables to group enterprises	118,673,633	107,957,137	118,535,013	118,315,077
	Corporation tax payable	0	5,042	0	0
	Other payables	10,581,045	11,896,757	0	1,372,856
		145,761,128	135,527,990	118,556,612	119,709,534
	Total liabilities other than provisions	154,830,401	144,330,637	118,556,612	119,709,534
	TOTAL EQUITY AND LIABILITIES	114,376,830	130,611,099	78,103,041	105,989,995

1 Accounting policies
2 Capital ratio
6 Appropriation of profit/loss
13 Contractual obligations and contingencies, etc.
14 Security and collateral
15 Related parties

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

Statement of changes in equity

		Group		
Note	DKK	Share capital	Retained earnings	Total
	Equity at 1 January 2024	50,000	-13,769,538	-13,719,538
	Transfer through appropriation of loss	0	-27,795,653	-27,795,653
	Adjustment of investments through forreign exchange adjustments	0	50,405	50,405
	Other value adjustments of equity	0	-50,405	-50,405
	Distributed dividend from group enterprises	0	1,061,620	1,061,620
	Equity at 31 December 2024	50,000	-40,503,571	-40,453,571

		Parent company		
Note	DKK	Share capital	Retained earnings	Total
	Equity at 1 January 2024	50,000	-13,769,539	-13,719,539
6	Transfer, see "Appropriation of profit/loss"	0	-26,683,627	-26,683,627
	Other value adjustments of equity	0	-50,405	-50,405
	Equity at 31 December 2024	50,000	-40,503,571	-40,453,571

The company has lost more than half of its share capital and the company's management is aware of the provision in section 119 of the Danish Companies Act.

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

Cash flow statement

		Group	
Note	DKK	2024	2023
	Profit/loss for the year	-26,683,628	-24,601,202
16	Adjustments	14,272,125	17,624,717
	Cash generated from operations (operating activities)	-12,411,503	-6,976,485
17	Changes in working capital	8,286,296	3,263,199
	Cash generated from operations (operating activities)	-4,125,207	-3,713,286
	Interest received, etc.	284,343	342,600
	Interest paid, etc.	-8,650,231	-8,311,083
	Income taxes paid	-392,082	-1,894,938
	Cash flows from operating activities	-12,883,177	-13,576,707
	Additions of intangible assets	-1,929,700	-1,928,966
	Additions of property, plant and equipment	-2,303,472	-7,721,805
	Disposals of property, plant and equipment	0	99,548
	Contracting of finance leases	1,285,661	5,374,835
	Cash flows to investing activities	-2,947,511	-4,176,388
	Proceeds of debt, finance leases	-966,130	164,091
	Repayments, borrowings from group enterprises	10,499,198	16,635,144
	Cash flows from financing activities	9,533,068	16,799,235
	Net cash flow	-6,297,620	-953,860
	Cash and cash equivalents at 1 January	9,609,826	10,563,686
18	**Cash and cash equivalents at 31 December**	3,312,206	9,609,826

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

Notes to the financial statements

1 Accounting policies

The annual report of KA Furniture ApS for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

Reporting currency

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

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and group entities controlled by the Parent Company.
The consolidated entities include Ka. Interiør A/S and KA Skjudtdörrar AB.

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

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

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

Preparation of consolidated financial statements

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

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

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

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

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

Foreign currency translation

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

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

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

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

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

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

Net sales are measured at the fair value of the agreed remuneration excluding VAT and taxes collected on behalf of third parties. All types of discounts are recognised in net sales.

Gross profit

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

Cost of sales

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

Production costs

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

Distribution costs

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

Administrative expenses

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

Other operating income

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

Amortisation/depreciation

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

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

Acquired intangible assets	3-5 years

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

Notes to the financial statements

1 **Accounting policies (continued)**

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

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

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

Profit/loss from investments in group entities

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

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

The item includes dividend received from group entities.

Financial income and expenses

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

Tax

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

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

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

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

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

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

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

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

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

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

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Deposits, investments

The deposit includes rent deposit, which is measured at amortised cost.

Investments in group entities

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

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

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

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

Dividend received is deduced from the carrying amount.

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

Notes to the financial statements

1 **Accounting policies (continued)**

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

Impairment of fixed assets

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

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

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

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

Inventories

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

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

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

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

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

Receivables

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

Receivables are measured at amortised cost.

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

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

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

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

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

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

Equity

Reserve for net revaluation according to the equity method

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

Proposed dividends

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

Income taxes

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

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

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

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

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

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

Other liabilities are measured at net realisable value.

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

Notes to the financial statements

1 Accounting policies (continued)

Lease liabilities

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

Deferred income

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

Cash flow statement

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

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

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

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

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

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

Notes to the financial statements

2 **Capital ratio**

The result for 2024 is unsatisfactory and does not meet expectations for the year. The financial statements are affected by a number of extraordinary circumstances.

The company has been part of the German group Vivonio, which faced financial challenges in 2024. After unsuccessful attempts to restore profitability, the German and Dutch operations went into reconstruction. A number of these costs have been distributed among the group companies, where KA Interiør has had to take its share. Most activities in the parent company in Germany were sold at the beginning of 2025.

The shares in KA Interiør A/S were sold to Dansani Holding in Haderslev at the time of the financial statement, which continues the company with the same activities and management. The company is thus no longer part of the Vivonio group. The aforementioned reconstruction has resulted in special costs of 3.9 million DKK, all of which have been expensed in the 2024 financial statements.

In connection with Dansani Holding A/S's acquisition of the company, comprehensive budget materials have been prepared for the period 2025-2027, which show that positive operating income can be generated in the company during the budget period.

Dansani Holding A/S has secured credit facilities for the company to operate.

		Group		Parent company	
	DKK	2024	2023	2024	2023
3	**Financial income**				
	Interest receivable, group entities	104,706	0	0	0
	Other financial income	179,637	342,521	0	0
		284,343	342,521	0	0
4	**Financial expenses**				
	Interest expenses, group entities	7,168,242	6,441,602	7,525,125	7,175,228
	Other financial expenses	1,481,989	2,025,030	173,391	206,725
		8,650,231	8,466,632	7,698,516	7,381,953
5	**Tax for the year**				
	Estimated tax charge for the year	278,636	299,378	0	0
	Deferred tax adjustments in the year	-4,701,000	-736,000	-2,000,000	0
		-4,422,364	-436,622	-2,000,000	0

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

Notes to the financial statements

DKK	Parent company 2024	Parent company 2023
6 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Net revaluation reserve according to the equity method	0	-4,902,474
Retained earnings/accumulated loss	-26,683,627	-19,698,729
	-26,683,627	-24,601,203

7 Intangible assets

DKK	Group		
	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2024	17,251,622	106,902,321	124,153,943
Additions	1,929,700	0	1,929,700
Disposals	-39,755	0	-39,755
Cost at 31 December 2024	19,141,567	106,902,321	126,043,888
Impairment losses and amortisation at 1 January 2024	13,677,985	39,181,879	52,859,864
Amortisation for the year	924,635	7,126,821	8,051,456
Reversal of accumulated amortisation and impairment of assets disposed	-663	0	-663
Impairment losses and amortisation at 31 December 2024	14,601,957	46,308,700	60,910,657
Carrying amount at 31 December 2024	4,539,610	60,593,621	65,133,231

8 Property, plant and equipment

DKK	Group			
	Plant and machinery	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2024	27,836,089	6,205,436	2,810,706	36,852,231
Additions	2,290,020	13,449	0	2,303,469
Disposals	-540,026	-160,044	-252,416	-952,486
Cost at 31 December 2024	29,586,083	6,058,841	2,558,290	38,203,214
Impairment losses and depreciation at 1 January 2024	17,682,352	5,097,405	1,939,181	24,718,938
Depreciation	1,230,938	724,037	195,934	2,150,909
Reversal of accumulated depreciation and impairment of assets disposed	-540,026	-36,970	-237,946	-814,942
Impairment losses and depreciation at 31 December 2024	18,373,264	5,784,472	1,897,169	26,054,905
Carrying amount at 31 December 2024	11,212,819	274,369	661,121	12,148,309
Property, plant and equipment include finance leases with a carrying amount totalling	8,313,226	0	0	8,313,226

Note 14 provides more details on security for loans, etc. as regards property, plant and equipment.

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

Notes to the financial statements

9 Investments

DKK	Group Deposits, investments
Cost at 1 January 2024	983,035
Cost at 31 December 2024	983,035
Carrying amount at 31 December 2024	983,035

DKK	Parent company Investments in group enterprises
Cost at 1 January 2024	109,851,348
Cost at 31 December 2024	109,851,348
Value adjustments at 1 January 2024	-3,883,988
Foreign exchange adjustments	-50,405
Dividend received	-14,000,000
Profit/loss for the year	-8,700,478
Impairment losses	-7,126,821
Value adjustments at 31 December 2024	-33,761,692
Carrying amount at 31 December 2024	76,089,656

The subsidiary KA Interiør A/S has realized losses in 2023 and 2024. As a result, objective indications of impairment needs have been identified. On this basis, the company's management has conducted an impairment test to assess the valuation. The impairment test was carried out based on a DCF calculation, using the expected cash flow for the years up to 2029. With an average cost of capital (WACC) of 14, the entity value is approximately 115 million DKK. If the average cost of capital is reduced to 12, the entity value increases to approximately 140 million DKK. If the average cost of capital is increased to 17.5, the entity value is approximately 85 million DKK.

Based on the calculations made, it is management's opinion that the valuation of KA Interiør A/S can be maintained at 75 million DKK.

Parent company

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

10 Prepayments

	Group		Parent company	
DKK	2024	2023	2024	2023
Insurance	30,755	160,411	0	0
IT expenses	479,897	494,339	0	0
Rent	7,500	13,647	0	0
Leases	25,945	75,794	0	0
Other prepaid costs	392,709	45,096	0	0
	936,806	789,287	0	0

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

Notes to the financial statements

11 Non-current liabilities other than provisions

	Group			
DKK	Total debt at 31/12 2024	Short-term portion	Long-term portion	Outstanding debt after 5 years
Lease liabilities	6,934,879	1,293,940	5,640,939	0
Other payables	3,597,109	168,775	3,428,334	2,923,245
	10,531,988	1,462,715	9,069,273	2,923,245

	Group		Parent company	
DKK	2024	2023	2024	2023
12 Staff costs				
Wages/salaries	37,623,044	37,958,530	0	0
Pensions	4,599,158	4,807,398	0	0
Other social security costs	2,955,628	3,179,659	0	0
Other staff costs	2,448,835	399,747	0	0
	47,626,665	46,345,334	0	0
Staff costs are recognised as follows in the consolidated financial statements and the parent company financial statements:				
Production costs	24,696,912	24,134,110	0	0
Distribution costs	12,482,280	12,636,526	0	0
Administrative expenses	10,447,473	9,574,698	0	0
	47,626,665	46,345,334	0	0
Average number of full-time employees	81	86	0	0

Group

Total remuneration to group Management : t.DKK 2.317. By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the group Management is not disclosed for 2023.

Parent company

The parent Company has no employees.

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

Notes to the financial statements

13 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
DKK	2024	2023	2024	2023
Rent and lease liabilities	22,401,407	22,824,056	0	0

Group

Of this, the rent obligation during the non-termination period amounts to t.kr 20.984.

Obligations under operating leases for cars amount to t.kr 1.418.

Parent company

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

14 Security and collateral

Group

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

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

As collateral for engagement with the bank, liquid holdings have been pledged, where the carrying value as of 31 December amounts to t.kr 705.

15 Related parties

KA Furniture ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Vivonio Schranksysteme GmbH	Leopoldstrasse 16, 80802 München, Germany	Shareholders' agreement

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Vivonio Holding GmbH	Leopoldstrasse 16, 80802 München, Germany	www.bundesanzeiger.de

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

Notes to the financial statements

15 Related parties (continued)

Related party transactions

DKK	2024	2023
Group		
Recived services from affliliated companies	10,237,174	8,310,627
Interest expenses to affiliated companies	7,168,242	6,441,602
Interest income from affiliated companies	104,706	0
Debt to affiliated companies	118,695,216	108,183,820
Receivables from affiliated companies	217,299	0
Parent Company		
Debt to affiliated companies	118,535,012	118,315,077
Interest expenses to affiliated companies	7,525,125	7,175,228
Recived services from affliliated companies	5,128,046	8,310,627

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

Name	Domicile
Vivonio Furniture GmbH	Leopoldstrasse 16, 80802 München, Germany

		Group	
	DKK	2024	2023
16	**Adjustments**		
	Amortisation/depreciation and impairment losses	10,379,003	9,999,374
	Financial income	-284,343	-342,600
	Financial expenses	8,650,231	8,311,083
	Tax for the year	278,636	299,378
	Deferred tax	-4,701,000	-736,000
	Other value adjustments of equity	-50,402	93,482
		14,272,125	17,624,717
17	**Changes in working capital**		
	Change in inventories	-323,145	6,172,317
	Change in receivables	9,140,664	2,449,177
	Change in trade and other payables	-531,223	-5,358,295
		8,286,296	3,263,199
18	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	3,312,206	9,609,826
		3,312,206	9,609,826

Verifikation

Transaktion 09222115557540024015

Dokument

Annual report 2024 - KA Furniture ApS
Hoveddokument
2 sider
Påbegyndt 2025-02-24 22:40:03 CET (+0100) af Nikolaj Jackie Persson (NJP)
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Direktør

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