

# CARL HANSEN & SØN HOLDING A/S

Hylkedamvej 77-79  
5591 Gelsted  
CVR No. 26900921

# ANNUAL REPORT 2024

The Annual General Meeting adopted  
the annual report on 24. June 2025.

Knud Erik Hansen  
Chairman of the General Meeting



BY APPOINTMENT TO  
THE ROYAL DANISH COURT

# CARL HANSEN & SØN



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# Entity details

## Entity

Carl Hansen & Søn Holding A/S  
Hylkedamvej 77-79  
5591 Gelsted

Business Registration No.: 26900921  
Registered office: Middelfart  
Financial year: 01.01.2024 - 31.12.2024

## Board of Directors

Rune Stephansen  
Preben Larsen  
Knud Erik Hansen  
Niels Johan Holm  
Carsten Fode

## Executive Board

Knud Erik Hansen  
Inger Marie Jensen Hansen  
Torben Agerbak  
William Boesen  
Klaus Karstensen  
Philip Tranberg Moe

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Tværkajen 5  
P. O. Box 10  
5100 Odense

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Carl Hansen & Søn Holding A/S for the financial year 01.01.2024 - 31.12.2024.

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 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

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.

Gelsted, 24.06.2025

## Executive Board

**Knud Erik Hansen**

**Inger Marie Jensen Hansen**

**Torben Agerbak**

**William Boesen**

**Klaus Karstensen**

**Philip Tranberg Moe**

## Board of Directors

**Rune Stephansen**

**Preben Larsen**

**Knud Erik Hansen**

**Niels Johan Holm**

**Carsten Fode**

# Independent auditor's report

## To the shareholders of Carl Hansen & Søn Holding A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Carl Hansen & Søn Holding A/S for the financial year 01.01.2024 - 31.12.2024, 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 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.
- 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 consolidated financial statements and the parent 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 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.

Odense, 24.06.2025

### Deloitte

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

### Bo Damgaard Hansen

State Authorised Public Accountant  
Identification No (MNE) mne34543

### Allan Dydensborg Madsen

State Authorised Public Accountant  
Identification No (MNE) mne34144

# Management commentary

## Financial highlights

	2024	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Revenue	759,360	773,039	991,209	966,243	707,182
Operating profit/loss	(16,716)	5,657	93,929	183,064	98,795
Net financials	(22,848)	(21,105)	(13,542)	(6,719)	(5,530)
Profit/loss for the year	(33,143)	(17,029)	62,419	136,894	71,617
Balance sheet total	760,269	820,521	867,600	719,375	579,767
Equity	317,430	349,772	372,733	310,426	174,185
Cash flows from operating activities	53,009	52,337	(27,968)	31,074	183,023
Cash flows from investing activities	(29,793)	(37,534)	(82,491)	(82,490)	(51,446)
Cash flows from financing activities	(28,754)	(4,167)	112,161	39,001	(124,341)
Average number of employees	715	854	1,123	1,436	1,212
<b>Ratios</b>					
Gross margin (%)	41.70	41.58	41.70	45.60	44.00
Return on assets	3.02	0.69	10.83	25.49	17.00
Solvency ratio	42.02	42.63	42.96	42.65	30.00

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

### Gross margin (%):

$\frac{\text{Gross profit} * 100}{\text{Revenue}}$

### Return on assets (%):

$\frac{\text{Profit before financials} * 100}{\text{Total assets}}$

### Solvency ratio (%):

$\frac{\text{Equity at year end} * 100}{\text{Total assets at year end}}$

### Primary activities

Over the past 116 years, Carl Hansen & Søn has been manufacturing and trading high-end Danish designer furniture worldwide. Sales are undertaken through various channels: business-to-business, business-to-consumer through the Group's flagship stores, and e-commerce platforms. Raw materials are sourced from markets in Europe, the US, South America, and Southeast Asia.

### Development in activities and finances

The consolidated income statement for 2024 shows an operating loss of DKK 33.1 million, which is significantly below expectations.

Total revenue decreased by 1.8%, primarily due to the weaker Japanese Yen. The gross margin was realized slightly (0.2 p.p.) ahead of 2023. Distribution costs remained at the same level as in 2023. However, Administrative expenses increased by 12.6 million DKK. The higher costs were related to restructuring the Group's operational setup, increased IT/ERP expenses resulting from investments in a new platform, increased personnel expenses, and general cost increases.

The consolidated balance sheet was reduced further to DKK 760.3 million, and the solvency ratio, at 42%, remained at the same high level as in previous years.

Cash flow from operating activities was DKK 53.0 million, driven by working capital reduction, i.e., inventory reduction. Investments were prioritized and focused on building a modern IT platform. In summary, free cash flow of DKK 23.2 million was achieved.

### Profit/loss for the year in relation to expected developments

The expectations for 2024 projected a modestly positive outcome. As the year developed with reduced earnings, decisions were made to restructure the organization, leading to the negative result for 2024. This result is not considered satisfactory by Management and the Shareholders.

### Outlook

The international furniture markets are experiencing challenges as private consumers exhibit cautious purchasing behavior due to overall uncertainty or allocate their spending towards leisure activities. More uncertainty prevails in the Global economy with continued war in Ukraine and uncertainty about tariffs being implemented.

However, the Group is well represented in many international markets and aims to strengthen sales in those markets where opportunities have been identified. Sales management has been strengthened, and the international contract market has been identified as a focus area. Within the last couple of years, a robust portfolio of Flagship stores has been established in the main markets, and further growth is expected from this sales channel. Through these sales initiatives, the Group expects to achieve single-digit growth in 2025 if the worldwide uncertainty does not accelerate further.

The Group expects to deliver a positive result in 2025 in the range of DKK 10-20 million.

Working capital management will also remain a focus area in 2025, and investments will be focused on fundamental improvements to the total IT platform.

Free cash flow generated in 2025 is expected to exceed the 2024 level.

### Strategy

During the past years, the Group's strategy has been to continue investing in the market by opening flagship stores (FSS) and employing more sales personnel worldwide. The stores have been a valued contribution to the overall branding of the Carl Hansen & Søn image, as the Group has been able to exhibit its top-quality products in the most efficient way and to the liking of everybody visiting the stores. Today, the stores are a valued contributor to the yearly financial result of the Group, and Carl Hansen & Søn is constantly looking for new areas to advance its market presence worldwide through more Flagship Stores.

Likewise, sales through the Webstores strongly value-added the Group's name and image. Over the past three years, Carl Hansen & Søn has gained additional market presence in all the countries where it trades, both through its Flagship Stores and the Webstores.

Carl Hansen & Søn continues developing an even more diversified product portfolio of home accessories and furniture. We strive towards optimal opportunities worldwide, marketing our renowned architects, their products, quality, and our name. The broader product portfolio expands our company's reputation as a top-quality supplier for contract and retail prospects.

During 2023, Carl Hansen & Søn purchased Pandul, which held the Wegner collection of Lamps. Following the takeover of Pandul, Okholm Lightning A/S, Tønder, which already worked with Wegner to update the Wegner outdoor lamps, was contacted in 2024. Okholm employs specialists who produce and refurbish lamps. Carl Hansen & Søn took over Okholm Lightning A/S during the latter part of 2024.

Unfortunately, the furniture manufacturer Getama A/S in Gedsted was crippled by an extensive fire in February 2024. Getama was known for its upholstered furniture, which Hans J. Wegner and Nana Ditzel designed. After the fire, the owner of Getama approached us, and we discussed the opportunities for a takeover of Getama's Wegner/Ditzel activities. The production and sale of the Getama portfolio has always been an exciting opportunity for Carl Hansen & Søn. The purchase of the Getama name and the associated activities was completed in early 2025.

Both the products by Okholm and Getama are now being manufactured, marketed, and sold by Carl Hansen & Søn.

The Group shall continue to expand its presence in all major markets by introducing several original and contemporary products.

### Use of financial instruments

A significant number of the group's products are sold worldwide, and sales are denominated in local currency. Manufacturing costs are concentrated in Denmark and supported by the Group's facility in Vietnam. Raw materials are predominantly purchased in DKK.

The Group does not wish to speculate on currency fluctuations or other matters that are not directly related to its primary activities as described above. The Group aims to hedge the expected positions for the next 12 months by forward exchange contracts. Currency risks associated with investments in subsidiaries are not hedged.

Worldwide sales on credit generate international trade receivables. The Group has an international debtor insurance program that covers its significant positions in most markets.

The Group provides external financing through mortgages, leases, and bank credit facilities. Most of the external financing is at variable interest rates.

### **Knowledge resources**

The Group manufactures products of the highest quality craftsmanship, supported by the newest machine technology. These requirements demand a high degree of skilled labor.

The Group continuously works to attract the best employees while focusing on continuous improvement of technical standards throughout its operations.

### **Research and development activities**

#### **Product development**

In 2024, Carl Hansen & Søn spent DKK 2,3 million on product development. An average development project lasts 6 to 12 months and involves introducing the products to the markets. The Group expects to develop four to six new products annually.

### **Foreign branches**

Carl Hansen & Søn A/S branch, Stockholm, Sweden

### **Statutory report on corporate social responsibility**

Our company builds on over 100 years of traditional furniture craftsmanship that has brought iconic and timeless designs to people all over the world. We pair this century of traditional techniques with the finest materials to create pieces made to last and to be passed on for generations to come. With this, we possess in our DNA some of the most important attributes that the world needs from businesses if we are to turn the tide and navigate towards a sustainable future.

Along this we continued in 2024 developing both our long-term strategies and governance of responsible business conduct as well as the everyday solutions that help us improve withing social and environmental sustainability. Regarding our Business Model, please refer to section "Primary activities".

### **Sustainability due diligence - risks and impacts**

The Group is increasingly exposed to a wide range of risks and opportunities related to its social and environmental impacts. Therefore, in 2023, we identified the need for greater dissemination of holistic sustainability due diligence processes, which towards the end of 2023 led us to onboard new expertise and additional resources to the area of sustainability and ESG management. In 2024 we carried out the first double materiality assessment at our manufacturing plants, giving us a two-sided perspective on materiality of our impacts and risks of impacts. This will prepare the Group to meet the EU's new Corporate Sustainability Reporting Directive, which we are required to comply with from 2027.

The group produces at three locations: CHS Møbelfabrik in Gelsted, Studio CHS in Vietnam and Okholm Lighting in Tønder. The Group has been operating our manufacturing plant, Studio CHS, in Vietnam for 8 years, and Okholm Lighting became a part of the Group in 2024. Studio CHS is operating in accordance with local Vietnamese law and standards. The plant is managed locally by a Danish citizen, and the legal and safety requirements as laid down by the head office exceeds any local and legal requirements.

Material impacts and risks of impacts identified and managed during 2024 within climate and environmental sustainability are related to energy and materials consumption. The Carl Hansen & Søn largest manufacturing

plant in Gelsted is operated with renewable electricity, which is secured through guarantees that the electricity comes from wind turbines and solar panels. Regarding the Group's consumption of materials, wood by far accounts for the largest share. We manage this impact by using FSC certified wood, guaranteeing the wood originates from forests managed in ways that are ecologically responsible, socially beneficial, and economically viable. Besides, the risks related to materials consumption are mitigated by our focus on supporting circular economy. We do this by offering furniture repairs at our Danish manufacturing plant and locally in Japan to extend the life of the products even further.

Within social sustainability we have a risk of impact from physical craftsmanship on employees' well-being which we have a continuous focus on mitigating. We do this by offering employees free use of our well-equipped gym which is based on site. In connection to the gym, we employ a physiotherapist who instructs employees in proper working positions and techniques, as well as encourages and guides execution of exercises and offers free physiotherapy treatment. Generally, our Health & Safety Committee continuously registers all working accidents and near misses, addresses these with preventive and corrective actions and generally works on promoting and ensuring health and safety in the workplace. Another risk of impact is employees experiencing stress in the workplace. The Group mitigates the risk via various initiatives such as balancing working hours, breaks and vacation.

The risk of negative human rights impacts in our value chain are managed by requesting our suppliers to follow our Code of Conduct. We expect our business relationships to carry out sustainability due diligence and inform us of actual adverse impacts. In accordance with the UN Guiding Principles on Businesses and Human Rights and the OECD Guidelines on Multinational Enterprises we deal with our value chain impacts by engaging where we contribute, cause or are merely linked to an actual impact.

Within economic sustainability corruption is identified as a general risk of negative impact in the furniture industry, and we are aware of the specific challenges we face. One of the primary risks we identify is the need to ensure transparency and integrity in our supply chain. This area can be particularly vulnerable to corruption, as it involves a wide range of suppliers, contractors, and subcontractors across different geographic areas with varying legal and cultural norms. This the Group mitigates by having suppliers following our Code of Conduct which gives strict guidelines to identify and address potential corruption risks in our supply chain. Additionally, we recognize the need to address risks in our sales and distribution channels, where illegal incentives or bribery could pose a threat to our integrity and reputation. Our anti-corruption policy is designed to ensure that our employees and business partners understand and adhere to our high standards of ethical conduct in all aspects of our business. We are firmly committed to maintaining a culture characterized by integrity, transparency, and accountability to minimize the risk of corruption and ensure a healthy and sustainable business practice.

### **Responsible business conduct policies**

The following policies frame the Group's responsible business conduct: CSR-Policy, Environmental Policy, Health & Safety Policy, Procurement Policy, and Code of Conduct, which also covers Human Rights and Anti-Corruption. All documents are made available to our employees, guiding their work, and understanding of our company requirements and expectations.

The CSR-Policy describes how the Group commits to sustainability within the core areas of sustainable development:

- Environment (including climate),
- Human rights (including labour rights), and
- Economic sustainability (including anti-corruption).

And how the Group works to prevent and mitigate any adverse impacts within these three areas both in own operations as well as in the value chain. In addition to the CSR-policy and to ensure the Groups expectations are expressed to the value chain, the Group has a Code of Conduct in place that is reviewed on a regular basis. When committing to the Code of Conduct, suppliers are furthermore requested to fill in a Supplier Self-assessment Questionnaire, which is a tool for having a proactive dialogue.

Carl Hansen & Søn's Environmental Policy states the commitment to protecting the environment and reducing the environmental impact of the Group's activities. The Group aims to comply with relevant environmental rules and regulations, and to be proactive in dealing with market and legislative requirements. The Group works to reduce the environmental impact and use of resources, and to continually manage all identified impacts on the environment. Finally, the Group aims to communicate with all stakeholders in an honest and transparent manner, to inform openly of its environmental impact and to involve its employees in the continuous improvements in this area.

The CSR and Environmental policies are translated into action via procedures throughout the company and continuous follow-up on the achievement of targets. We are continuously keeping ourselves updated on the green transitioning agenda, participating in industry initiatives, and on the lookout for new opportunities to approve and adopt new ambitions.

Carl Hansen & Søn's Health & Safety Policy underlines that a healthy working environment and the safety of employees are key focus areas for the Group. Carl Hansen & Søn strives to prevent and mitigate negative impacts on the physical and mental health of our employees. We do this by monitoring the number of occupational injuries, including near-miss accidents, and by initiating preventive measures such as training and instruction, providing proper physical surroundings and equipment.

The Group's Procurement Policy describes how it is working with suppliers, and commits to identifying and managing impacts on people, planet, and profit within the supply chain. And how it commits to sourcing materials of the highest quality and responsibly sourced. Whenever there is an option within reasonable costs the Group will choose the more sustainable solution. This is effectuated in procurement procedures and continuous follow-up on the achievement of targets e.g. FSC procedures and share of FSC certified products.

## **Activities and results - managing impacts and risks of impact**

### ***Energy consumption***

To mitigate our impact related to energy consumption, over the past years we have put great focus on optimizing and reducing the use of electricity and heating at the Carl Hansen & Søn Møbelfabrik production plant.

In 2023, we made significant investments in reducing electricity and heat consumption following an energy audit conducted by external consultants who mapped our usage and identified opportunities for improvement. As a result, our 2024 energy consumption has remained largely unchanged from 2023. Furthermore, our measurements indicate that the charging of our electric vehicles has increased by 24.128 kWh in 2024 compared to 2023, leading to a higher overall electricity consumption. The consumption data has been obtained from our electricity and heating suppliers, Energi Fyn and Gelsted Fjernvarme. The data exclusively covers all electricity and heating consumption at Carl Hansen & Søn Møbelfabrik's production and office facilities located in Gelsted.

<b><i>Electricity</i></b>	<b><i>2022</i></b>	<b><i>2023</i></b>	<b><i>2024</i></b>
Consumption	4.844 MWh	2.969 MWh	3.092 MWh
Reduction		1.875 MWh	-123 MWh
Reduction in %		38,7 %	-4,1 %

Heating	2022	2023	2024
Consumption	7.212 MWh	5.191 MWh	5.191 MWh
Reduction		1.931 MWh	0 MWh
Reduction in %		27,1 %	0 %

The collaboration with Gelsted District Heating on supplying wood briquettes made of excess sawdust and wood chips from our carpentry facilities continued in 2024. The Group built and installed a briquette plant in 2021-2022, which turns sawdust and wood chips into briquettes thus providing the local community and the factory with heating. In 2024 the briquettes delivered by us to Gelsted District Heating accounted for 34% of the total energy generated for heating the local community, including our own factory.

Wood briquettes delivered to <u>Gelsted District Heating</u>		
2022	2023	2024
653,8 tons	813,0 tons	941,6 tons

### ***FSC certified furniture and cardboard packaging***

Another Group target since 2020 has been to increase the proportion of FSC certified products and packaging and eventually have all Carl Hansen & Søn products and packaging 100% certified in 2025.

The development in the share of FSC certified purchased wood at Carl Hansen & Søn Møbelfabrik A/S:

	2018	2019	2020	2021	2022	2023	2024
FSC Certified Wood	1 %	18 %	89 %	95 %	96 %	96 %	93 %
Non-FSC	99 %	82 %	11 %	5 %	4 %	4 %	7 %

The challenge to transition the last 7 % of purchased wood to FSC lies in the fact that walnut timber comes from North America; a geographical area which has no tradition for FSC certification but is instead dominated by other similar certifications such as PEFC and SFI. It is our goal to find a solution to this challenge – either try to use our leverage to motivate suppliers to become FSC certified, source walnut from another continent, or phase out walnut from our furniture range. In 2024, we purchased more walnut than previously, which resulted in a decrease in the FSC percentage of 3 %.

The development in the share of FSC-70 certified purchased wood at Studio CHS:

	2022	2023	2024
FSC Certified Wood	100 %	100 %	100 %
Non-FSC	0 %	0 %	0 %

Studio CHS in Vietnam produces furniture not only for Carl Hansen & Søn but also for other external customers. As a result of the group's goal of producing 100% FSC certified furniture, we have chosen to exclusively offer FSC certified furniture to Studio CHS's other customers. This has pushed customers to also transition towards ecologically responsible, socially beneficial, and economically viable wooden furniture.

The development in the share of FSC certified cardboard Packaging at Carl Hansen & Søn Møbelfabrik A/S:

	2022	2023	2024
FSC Certified Packaging	94 %	96 %	97 %
Non-FSC	6 %	4 %	3 %

At Studio CHS all cardboard packaging used for Carl Hansen & Søn furniture is 100% FSC certified.

### Circular Economy – resell and repair

Globally there is a growing market for second-hand products. According to OfferUp's 2024 Recommerce Report, 35% of surveyed American consumers engaged in resale for the first time in 2024, reflecting an 8% increase compared to 2023. The report forecasts a 55% growth in the resale market by 2029, projecting a value of \$291.6 billion, which will represent 8% of the total retail market. Similarly, ThredUp's 2024 Resale Report underscores the rapid expansion of the global resale market, driven by a growing consumer preference for sustainable and affordable alternatives.

At Carl Hansen & Søn we welcome this tendency and want to support its further development. Therefore, we launched The Relove Project in April 2022 offering customers in our Danish flagship stores to buy their used CH24 chairs back. In return the customers get a voucher to use on our stores or webshop. We then repair the used chairs and resell them in a part of our stores which is dedicated furniture resale. In 2024 we continued promoting this option in our stores. An important link in the Carl Hansen & Søn resell value chain is our workshop for furniture repairs at our Danish Carl Hansen & Søn production plant. The workshop is called The Lab and houses besides for dedicated employees also between 15-30 cabinetmaker and machine operator apprentices. An important part of the training and development of a valuable education program for future generations of cabinetmakers and machine operators, as we see it, is teaching them good traditional carpentry and furniture craftsmanship including how to repair furniture. Therefore, the apprentices play an important part in The Relove project.

	2022	2023	2024
<sup>1</sup> Pieces of repaired furniture in The Lab	193	312	291
Development	-	61,6 %	-6,7 %

Read more about The Lab below under Social Sustainability and on our website [The Lab - Carl Hansen & Søns eget lærlingeværksted](#).

When developing our new sustainability strategy moving towards 2030, we will consider the resale market and how we can support and expand it even further.

### Waste

In 2024, we continued the work we started out to optimize even further how our waste from production is reduced through among others disciplined sorting of waste as well as through directing useful materials towards positive use. As an example, when we turn excess materials such as wood, textiles, and leathers into useful accessories.

We realize that this effort is hard to measure as the wood waste that is now turned into accessories would have otherwise been turned into wood briquettes for the district heating.

The amount of briquettes in Carl Hansen & Søn Møbelfabrik A/S does not give a credible indicator of how much wood has been turned into accessories, nor does the reduction of residual waste. We therefore plan to find ways for how to better measure how much material (wood, leather, textiles) are turned into useful accessories in both our production plants.

Reduction of the proportion of residual waste at Carl Hansen & Søn Møbelfabrik A/S:

	2022	2023	2024
<sup>2</sup> Percentage of residual waste	62 %	50 %	51 %
Percentage of recycled waste	38 %	50 %	49 %

### Social sustainability

In 2019, we introduced The Lab, a new mentor-guided program intended to supplement the time apprentices spend learning on the production floor. The Lab provides opportunities to learn at a slower, less production focused pace, so that apprentices can ask questions, study specific skills and tools, and work together with their mentors and peers to develop collaborative and problem-solving skills. With our apprentice program, we believe that we are not only preserving design icons – we are also investing in the future of quality craftsmanship.

Besides, we see this as our contribution to a society in maintaining traditional skills in modern craftsmanship. We have seen a dramatic decrease in traditional skills in modern society over the past decades to an extent where many of such skills are at risk of being lost. These skills required to make lasting quality furniture and repairs we see as one of the keys to a circular economy and sustainable future. In 2023 this effort resulted in The Lab being awarded “Apprenticeship of the year 2023”.

In 2020 we defined a goal to increase the number of apprentices in The Lab from 15 to 30, however we have learnt there is a fine balance between housing as many as possible while maintaining a high-quality education program with time for our mentors to dedicate proper time and develop everyone. The number of apprentices therefore is quite stable, and the goal is to maintain this effort and high standard of education.

Apprenticeships: Cabinet makers, Machine operators and upholsterers:

	2022	2023	2024
Total number of apprentices converted to full-year equivalents	26	22	22

Regarding the right to a safe and healthy working environment, the Group is systematically undertaking continuous improvements, and this has a high priority. During the previous years as well as in 2024, the Group has continued to focus on the working environment at the plant in Vietnam. Also, at the Vietnamese plant the Group constantly improves on local working and safety environments.

Carl Hansen & Søn Møbelfabrik A/S, Studio CHS and Okholm Lighting have all applied a code of conduct. None of the companies have observed any adverse impacts in our supply chain during 2024. In 2024, the Group continued the work to highlight the importance of respecting human rights and focus this work where we consider it to be most critical which is in our supply chain and where we will continue to require suppliers to adhere to our Code of Conduct.

In 2025, we plan to rework and standardize our policies and code of conducts across the group to optimize and ensure all companies within the group operate according to the same high standards both for responsible business conduct both within environmental and social sustainability incl. health and safety, as well as anticorruption.

### Anti-corruption

The risks within corruption identified are - as noted above - on the supply chain side addressed by having suppliers following our Code of Conduct whereas risks in our sales and distribution channels, are mitigated by having an anti-corruption policy in accordance with high international standards. This may also be the case if the punishable act is committed abroad. Key indicators of our performance in the field of anti-corruption are notifications of material impacts from suppliers and reports filed via our whistleblower mechanism. We have received no such notifications or reports in 2024.

**Statutory report on the underrepresented gender**

	2024	2023	2022	2021	2020
<b>Supreme management body</b>					
Total number of members	5	5	5	5	5
Underrepresented gender (%)	0.00	0.00	0.00	0.00	0.00

	2024	2023	2022	2021	2020
<b>Other management levels</b>					
Total number of members	6	6	6	6	5
Underrepresented gender (%)	17.00	17.00	17.00	17.00	25.00

**Policy**

As Carl Hansen & Søn Holding employs less than 50 employees it is not required to have a policy on gender diversity. However, we do have a policy on Group level on anti-discrimination, which includes equality, and defines how skills and personal match are decisive when hiring new employees, and how skills and experience determine salary, not gender, age, ethnicity nor similar.

Gender equality, diversity and inclusion is an area of focus for the Group, where internal policies have been developed at Group level.

**Actions to meet targets**

As Carl Hansen & Søn Holding employs less than 50 employees it is not required to set target figures and actions to promote gender diversity. However, the individuals representing our Board of Directors and management in our Holding company is also represented in the Board of Directors and management in our subsidiary Carl Hansen & Søn Møbelfabrik A/S. Therefore, we refer to the statutory report for Carl Hansen & Søn Møbelfabrik A/S for target figures and actions to promote gender diversity which thereby also covers the holding company.

**Statutory report on data ethics policy**

The Group has developed and implemented data ethics policy. The policy covers employees, customers and suppliers' data that are collected, stored, and used securely and confidentially. The policy is designed to work in conjunction with the Group's GDPR policy and communicated to the Group's organization. It is the Group's experience that a good knowledge of the Group's GDPR policy among employees helps to support a responsible use of sensitive data.

In general, the Group emphasizes that data is only stored to the extent necessary or required by law. Likewise, the aim is that data is, as far as possible, only available to employees who need the relevant data in question. The Group operates in both the B2B market and the B2C market, whereby data management is linked to the collection of relevant customer data, as well as from the conclusion of contracts with suppliers and partners.

The Group handles data about the companies' employees to the extent relevant to their employment. The Group only strives to collect and use data that is necessary in the specific employment relationship.

The Group's data ethics policy is approved at the Group's management level and communicated to the Group's employees, and it is assessed that the policy contributes to responsible handling of data.

# Consolidated income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Revenue	2	759,360	773,039
Production costs		(444,846)	(451,644)
<b>Gross profit/loss</b>		<b>314,514</b>	<b>321,395</b>
Distribution costs		(251,937)	(250,495)
Administrative expenses	3	(80,868)	(68,309)
Other operating income		4,776	5,361
Other operating expenses		(3,201)	(2,295)
<b>Operating profit/loss</b>		<b>(16,716)</b>	<b>5,657</b>
Other financial income		899	686
Other financial expenses		(23,747)	(21,791)
<b>Profit/loss before tax</b>		<b>(39,564)</b>	<b>(15,448)</b>
Tax on profit/loss for the year	5	6,421	(1,581)
<b>Profit/loss for the year</b>	6	<b>(33,143)</b>	<b>(17,029)</b>

# Consolidated balance sheet at 31.12.2024

## Assets

	Notes	2024 DKK'000	2023 DKK'000
Completed development projects	8	14,318	18,094
Acquired intangible assets		47,339	26,230
Acquired patents		6,285	1,410
Goodwill		35,872	36,504
<b>Intangible assets</b>	<b>7</b>	<b>103,814</b>	<b>82,238</b>
Land and buildings		191,470	202,725
Other fixtures and fittings, tools and equipment		52,495	67,760
Leasehold improvements		10,364	10,241
Property, plant and equipment in progress		0	146
<b>Property, plant and equipment</b>	<b>9</b>	<b>254,329</b>	<b>280,872</b>
Deposits		14,564	14,458
<b>Financial assets</b>	<b>10</b>	<b>14,564</b>	<b>14,458</b>
<b>Fixed assets</b>		<b>372,707</b>	<b>377,568</b>
Raw materials and consumables		74,537	79,445
Work in progress		43,032	77,944
Manufactured goods and goods for resale		164,141	162,540
<b>Inventories</b>		<b>281,710</b>	<b>319,929</b>

Trade receivables		59,879	79,311
Contract work in progress		923	0
Deferred tax	11	1,175	1,624
Other receivables		11,273	3,591
Prepayments	12	7,168	7,526
<b>Receivables</b>		<b>80,418</b>	<b>92,052</b>
<hr/>			
<b>Cash</b>		<b>25,434</b>	<b>30,972</b>
<hr/>			
<b>Current assets</b>		<b>387,562</b>	<b>442,953</b>
<hr/>			
<b>Assets</b>		<b>760,269</b>	<b>820,521</b>
<hr/>			

**Equity and liabilities**

	<b>Notes</b>	<b>2024</b> <b>DKK'000</b>	<b>2023</b> <b>DKK'000</b>
Contributed capital		520	520
Translation reserve		(8,420)	(8,420)
Retained earnings		325,330	357,672
<b>Equity</b>		<b>317,430</b>	<b>349,772</b>
Deferred tax	11	3,161	10,476
<b>Provisions</b>		<b>3,161</b>	<b>10,476</b>
Mortgage debt		37,335	43,283
Lease liabilities		31,435	40,684
Other payables		6,500	0
<b>Non-current liabilities other than provisions</b>	13	<b>75,270</b>	<b>83,967</b>
Current portion of non-current liabilities other than provisions	13	12,289	14,907
Bank loans		191,753	202,692
Prepayments received from customers		34,592	32,550
Trade payables		66,698	72,874
Payables to owners and management		18,763	17,483
Tax payable		1,256	1,069
Other payables	14	39,057	34,731
<b>Current liabilities other than provisions</b>		<b>364,408</b>	<b>376,306</b>
<b>Liabilities other than provisions</b>		<b>439,678</b>	<b>460,273</b>
<b>Equity and liabilities</b>		<b>760,269</b>	<b>820,521</b>
Events after the balance sheet date	1		
Staff costs	4		
Financial instruments	16		
Unrecognised rental and lease commitments	17		
Assets charged and collateral	18		
Transactions with related parties	19		
Subsidiaries	20		

# Consolidated statement of changes in equity for 2024

	Contributed capital DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	520	(8,420)	357,672	349,772
Value adjustments	0	0	801	801
Profit/loss for the year	0	0	(33,143)	(33,143)
<b>Equity end of year</b>	<b>520</b>	<b>(8,420)</b>	<b>325,330</b>	<b>317,430</b>

The share capital consists of 519,556 shares of DKK 1. No shares carry any special rights.

# Consolidated cash flow statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Operating profit/loss		(16,716)	5,657
Amortisation, depreciation and impairment losses		42,099	38,947
Working capital changes	15	50,876	52,144
Equity adjustments regarding financial instruments		(657)	(1,347)
Exchange rate adjustments		1,324	(4,585)
<b>Cash flow from ordinary operating activities</b>		<b>76,926</b>	<b>90,816</b>
Financial income received		899	686
Financial expenses paid		(23,747)	(21,790)
Taxes refunded/(paid)		(1,069)	(17,375)
<b>Cash flows from operating activities</b>		<b>53,009</b>	<b>52,337</b>
Acquisition etc. of intangible assets		(25,635)	(32,210)
Acquisition etc. of property, plant and equipment		(4,437)	(6,157)
Sale of property, plant and equipment		4,586	1,335
Sale of fixed asset investments		93	0
Additions, other financial asset investments		(4,400)	(502)
<b>Cash flows from investing activities</b>		<b>(29,793)</b>	<b>(37,534)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>23,216</b>	<b>14,803</b>

Loans raised	0	351
Repayments of loans etc.	(6,028)	(8,322)
Repayment of lease liabilities	(11,787)	(11,923)
Changes in short terms bankloans	(10,939)	15,727
<b>Cash flows from financing activities</b>	<b>(28,754)</b>	<b>(4,167)</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>(5,538)</b>	<b>10,636</b>
Cash and cash equivalents beginning of year	30,972	20,336
<b>Cash and cash equivalents end of year</b>	<b>25,434</b>	<b>30,972</b>
Cash and cash equivalents at year-end are composed of:		
Cash	25,434	30,972
<b>Cash and cash equivalents end of year</b>	<b>25,434</b>	<b>30,972</b>

# Notes to consolidated financial statements

## 1 Events after the balance sheet date

No events have occurred after year end which could materially affect the Company's financial position.

## 2 Revenue

	2024 DKK'000	2023 DKK'000
Denmark	209,627	207,053
Other countries in Europe	278,754	309,306
USA and Canada	88,611	88,973
Japan	116,475	112,188
Asia Pacific	51,546	50,300
Other	14,347	5,219
<b>Total revenue by geographical market</b>	<b>759,360</b>	<b>773,039</b>
Sale of self-constructed furniture and goods for resale	759,360	773,039
<b>Total revenue by activity</b>	<b>759,360</b>	<b>773,039</b>

## 3 Fees to the auditor appointed by the Annual General Meeting

	2024 DKK'000	2023 DKK'000
Statutory audit services	834	715
Other assurance engagements	40	50
Tax services	112	551
Other services	539	537
	<b>1,525</b>	<b>1,853</b>

## 4 Staff costs

	2024 DKK'000	2023 DKK'000
Wages and salaries	238,194	230,316
Pension costs	19,429	16,698
Other social security costs	7,157	5,449
	<b>264,780</b>	<b>252,463</b>
Staff costs classified as assets	(12,153)	(9,257)
	<b>252,627</b>	<b>243,206</b>
Average number of full-time employees	<b>715</b>	<b>854</b>

	Remuneration of Manage- ment 2024 DKK'000	Remuneration of Manage- ment 2023 DKK'000
Executive Board	525	544
Board of Directors	17,107	17,269
	<b>17,632</b>	<b>17,813</b>

### 5 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Current tax	1,984	2,675
Change in deferred tax	(8,072)	(3,899)
Adjustment concerning previous years	(333)	2,805
	<b>(6,421)</b>	<b>1,581</b>

### 6 Proposed distribution of profit/loss

	2024 DKK'000	2023 DKK'000
Retained earnings	(33,143)	(17,029)
	<b>(33,143)</b>	<b>(17,029)</b>

### 7 Intangible assets

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Acquired patents DKK'000	Goodwill DKK'000
Cost beginning of year	44,450	42,045	3,770	61,073
Exchange rate adjustments	0	13	6	(1)
Additions	2,323	23,312	5,321	6,318
Disposals	(3,446)	0	0	(4,137)
<b>Cost end of year</b>	<b>43,327</b>	<b>65,370</b>	<b>9,097</b>	<b>63,253</b>
Amortisation and impairment losses beginning of year	(26,356)	(15,815)	(2,360)	(24,569)
Exchange rate adjustments	0	(11)	(2)	1
Amortisation for the year	(3,991)	(2,205)	(450)	(2,813)
Reversal regarding disposals	1,338	0	0	0
<b>Amortisation and impairment losses end of year</b>	<b>(29,009)</b>	<b>(18,031)</b>	<b>(2,812)</b>	<b>(27,381)</b>
<b>Carrying amount end of year</b>	<b>14,318</b>	<b>47,339</b>	<b>6,285</b>	<b>35,872</b>

## 8 Development projects

Development projects includes new products to be introduced to the market. A development project typically spans over a period of 6-12 months, after which the product is introduced to the market. We expect to develop 4-6 new products per year.

## 9 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	236,055	188,727	24,187	146
Exchange rate adjustments	134	125	10	0
Transfers	0	146	0	(146)
Additions	37	996	3,404	0
Disposals	(5,233)	(256)	(1,829)	0
<b>Cost end of year</b>	<b>230,993</b>	<b>189,738</b>	<b>25,772</b>	<b>0</b>
Depreciation and impairment losses beginning of year	(33,330)	(120,967)	(13,946)	0
Exchange rate adjustments	(51)	(23)	42	0
Depreciation for the year	(6,895)	(16,424)	(2,475)	0
Reversal regarding disposals	753	171	971	0
<b>Depreciation and impairment losses end of year</b>	<b>(39,523)</b>	<b>(137,243)</b>	<b>(15,408)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>191,470</b>	<b>52,495</b>	<b>10,364</b>	<b>0</b>
Recognised assets not owned by Entity	0	43,063	0	0

## 10 Financial assets

	Deposits DKK'000
Cost beginning of year	14,458
Exchange rate adjustments	199
Additions	3,306
Disposals	(3,399)
<b>Cost end of year</b>	<b>14,564</b>
<b>Carrying amount end of year</b>	<b>14,564</b>

## 11 Deferred tax

	2024	2023
	DKK'000	DKK'000
<b>Changes during the year</b>		
Beginning of year	(8,852)	(15,125)
Recognised in the income statement	8,072	3,899
Recognised directly in equity	144	380
Exchange rate adjustments	436	25
Adjustment to prior years	760	1,969
<b>End of year</b>	<b>560</b>	<b>(8,852)</b>

	2024	2023
	DKK'000	DKK'000
<b>Deferred tax has been recognised in the balance sheet as follows</b>		
Deferred tax assets	1,175	1,624
Deferred tax liabilities	(615)	(10,476)
	<b>560</b>	<b>(8,852)</b>

Deferred tax relates to intangible assets, property, plant and equipment, inventories, other provisions and tax losse carried forward.

### Deferred tax assets

Provision for deferred tax has been made at the tax rate at which the temporary differences are expected realised.

## 12 Prepayments

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

## 13 Non-current liabilities other than provisions

	Due within 12 months	Due within 12 months	Due after more than 12 months	Outstanding after 5 years
	2024	2023	2024	2024
	DKK'000	DKK'000	DKK'000	DKK'000
Mortgage debt	3,063	3,143	37,335	24,080
Lease liabilities	9,226	11,764	31,435	4,722
Other payables	0	0	6,500	0
	<b>12,289</b>	<b>14,907</b>	<b>75,270</b>	<b>28,802</b>

## 14 Other payables

	2024	2023
	DKK'000	DKK'000
VAT and duties	1,774	2,443
Wages and salaries, personal income taxes, social security costs, etc. payable	18,325	22,780
Other costs payable	18,958	9,508
	<b>39,057</b>	<b>34,731</b>

### 15 Changes in working capital

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Increase/decrease in inventories	38,219	43,413
Increase/decrease in receivables	11,185	13,136
Increase/decrease in trade payables etc.	1,472	(4,405)
	<b>50,876</b>	<b>52,144</b>

### 16 Derivative financial instruments

The Group has entered forward exchange contracts to hedge currency from future sale of goods covering the GBP, JPY, NOK, SEK and USD for a period until december 2025.

The fair value of forward exchange contracts is included in other debt, with a value of 657 k.DKK.

### 17 Unrecognised rental and lease commitments

The group enterprises have entered into operating lease obligations with total nominal residual lease payments of DKK 5.439 The leases have a remaining term of up to 53 months.

The group enterprises have entered into contractual obligations with total nominal residual lease payments of DKK 151.212k. The leases have a remaining term of up to 117 months.

### 18 Assets charged and collateral

As security for bank commitments of DKK 155,825k, a owner's mortgage of nom. DKK 5,000k secured on buildings has been issued, as well as a floating charge of DKK 65,000k secured on unsecured claims originating from sale of goods, machinery and equipment, inventories as well as goodwill and patents of a total carrying amount of DKK 464,475k.

As security for mortgage debt a morgtage secured on property of a carrying amount of DKK 166.003k for recorded remaning debt of DKK 40.398k has been deposited.

### 19 Transactions with related parties

Related party transactions have been carried out on an arm's length basis. With reference to section 98 c(7) of the Danish Financial Statements Act, related party transactions have not been disclosed.

## 20 Subsidiaries

	<b>Registered in</b>	<b>Ownership %</b>
Carl Hansen & Søn Møbelfabrik A/S	Denmark	100.00
Carl Hansen & Søn Retail A/S	Denmark	100.00
Carl Hansen & Son Italy S.R.L.	Italy	100.00
Carl Hansen & Son Japan K.K.	Japan	100.00
Carl Hansen & Son Corp.	USA	100.00
Carl Hansen & Son Asia Pacific Limited	Hong Kong	100.00
Carl Hansen & Son UK Limited	United Kingdom	100.00
Carl Hansen & Søn France SAS	France	100.00
Carl Hansen & Son Germany GmbH	Germany	100.00
Carl Hansen & Son Poland sp. z o.o.	Poland	100.00
Carl Hansen & Son (Shanghai) Furniture CO., Ltd.	China	100.00
Carl Hansen & Søn Norge A/S	Norway	100.00
Tropicdane Holding Ltd	British Virgin Island	100.00
Living With Nature Co., Ltd	Hong Kong	100.00
Tropicdane CO., Ltd	Turks- and Caicos Island	100.00
Studio CHS Company Limited	Vietnam	100.00
Carl Hansen & Søn Finland Oy	Finland	100.00
Carl Hansen & Son Netherlands B.V.	Netherlands	100.00
Carl Hansen & Søn Spain S.L.V	Spain	100.00

Carl Hansen & Søn Belgium	Belgium	100.00
Carl Hansen & Son PTE. LTD	Singapore	100.00
Okholm Lighting A/S	Denmark	100.00

# Parent income statement for 2024

		2024	2023
	Notes	DKK'000	DKK'000
Administrative expenses		(24,799)	(23,106)
Other operating income		23,950	20,632
Other operating expenses		0	(69)
<b>Operating profit/loss</b>		<b>(849)</b>	<b>(2,543)</b>
Income from investments in group enterprises		(32,113)	(11,070)
Other financial income	3	3,104	1,345
Other financial expenses	4	(3,359)	(6,451)
<b>Profit/loss before tax</b>		<b>(33,217)</b>	<b>(18,719)</b>
Tax on profit/loss for the year	5	74	1,690
<b>Profit/loss for the year</b>	6	<b>(33,143)</b>	<b>(17,029)</b>

# Parent balance sheet at 31.12.2024

## Assets

	Notes	2024 DKK'000	2023 DKK'000
Other fixtures and fittings, tools and equipment		0	164
<b>Property, plant and equipment</b>	7	<b>0</b>	<b>164</b>
Investments in group enterprises		302,865	332,454
<b>Financial assets</b>	8	<b>302,865</b>	<b>332,454</b>
<b>Fixed assets</b>		<b>302,865</b>	<b>332,618</b>
Receivables from group enterprises		65,143	64,918
Deferred tax	9	1,786	1,712
Other receivables		30	0
Prepayments	10	234	31
<b>Receivables</b>		<b>67,193</b>	<b>66,661</b>
<b>Current assets</b>		<b>67,193</b>	<b>66,661</b>
<b>Assets</b>		<b>370,058</b>	<b>399,279</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2024</b> <b>DKK'000</b>	<b>2023</b> <b>DKK'000</b>
Contributed capital		520	520
Reserve for net revaluation according to equity method		150,426	190,915
Retained earnings		166,484	158,337
<b>Equity</b>		<b>317,430</b>	<b>349,772</b>
Other payables		6,500	0
<b>Non-current liabilities other than provisions</b>	<b>11</b>	<b>6,500</b>	<b>0</b>
Bank loans		23,158	29,906
Trade payables		77	83
Payables to owners and management		18,763	17,483
Other payables		4,130	2,035
<b>Current liabilities other than provisions</b>		<b>46,128</b>	<b>49,507</b>
<b>Liabilities other than provisions</b>		<b>52,628</b>	<b>49,507</b>
<b>Equity and liabilities</b>		<b>370,058</b>	<b>399,279</b>
Events after the balance sheet date	1		
Staff costs	2		
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Assets charged and collateral	14		
Related parties with controlling interest	15		
Transactions with related parties	16		

# Parent statement of changes in equity for 2024

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	520	190,915	158,337	349,772
Value adjustments	0	801	0	801
Profit/loss for the year	0	(41,290)	8,147	(33,143)
<b>Equity end of year</b>	<b>520</b>	<b>150,426</b>	<b>166,484</b>	<b>317,430</b>

The share capital consists of 519,556 shares of DKK 1. No shares carry any special rights.

# Notes to parent financial statements

## 1 Events after the balance sheet date

No events have occurred after year end which could materially affect the Company's financial position.

## 2 Staff costs

	2024 DKK'000	2023 DKK'000
Wages and salaries	17,748	15,351
Pension costs	1,397	1,212
Other social security costs	50	42
	<b>19,195</b>	<b>16,605</b>
Average number of full-time employees	<b>7</b>	<b>6</b>

	Remuneration of Management 2024 DKK'000	Remuneration of Management 2023 DKK'000
Executive Board	425	469
Board of Directors	17,107	17,269
	<b>17,532</b>	<b>17,738</b>

## 3 Other financial income

	2024 DKK'000	2023 DKK'000
Financial income from group enterprises	3,104	1,214
Other interest income	0	131
	<b>3,104</b>	<b>1,345</b>

## 4 Other financial expenses

	2024 DKK'000	2023 DKK'000
Financial expenses from group enterprises	0	3,697
Other interest expenses	3,121	2,724
Exchange rate adjustments	58	23
Other financial expenses	180	7
	<b>3,359</b>	<b>6,451</b>

**5 Tax on profit/loss for the year**

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Change in deferred tax	(74)	(1,683)
Adjustment concerning previous years	0	(7)
	<b>(74)</b>	<b>(1,690)</b>

**6 Proposed distribution of profit and loss**

	<b>2024</b>	<b>2023</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Retained earnings	(33,143)	(17,029)
	<b>(33,143)</b>	<b>(17,029)</b>

**7 Property, plant and equipment**

	<b>Other fixtures and fittings, tools and equipment DKK'000</b>
Cost beginning of year	256
Disposals	(256)
<b>Cost end of year</b>	<b>0</b>
Depreciation and impairment losses beginning of year	(92)
Depreciation for the year	(78)
Reversal regarding disposals	170
<b>Depreciation and impairment losses end of year</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>0</b>

## 8 Financial assets

	<b>Investments in group enterprises DKK'000</b>
Cost beginning of year	141,539
Additions	10,900
<b>Cost end of year</b>	<b>152,439</b>
Revaluations beginning of year	190,915
Exchange rate adjustments	1,313
Adjustments on equity	(512)
Amortisation of goodwill	(2,494)
Share of profit/loss for the year	(25,921)
Adjustment of intra-group profits	(3,699)
Dividend	(9,176)
<b>Revaluations end of year</b>	<b>150,426</b>
<b>Carrying amount end of year</b>	<b>302,865</b>
Goodwill or negative goodwill recognised during the financial year	6,060

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

## 9 Deferred tax

	<b>2024 DKK'000</b>	<b>2023 DKK'000</b>
Property, plant and equipment	42	42
Tax losses carried forward	1,744	1,670
<b>Deferred tax</b>	<b>1,786</b>	<b>1,712</b>

	<b>2024 DKK'000</b>	<b>2023 DKK'000</b>
<b>Changes during the year</b>		
Beginning of year	1,712	29
Recognised in the income statement	74	1,683
<b>End of year</b>	<b>1,786</b>	<b>1,712</b>

### Deferred tax assets

Deferred tax assets is expectet to be used in group taxation.

## 10 Prepayments

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

## 11 Non-current liabilities other than provisions

	<b>Due after more than 12 months 2024 DKK'000</b>
Other payables	6,500
	<b>6,500</b>

All debt is due within 5 years.

## 12 Unrecognised rental and lease commitments

The Entity has entered into operating lease obligations with total nominal residual lease payments of DKK 1.107k. The leases have a remaining term of up to 36 months.

## 13 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

## 14 Assets charged and collateral

### Collateral provided for group enterprises

The Parent Company Carl Hansen & Son Holding A/S has issued a joint and unlimited guarantee for the subsidiary's bank commitments. The total bankdebt amounts to DKK 134.059k.

## 15 Related parties with controlling interest

Morten Hai van Bui Hansen, Ny Vestergade 21, 1. sal, 5000 Odense C- Controlling shareholder

Other related parties:

Knud Erik Hansen, Hellerupvej 20, 5750 Ringe - Member of the Board of Directors and co-owner

Inger Marie Jensen Hansen, Hellerupvej 20, 5750 Ringe - Member of the Board of Directors and co-owner

Carsten Fode, Strandborgvej 38, 8240 Risskov - Chairman

Niels Johan Holm, Islands Brygge 38F, 4. th, 2300 København S - Member of the Board of Directors

Preben Larsen, Sydkajen 10, 3.tv, 5800 Nyborg - Member of the Board of Directors

Rune Stephansen, Trättejällsvägen 30, 434 94 Vallda, Member of the Board of Directors

## 16 Transactions with related parties

Related party transactions have been carried out on an arm's length basis. With reference to section 98 c(7) of the Danish Financial Statements Act, related party transactions have not been disclosed.

# Accounting policies

## Reporting class

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

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. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

## 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.

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

### Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 20 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

### Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement

together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in reserve for fair value adjustments of hedging instruments in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries or associates are recognised directly in translation reserve in equity.

## **Income statement**

### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

### **Production costs**

Production costs comprise expenses incurred to earn revenue for the financial year.

Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary writedown of inventories.

### **Distribution costs**

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc., and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

### **Administrative expenses**

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

### **Other operating expenses**

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary

activities, including loss 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 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. The amortisation periods used are 20 years. Goodwill relates to a strategic activity that is expected to be used over a minimum of 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 under reserve for development costs that is reduced as the development projects are amortised and written down.

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

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in

cost based on time spent on each project.

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 10 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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the manufacturing process are recognised in cost based on time spent on each asset.

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:

	<b>Useful life</b>
Buildings	10-50 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	10 years

Showroom furniture are recognised at cost.

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 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. Useful lives are reassessed annually. The amortisation periods used are 20 years.

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

### **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. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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

### **Receivables**

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

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a contract in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

**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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

**Prepayments**

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

**Cash**

Cash comprises cash in hand and bank deposits.

**Mortgage debt**

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

**Lease liabilities**

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**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 taxes 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, including acquisition of assets held under finance leases.

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

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.