



Bøgelund ApS

Sankt Peders Stræde 21, 2. 2, DK-1453

**Annual Report for
1 July 2024 - 30 June 2025**

CVR No. 27 57 04 45

The Annual Report was presented and adopted at the
Annual General Meeting of the company on
26/09/2025

Claus Juul Bøgelund
Chairman of the general meeting





Contents

Management's statement and Auditor's report

Management's statement	1
Independent Auditor's report	2

Management's review

Company information	4
Financial Highlights	5
Management's review	6

Financial Statements

Income statement 1 July 2024 - 30 June 2025	17
Balance sheet 30 June 2025	18
Statement of changes in equity	20
Cash flow statement 1 July 2024 - 30 June 2025	21
Notes to the Financial Statements	22



Management's statement

The Executive Board has today considered and adopted the Annual Report of Bøgelund ApS for the financial year 1 July 2024 - 30 June 2025.

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

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 June 2025 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024/25.

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

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

Copenhagen, 26 September 2025

Executive Board

Claus Juul Bøgelund
Manager



Independent Auditor's report

To the shareholder of Bøgelund ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2025 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 July 2024 - 30 June 2025 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Bøgelund ApS for the financial year 1 July 2024 - 30 June 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

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



Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

Odense M, 26 September 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mette Plambech

State Authorised Public Accountant

mne34162



Company information

The Company	Bøgelund ApS Sankt Peders Stræde 21, 2. 2 DK-1453 CVR No: 27 57 04 45 Financial period: 1 July 2024 - 30 June 2025 Municipality of reg. office: København K
Executive Board	Claus Juul Bøgelund
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1, 3. og 4. sal DK-5230 Odense M
Bankers	Danske Bank Albani Torv 2 DK-5000 Odense C



Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

(TDKK)	Group				
	2024/25	2023/24	2022/23	2021/22	2020/21
Key figures					
Profit/loss					
Revenue	369,243	304,103	455,732	712,103	407,840
Gross profit	72,049	52,080	101,514	151,610	79,331
Profit/loss of primary operations	14,671	-9,195	39,285	83,913	33,881
Profit/loss of financial income and expenses	-13,317	-1,095	10,858	9,723	-1,284
Net profit/loss for the year	-653	-10,859	40,426	72,617	27,736
Balance sheet					
Balance sheet total	378,998	271,719	211,293	293,832	239,109
Investment in property, plant and equipment	46,890	73,760	-1,783	108	-1,912
Equity	131,685	126,420	169,464	176,922	105,227
Number of employees	125	132	126	148	115
Ratios					
Return on assets	3.9%	-3.4%	18.6%	28.6%	14.2%
Solvency ratio	34.7%	46.5%	80.2%	60.2%	44.0%
Return on equity	-0.5%	-7.3%	23.3%	51.5%	32.7%



Management's review

Key activities

The company's main activity consists of investing in associated companies operating within the global Supply Chain industry.

In addition, an investment portfolio is developed within two main tracks; "Green transition" with a focus on water and "Residential properties".

In the long term, active investments will be made in the SME/MMV segment.

The Group's business model

The Group is a global B2B company focused on "The Green World". Growers and Garden Retailers comprise our primary target group. Major markets are the US, Canada, the Netherlands, and Germany. Main product categories include plant accessories such as pots and vases, displays, as well as outdoor pottery and garden furniture. The products are designed in Denmark and primarily produced in Vietnam, Indonesia, Europe and China. It is the Company's objective to continue increasing its vendor diversification further to proactively handle geopolitical changes.

Strategy 2024-25

The Group's Mission is "To Advise and to Source Private Label Concepts" and our Vision is "To become the Leading Private Label Advisor of our Industry". Most important however, is the Company's Purpose, which is "To Have a Good Day at Work". Our employees remain our biggest asset, and we consider a good working environment and high motivation as key driver to raise performance and to realise our ambitions of the Company

To be able to deliver at the highest level on Quality & Compliance, the group always has its own staff present at the production sites. The Company operate with a "Boots on the Ground" approach and from 2025-26 supported by a strong backbone in Strategic Procurement in HQ. We use our company values to ensure an aligned understanding on e.g. ESG matters.

The Group's values are founded in Denmark, and a constant effort is required to ensure that these values are preserved in the very different cultures of our global offices. We believe that a common global understanding is necessary and is a competitive advantage when we, as a company, are to meet the increased complexity of international trade

The Group's values/characteristics

- Dynamic – we match the Insights within our supply chain
- Innovative – we create Private Label concepts
- Reliable – we ensure Quality & Compliance
- Transparency – we share information



Management's review

Development in the year

The Group's gross profit for the financial year 1 July 2024 – 30 June 2025 is 72,049,452 DKK compared to 52,079,748 DKK last year, and the loss after tax is – 652,562 DKK compared to - 10,859,272 DKK last year.

This year result is affected by external factors such as tariffs causing uncertainty in market. This have had a negative impact on the Groups result.

The Group's balance sheet 30 June 2025 shows an equity of 131,684,649 DKK compared to 126,420,124 last year.

The positive development from last year's negative result, is primarily a result of a strong commercial focus. The Management however considers the result for the year non satisfactory.

To comply with increased regulations of international trade, The Group has implemented a new IT platform, Microsoft 365. The new IT Platform will strengthen our interaction with our customers being able to support them better in their choices and become a value adding advisor

The Group will continue to invest in Strategic Partnerships to secure a diverse supply chain and strengthen our commercial development.

The increased complexity of global trade is expected to strengthen the Company's competitiveness in the long term.

Special risks - operating risks and financial risks

As the geopolitical development entails an increasing risk to international trade in general, we are making a targeted effort to diversify our supply chain through a greater diversification of sourcing countries. The target for 2024-25 is 25% which was achieved. The target for 2025-26 is 28%.

The relatively gradual pace of diversification is primarily due to limited access to skilled production capacity, as well as the strong performance of our highly capable procurement office in China.

The Group's most immediate risk is product quality. To always ensure and maintain high-quality products, the Group is represented locally by its own employees, who on average make three inspections per production: Typically, these comprise a pre-production inspection where Code of Conduct and specific certification requirements are checked, and packaging is ordered from the factory's subcontractors. Then a production inspection is carried out, during which a number of samples are selected for inspection in accordance with the order specifications. Lastly, a final inspection is performed, where packaging, labels, moisture level, etc., are checked. All inspections are documented using customised software and will be made available to customers on request. The Group has a target claim ratio of less than 1.0%.

IT security remains a key risk area, addressed through a global cyber risk agreement and a comprehensive intrusion detection system across all Group entities.

In 2024-25, we strengthened asset configuration, access control, account management, data recovery, and malware protection—further enhanced by transitioning from legacy systems to secure cloud-based solutions.

Updated policies and contingency plans support this effort, alongside ongoing security awareness training, which improved by 6%.

For 2025-26, focus areas include vulnerability management, audit logs, network defence, infrastructure management, and maintaining an 80% CIS Basic Cyber Hygiene level.

Exposure to USD is hedged. Exposure to other currencies is considered insignificant.

Credit insurance covers approx. 90% of total receivables and like the years before, no losses have occurred in 2024-25.



Management's review

Know-how and research

The Group's most important resource is its competent and motivated employees.

A notable share of the Group's expenses is allocated to concept innovation, IT/AI investments, ESG skills, supply chain diversification and, not least, investment in employee learning and development. Significant initiatives in 2025 include:

- Implementing a new "The Group connect" platform for customers
- Leadership training
- Centralized Strategic Procurement team to meet requirements of customer segments
- QC Centre learning
- ESG regulation and compliance in general

Development expectations

In the financial year 2025-26, the activity level is expected to increase though external factors cause uncertainty in the market.

The Group anticipate a positive result in the range of DKK 6-10 million.

Key Trends

AI

The influence of AI has been significant over the past year, emerging as a key trend and catalyst for enhancing both operational efficiency and creative innovation. For organizations aiming to remain competitive, it is increasingly critical to identify where and how AI can be leveraged effectively

Response

In 2025-26, The Group will prioritize integrating AI into its overall strategy. The Group will begin with identifying and activating the most relevant AI tools and automation opportunities. The initiative will be supported by The Group's IT infrastructure, with Microsoft 365 Commerce serving as the primary platform and enabler—driving efficiency and strengthening The Group's role as a trusted advisor.

Employability

More flexible requirements in terms of physical presence at the workplace continue to be a significant parameter when maintaining the ability of businesses to attract talented employees from a larger geographical area. However, this trend also makes the competition for the same talent more intense, which in turn imposes requirements on organisations to be an attractive workplace.

Response

In The Group, we believe in the importance of creating an attractive workplace for talented people – we consider this a crucial competitive parameter. Therefore, our purpose is centred around our people. We call it "Having a Good Day at Work". We believe that it takes a joint effort from our company, our management, our teams and the individual employee to live up to this purpose - and together we strive to do so. Based on our annual internal satisfaction survey and focused work by our teams diving into and focusing on our purpose, we have identified that, for the employees at The Group, "Having a Good Day at Work" may be summed up to four key statements:

- Empowerment: empowered leaders, teams and individuals
- Collaboration: strong teams who collaborate, support each other and have fun
- Success: success for the company and for the individual
- Flexibility: a life in balance



Management's review

Strategic partnerships

In 2025-26, The Group will focus on expanding existing strategic collaborations while also establishing new partnerships. This approach aims to diversify the supply chain by engaging with key vendors, and to strengthen our commercial position through closer cooperation with key customers

The Group will continue to strengthen its commercial focus in the coming years, recognizing that staying close to market dynamics and gaining insights through strong partnerships is essential for maintaining agility and competitiveness

Compliance

Regulatory requirements and customers' increased focus on ESG has become more intense in recent years, and with greater awareness the risk is also greater if a supplier or product fails. Therefore, the customers are increasingly demanding value chains that can handle the increased complexity.

Response

The Group remains dedicated to continuously enhancing competencies in ESG overall, with a particular focus on compliance.

During 2025-26 a continued focus is put on further integrating ESG and compliance into our new system landscape to support the growing demands from both customers and regulatory authorities. Our Compliance department is consistently testing new products to address potential IP right infringements, and in connection with more complicated products, external advisers are involved. To ensure products complying with regulatory and customer demands The Group works with:

- BSCI certification – Sedex certification: We are working on having our suppliers join a third-party social audit, e.g. the BSCI or Sedex, to ensure proper conditions at the factories
- Our suppliers sign The Group's Code of Conduct, Supplier Agreement and receive an Honesty Agreement
- We continuously work with adopting upcoming legislation to meet future requirements

Supply Chain disruption

Prior to COVID 19, the war in Ukraine, the Red Sea conflict and tariffs the consensus was that the lowest possible total costs of a purchase was achieved by concentrating purchases with a few factories. This trend is now moving towards the application of a diversified approach, where delivery reliability from multiple factories, located in several geographical areas, is factored in with the total costs. Geopolitics and delivery reliability continues to be a criterion to the purchase decision.

Response

The Group has for many years created value by selecting slightly smaller but highly specialised factories, and we are therefore well positioned in relation to this development.

The Group guides customers on sourcing strategies to mitigate supply chain disruptions by leveraging our diversified local presence in various sourcing countries.

In 2025-26, a centralized and independent Strategic Procurement team will be established at HQ to enhance reliability by aligning decision-making with demand, expertise, and data insights

Uniqueness

As our society changes, so does the need for fulfilment of more specific demands. Consumers are increasingly demanding products that meet more complex purchase criteria such as sustainable production, storytelling, specific events or the like – in other words, the demand for specialties and special concepts is increasing.



Management's review

Response

A challenge to achieving “uniqueness” is that developing and delivering new products directly from the factory is more complex than delivering standard products through a storage facility. The Group’s value proposition meets this trend, and it is our mission to “Advise and to Source Private Label Concepts”. This competitive edge is gained through a carefully selected network of specialized suppliers in multiple regions. Choosing products to fit Private Label Concepts are also done by utilizing our database with 80,000 images available to our customers.

Statement of corporate social responsibility

Statement of corporate social responsibility (CSR)

The Group impacts, to varying degrees, the communities in which the Company operates. Rooted in Denmark, the company integrates Danish values into its operations—ensuring responsible business practices and showing genuine care for the communities it serves. The Group intends to ensure a profitable and sustainable approach to social, environmental and climate matters. Both in terms of operations and at strategic level.

Our CSR work has been approved by Management and The Group’s Board of Directors and is embedded in the ESG & Compliance department.

The Group is continuously making progress in the CSR area, and it is very important to the Company to make a considerable effort in the future. The responsible team is working towards implementation of the measures deemed necessary to enter a dialogue with, and meeting future requirements of, customers, stakeholders, business partners and legislation.

The Group considers the UN’s Sustainable Development Goals an important focal point for the Company’s work with corporate social responsibility. The goals were reviewed carefully in the past year and assessed according to The Group’s business. We remain focused on UN-8, UN-12, UN-13 and UN-17, as these four goals all support areas in which The Group’s business is considered to have the greatest opportunity to contribute.

To support its work with corporate social responsibility, The Group became a member of the UN Global Compact Network in 2022. The purpose of the network is to support enterprises intending to carry on a responsible business by implementing the Global Compact’s ten principles within human rights, labour rights, anti-corruption and the environment. The second report has been submitted during summer 2024.

Risks relating to CSR

Based on the conditions that are significant to the Company to run a healthy business, during the year The Group has reevaluated previous risk assessment in relation to social responsibility. The risk assessment includes an assessment of the Company’s impact on the environment and climate, social and employee matters, human rights and anti-corruption.

The biggest environmental and climate risks are related to the actual production carried out by third parties. The Group is aware of the potential risks associated with its presence in Asia, Türkiye and Mexico, particularly challenges related to human rights and corruption. The Group actively seeks to mitigate such potential risks by, for example, being present locally with own employees close to the factories.

The Group also acknowledges the risks related to the challenges of attracting and retaining talented employees, as well as the climate impact of the transport of goods and the Company’s operation of offices. The transport impact is attempted limited through direct deliveries from the factory to the various points of sale, so that carriage to and from a warehouse facility is avoided.



Management's review

Materiality assessment of risks/opportunities

The risk assessment includes relevant risks and potential opportunities to influence and/or prevent or avoid potential and adverse impacts from the above six matters. Below table was prepared during the work initiated to meet the requirements in the CSRD Directive.

Area	Risk	Degree of impact
Environment and climate (ESRS/E1 + E2 + E3 + E5)	Environmental and climate impact of own offices and warehouses	High
	Environmental and climate impact of products (depending on material type)	Medium
	Environmental and climate impact on supply chain (production, transport)	Medium
	Climate impact of end-of-use products (dismantling, sorting and recycling)	Low
Social and employee conditions (own employees) and gender representation (ESRS S1)	Rights and working conditions, including employee satisfaction, accidents, sickness absence and employee turnover ratio. Attract and retain skilled employees Ensure equal gender representation at Board of Directors and Management level	High
Human rights in the value chain (ESRS S2 + S4)	Rights and working conditions in the supply chain (human rights and employee rights at suppliers)	Medium
	Product safety (consumers)	High
Governance and anti-corruption (ESRS G1)	Corruption in the supply chain	Medium/high
	Data security (GDPR, cyberthreats, etc.)	Medium/high

The Group strives to do its utmost to identify, prevent and mitigate the above risks. The risk picture is assessed on an ongoing basis by top management and The Group's ESG and Compliance department.

The Group has established 11 ESG KPIs as part of a formalized policy in this area. Each KPI is aligned with and supports four of the UN Sustainable Development Goals. The KPIs include:

- Decision on the proportion of suppliers who must commit to social certifications (BSCI, Sedex), CoC and The Group Supplier Agreement – which will all support decent working conditions (UN-8).
- Decision on the number of suppliers, the volume of business carried out, focus on more direct deliveries and number of factory audits – which will all support sustainable production patterns (UN-12).
- Decision on the reduction of CO2 emissions using renewable energy – for the purpose of combatting climate change (UN-13).



Management's review

- Decision on the proportion of sourcing from different developing countries – which will support global partnerships focusing on sustainable development (UN-17).

The Group continues prior year's work with meeting the KPIs. We're pleased to see positive progress on all parameters. Number of certified suppliers, number of factory audits performed and diversification in use of sourcing countries are all met. The renewable energy KPI is also met via solar panels at the Danish location and an investment in a solar park.

To ensure continued progress in this area, the ESG KPIs will remain active throughout 2025-26, with targets adjusted to reflect our ongoing commitment and ambition

Environment and climate

The Group is continuously working on minimising its negative impact on the environment and climate.

The biggest environmental and climate risks are related to the actual production. Often, the manufacturing process (such as firing of ceramics) is energy intensive.

The Group is aware of the environmental and climate impact of its offices. To meet this challenge, The Group has installed solar cells at its head office and invested in European solar parks to cover all CO2 emissions from its own offices. In the view of the Group, travelling should be limited to the extent possible from a business perspective.

Being a merchandising business, the Company has limited influence on the end-of-use environmental and climate impact of discarded The Group products, and therefore, it does not carry out separate work in this area.

In relation to ensuring proper conditions (biodiversity, aquatic environment, the rights of indigenous peoples and forest workers) and preventing deforestation, The Group is FSC-certified (Chain of Custody). The audit was carried out by Preferred by Nature at the beginning of 2025, and no remarks were made.

The supplier selection process includes several key elements: risk mitigation, identification of improvement potential, formal agreements such as a supplier contract and Code of Conduct, and a physical audit of the production site to assess working conditions before final approval.

When performing factory audits a Compliance IT tool is used by our own quality control officers and it ensures continuous focus on both environmental and climate aspects of production as well as social conditions and governance (anti-corruption).

Following an audit, a report is generated which forms the basis for an overall assessment of whether the supplier meets the requirements set out in the supplier agreement, etc.

In the coming years, The Group will continue making a targeted effort at reducing the number of suppliers. This will contribute to a more efficient production process, which will optimise energy consumption and reduce waste. In addition, the Company will attempt to increase the number of direct deliveries, which will reduce transport and associated CO2 emissions where possible.



Management's review

Social matters

The Group continuously contributes to the improvement of social conditions by requiring new suppliers to be BSCI-certified at C level or become BSCI-certified as a minimum at C level within six months after being onboarded.

In addition, The Group is a member of Amfori.

Amfori empowers companies to operate successful and responsible businesses, by helping them improve the environmental, social and governance performance of their value chains.

The Group's quality control officers make at least three visits: before, during and after production, while applying the proprietary compliance tool to review the production facility's management of the environment, climate, human rights and anti-corruption.

In addition, the Company is continuously working to increase the share of BSCI or Sedex-certified suppliers in the future.

Staff matters

The Group accepts broad social responsibility for all participants in our value chain, but we are first and foremost responsible for our own employees. We have chosen to live up to this responsibility by creating a working environment that ensures "A Good Day at Work" for everybody. "A Good Day at Work" is prioritised above everything else as it is seen as the very prerequisite for developing the Company's competitiveness.

To measure The Group's ability of creating "A Good Day at Work" we continue the use of yearly satisfaction surveys. The result of this year's Survey remains at an elevated score of 4.3 on a scale of 1 to 5. This is considered a very satisfactory score which reflects a group of employees who continuously are generally very satisfied with The Group in a workplace perspective.

This year's major IT project was implemented as planned. While resource-intensive, it has already delivered positive results through clearer processes, improved data quality, and alignment around a unified procedure – "one procedure" - strengthening our overall value proposition to customers.

The internal Leadership Development Programme, initiated in the prior year, has now commenced during 2024-25. In the coming year, we will continue to strengthen our managers' capabilities, with a primary focus on emotional intelligence—aiming to foster exceptional performance in both individuals and their teams.

Our new HQ in Odense, Denmark is under construction and will be ready by the end of 2025. The building will be DGNB Gold certified (the environment), Heart certified (staff matters), CO2 neutral in operation and will generally embrace a good working life. We believe that employees will choose to come to the office because they want to, not because they must.

The Group is an inclusive workplace without discrimination. We embrace all employees no matter gender, age, ethnicity or other characteristics that are irrelevant to the competences of the employee.

Our staff data are always handled in software designed specifically to ensure GDPR compliance.



Management's review

Human rights

The Group does not currently maintain a separate policy on human rights. However, as a member of BSCI and through collaboration with BSCI/Sedex-certified vendors, the Group significantly reduces the risk of human rights violations. Therefore, it is the Group's assessment that human rights are being upheld throughout 2024–25. In the coming years, The Group will enhance the effort in this area and implement measures to meet future requirements set by the Corporate Sustainability Report Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD).

New The Group employees are introduced to the Group in general, as well as its personnel guidelines found in the The Group Handbook available to everyone on share point.

The primary risks associated with human rights are the working conditions at the factories, including observance of working hours, ventilation, etc. – all areas targeted by the BSCI certification.

The Group believes that human rights are complied with to a greater extent when quality control officers are present locally and address the above conditions during their inspections.

During the 2024-25 year, any issues has been pointed out to the factory management. Depending on the nature of the issue, a deadline of one to six months is set for the supplier to rectify the situation.

We did not, during our visits to the factories, identify any significant inconsistencies with The Group's guidelines or the BSCI rules, and all suppliers with unacceptable scores have cooperated to meet the Company's social compliance requirements.

As end-user product safety is essential, The Group has made a strategic choice not to sell select product groups that could potentially entail a risk to the end user.

In addition, efforts are made to minimise the use of glazing containing harmful chemicals, and the Company is actively promoting the sale of products which, from a manufacturing perspective, are less harmful to the environment and climate. These include pottery made of wood where the energy-intensive firing process known from the production of ceramics is avoided.

All onboarded suppliers have signed The Group's Code of Conduct and Supplier Agreement.



Management's review

Anti-corruption and anti-bribery

The Group applies an internal as well as an external Code of Conduct in the fight against corruption and bribery. The Codes of Conduct has been enacted since 2022.

The Code of Conduct clearly states that corruption and bribery are strictly prohibited, both by The Group's employees and at the production facilities. As a global player, The Group knows that the concept is interpreted differently across cultures and, for this precise reason, the Company continues to communicate and control this matter.

The policy is translated into action by asking all employees in the production areas to sign a declaration clearly stating that corruption and bribery are reported to the police and will lead to termination of employment and cancellation of any bonuses earned.

It is the Company's view that the partnerships established by The Group through its local presence at the factories reduce the risk of corruption and bribery, both now and in future.

An Honesty Agreement was drawn up as an addendum to the Supplier Agreement. The document contains clear guidelines as to which actions are considered to resemble corruption. Suppliers must inform The Group immediately if they become aware of behaviour resembling corruption.

As part of a risk assessment, selected suppliers in selected markets were tested on a sample basis. Where indications of deviant behaviour existed, measures were taken to prevent corruption and bribery.

Going forward, The Group will continue to encourage suppliers and employees to report behaviour resembling corruption.

A whistleblower scheme is implemented. To ensure GDPR compliance the setup is handled by a third party. No incidents have been reported during the financial year 2024-25.

Statement on gender composition

Overview

	Group	
	2024/25	2023/24
Top management		
Total number of members	1	1
Underrepresented gender %	0%	0%
Target figure %	0%	0%
Other management levels		
Underrepresented gender %	0%	0%
Target figure %	0%	0%

Board of Directors

The Group's has 2 or fewer members in the board of Directors as of 30. June 2025

Other management levels

The Group's has 2 or fewer members in other management levels as of 30. June 2025

The Group has fewer than 50 full-time employees as of 30. June 2025, and is therefore not obliged to draw up a policy and target figures.



Management's review

Statement on data ethics

The Group is aware of its responsibility to treat all external and internal stakeholders' data safely and securely and to carefully consider ethical aspects of using such data and new technologies. IT and data protection policies have been refined in the past year. Policies are accessible to all employees via The Group's intranet.

The policies cover the use of hardware and software, as well as guidelines for IT security and implementation of the GDPR. Ongoing training is provided throughout the organization as needed to ensure employees adhere to data ethics in their daily work.

Data processing agreements are drawn up with external partners, and sensitive personal data are only registered in systems that comply with the GDPR rules.

The Group operates within the business-to-business market, maintaining exclusively business-related information, such as contact details for customers and suppliers.

Personal data on employees are collected solely for the purposes of employment. Personal data may not be used for purposes other than that for which the data were originally provided.

In addition, the ongoing data ethics efforts and policies are evaluated continuously to ensure compliance with the policies across the organisation.

Uncertainty relating to recognition and measurement

There is an inherent uncertainty associated with the valuation of the company's investment in unlisted equity interests, which are included under the balance sheet item "Other Investments." These investments relate to property and energy companies, where the value depends on future events.

Management assesses that the equity investments are valued appropriately in accordance with the applied accounting policies, although the above estimates are subject to the described uncertainty.

Reference is made to Note 1.

Unusual events

The financial position at 30 June 2025 of the Group and the results of the activities and cash flows of the Group for the financial year for 2024/25 have not been affected by any unusual events.

Subsequent events

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



Income statement 1 July 2024 - 30 June 2025

(DKK)	Note	Group		Parent company	
		2024/25	2023/24	2024/25	2023/24
Revenue		369,242,829	304,103,181	0	0
Work on own account recognised in assets		6,121,637	0	0	0
Expenses for raw materials and consumables		-282,042,709	-228,854,216	0	0
Other external expenses		-21,272,305	-23,169,217	-226,517	-185,372
Gross profit		72,049,452	52,079,748	-226,517	-185,372
Staff expenses	2	-48,054,236	-52,756,114	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-9,324,093	-8,518,564	0	0
Profit/loss before financial income and expenses		14,671,123	-9,194,930	-226,517	-185,372
Income from investments in subsidiaries		0	0	-1,438,325	-7,991,152
Financial income	4	6,900,046	4,162,138	2,365,346	2,299,946
Financial expenses	5	-20,216,781	-5,256,921	-430,187	-87,737
Profit/loss before tax		1,354,388	-10,289,713	270,317	-5,964,315
Tax on profit/loss for the year	6	-2,006,950	-569,559	-109,016	-1,081,771
Net profit/loss for the year	7	-652,562	-10,859,272	161,301	-7,046,086



Balance sheet 30 June 2025

Assets

(DKK)	Note	Group		Parent company	
		2024/25	2023/24	2024/25	2023/24
Completed development projects		31,110,582	17,081,786	0	0
Goodwill		13,450,311	16,586,742	0	0
Intangible assets	8	44,560,893	33,668,528	0	0
Land and buildings		1,182,290	1,759,816	0	0
Other fixtures and fittings, tools and equipment		1,569,977	1,621,758	0	0
Property, plant and equipment in progress		118,620,023	72,101,916	0	0
Property, plant and equipment	9	121,372,290	75,483,490	0	0
Investments in subsidiaries	10	0	0	28,198,489	36,902,517
Other investments	11	33,287,407	32,549,393	32,356,367	31,618,353
Deposits	11	7,354,548	7,354,548	0	0
Other receivables	11	14,173,791	0	14,173,791	0
Fixed asset investments		54,815,746	39,903,941	74,728,647	68,520,870
Fixed assets		220,748,929	149,055,959	74,728,647	68,520,870
Finished goods and goods for resale		34,689,095	27,301,796	0	0
Assets meant for sale		45,000	45,000	45,000	45,000
Prepayments for goods		11,787,417	7,241,247	0	0
Inventories		46,521,512	34,588,043	45,000	45,000
Trade receivables		49,514,990	25,090,644	0	0
Receivables from group enterprises		0	0	1,471,580	2,711,600
Other receivables		33,450,093	36,899,014	17,230,704	16,878,350
Deferred tax asset	12	1,575,416	0	0	0
Corporation tax		725,994	0	725,994	1,148,365
Corporation tax receivable from group enterprises		0	0	22,341	0
Prepayments	13	6,204,490	2,487,014	0	0
Receivables		91,470,983	64,476,672	19,450,619	20,738,315
Current asset investments	14	15,440,804	19,781,487	15,440,804	19,781,487
Cash at bank and in hand		4,815,540	3,816,788	3,909,603	1,349,915
Current assets		158,248,839	122,662,990	38,846,026	41,914,717
Assets		378,997,768	271,718,949	113,574,673	110,435,587



Balance sheet 30 June 2025

Liabilities and equity

(DKK)	Note	Group		Parent company	
		2024/25	2023/24	2024/25	2023/24
Share capital		125,000	125,000	125,000	125,000
Reserve for net revaluation under the equity method		0	0	3,427,388	21,273,079
Reserve for hedging transactions		3,931,690	4,308,698	0	0
Retained earnings		105,670,691	101,862,268	106,174,993	84,897,887
Proposed dividend for the year		2,500,000	2,000,000	2,500,000	2,000,000
Equity attributable to shareholders of the Parent Company		112,227,381	108,295,966	112,227,381	108,295,966
Minority interests		19,457,268	18,124,158	0	0
Equity		131,684,649	126,420,124	112,227,381	108,295,966
Provision for deferred tax	12	200,001	646,661	0	0
Provisions		200,001	646,661	0	0
Lease obligations		108,436,319	64,872,199	0	0
Long-term debt	15	108,436,319	64,872,199	0	0
Credit institutions		62,005,355	1,866,327	0	0
Lease obligations	15	7,651,672	6,927,348	0	0
Trade payables		38,689,986	43,967,781	0	0
Payables to group enterprises		0	0	941,497	896,664
Corporation tax		2,311,368	193,436	0	0
Payables to group enterprises relating to corporation tax		0	0	131,383	1,001,100
Other payables		28,018,418	26,825,073	274,412	241,857
Short-term debt		138,676,799	79,779,965	1,347,292	2,139,621
Debt		247,113,118	144,652,164	1,347,292	2,139,621
Liabilities and equity		378,997,768	271,718,949	113,574,673	110,435,587
Uncertainty relating to recognition and measurement	1				
Contingent assets, liabilities and other financial obligations	18				
Related parties	19				
Accounting Policies	20				



Statement of changes in equity

Group (DKK)	Reserve for hedging trans- actions			Proposed dividend for the year	Equity excl. minority interests		Total
	Share capital	Retained earnings	Minority interests		Minority interests	Minority interests	
Equity at 1 July	125,000	101,862,268	18,124,158	2,000,000	108,295,966	126,420,124	
Exchange adjustments	0	0	-252,912	0	-377,008	-629,920	
Cash capital increase	0	0	4,105,633	0	0	4,105,633	
Ordinary dividend paid	0	0	0	-2,000,000	-2,000,000	-2,000,000	
Extraordinary dividend paid	0	-1,000,000	0	0	-1,000,000	-1,000,000	
Fair value adjustment of hedging instruments	0	-2,783,062	-1,705,748	0	-2,783,062	-4,488,810	
Other equity movements	0	9,930,184	0	0	9,930,184	9,930,184	
Net profit/loss for the year	0	-2,338,699	-813,863	2,500,000	161,301	-652,562	
Equity at 30 June	125,000	105,670,691	19,457,268	2,500,000	112,227,381	131,684,649	

Parent company (DKK)	Reserve for net revaluation under the equity method		Proposed dividend for the year		Total
	Share capital	Retained earnings	Retained earnings	Proposed dividend for the year	
Equity at 1 July	125,000	84,897,887	84,897,887	2,000,000	108,295,966
Exchange adjustments	0	0	0	0	-377,008
Ordinary dividend paid	0	0	0	-2,000,000	-2,000,000
Extraordinary dividend paid	0	0	-1,000,000	0	-1,000,000
Fair value adjustment of hedging instruments	0	-2,783,062	0	0	-2,783,062
Other equity movements	0	9,930,184	0	0	9,930,184
Net profit/loss for the year	0	-24,615,805	22,277,106	2,500,000	161,301
Equity at 30 June	125,000	106,174,993	106,174,993	2,500,000	112,227,381



Cash flow statement 1 July 2024 - 30 June 2025

(DKK)	Note	Group	
		2024/25	2023/24
Result of the year		-652,562	-10,859,272
Adjustments	16	24,017,858	9,240,195
Change in working capital	17	-31,051,532	22,769,219
Cash flow from operations before financial items		-7,686,236	21,150,142
Financial income		6,900,046	4,162,138
Financial expenses		-19,831,785	-5,192,478
Cash flows from ordinary activities		-20,617,975	20,119,802
Corporation tax paid		-2,637,088	-2,265,916
Cash flows from operating activities		-23,255,063	17,853,886
Purchase of intangible assets		-19,215,443	-7,902,522
Purchase of property, plant and equipment		-46,889,815	-73,801,502
Fixed asset investments made etc		-14,911,805	-47,928,709
Sale of fixed asset investments made etc		0	564,583
Cash flows from investing activities		-81,017,063	-129,068,150
Reduction of lease obligations		-2,043,739	0
Repayment of other long-term debt		-112,281	112,281
Raising of loans from credit institutions		60,139,028	640,664
Lease obligations incurred		46,332,183	71,799,547
Dividend paid		-3,000,000	-15,000,000
Cash flows from financing activities		101,315,191	57,552,492
Change in cash and cash equivalents		-2,956,935	-53,661,772
Cash and cash equivalents at 1 July		23,598,275	77,324,490
Exchange adjustment of current asset investments		-384,996	-64,443
Cash and cash equivalents at 30 June		20,256,344	23,598,275
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		4,815,540	3,816,788
Current asset investments		15,440,804	19,781,487
Cash and cash equivalents at 30 June		20,256,344	23,598,275



Notes to the Financial Statements

1. Uncertainty relating to recognition and measurement

There is an inherent uncertainty associated with the valuation of the company's investment in unlisted equity interests, which are included under the balance sheet item "Other Investments." These investments relate to property and energy companies, where the value depends on future events.

Management assesses that the equity investments are valued appropriately in accordance with the applied accounting policies, although the above estimates are subject to the described uncertainty.

2. Staff expenses

(DKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Wages and salaries	42,491,067	44,617,766	0	0
Pensions	2,533,213	2,903,718	0	0
Other social security expenses	1,589,021	1,335,873	0	0
Other staff expenses	1,440,935	3,898,757	0	0
	48,054,236	52,756,114	0	0
Average number of employees	125	132	0	0

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

3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment

(DKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Amortisation of intangible assets	8,323,078	7,886,636	0	0
Depreciation of property, plant and equipment	1,001,015	631,928	0	0
	9,324,093	8,518,564	0	0



Notes to the Financial Statements

4. Financial income

(DKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Interest from group enterprises	0	0	57,761	283,767
Other financial income	2,577,246	2,718,267	2,307,585	2,016,179
Exchange gains	4,322,800	1,443,871	0	0
	6,900,046	4,162,138	2,365,346	2,299,946

5. Financial expenses

(DKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Interest to group enterprises	0	0	44,833	0
Other financial expenses	6,827,297	3,206,808	385,354	87,737
Exchange loss	13,389,484	2,050,113	0	0
	20,216,781	5,256,921	430,187	87,737

6. Income tax expense

(DKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Current tax for the year	2,446,814	1,360,000	109,016	1,001,088
Deferred tax for the year	-1,434,549	-978,576	0	0
Adjustment of tax concerning previous years	994,685	188,135	0	80,683
	2,006,950	569,559	109,016	1,081,771



Notes to the Financial Statements

7. Profit allocation

(DKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Extraordinary dividend paid	1,000,000	0	1,000,000	0
Proposed dividend for the year	2,500,000	2,000,000	2,500,000	2,000,000
Reserve for net revaluation under the equity method	0	0	-24,615,805	-46,512,707
Minority interests' share of net profit/loss of subsidiaries	-813,863	-3,813,186	0	0
Retained earnings	-3,338,699	-9,046,086	21,277,106	37,466,621
	-652,562	-10,859,272	161,301	-7,046,086

8. Intangible fixed assets

Group		
	Completed development projects	Goodwill
(DKK)		
Cost at 1 July	37,936,264	33,572,178
Additions for the year	19,670,874	0
Cost at 30 June	57,607,138	33,572,178
Impairment losses and amortisation at 1 July	21,309,909	16,985,436
Amortisation for the year	5,186,647	3,136,431
Impairment losses and amortisation at 30 June	26,496,556	20,121,867
Carrying amount at 30 June	31,110,582	13,450,311
Amortised over	5 years	10 years



Notes to the Financial Statements

9. Property, plant and equipment

Group			
(DKK)	Land and buildings	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 July	1,854,361	17,554,338	72,101,915
Additions for the year	0	371,709	46,518,108
Cost at 30 June	1,854,361	17,926,047	118,620,023
Impairment losses and depreciation at 1 July	94,546	15,932,580	0
Depreciation for the year	577,525	423,490	0
Impairment losses and depreciation at 30 June	672,071	16,356,070	0
Carrying amount at 30 June	1,182,290	1,569,977	118,620,023
Amortised over		3-10 years	

10. Investments in subsidiaries

(DKK)	Parent company	
	2024/25	2023/24
Cost at 1 July	17,529,260	17,529,260
Disposals for the year	-3,067,200	0
Transfers for the year	10,308,740	0
Cost at 30 June	24,770,800	17,529,260
Value adjustments at 1 July	19,373,257	68,230,589
Disposals for the year	-1,038,433	0
Exchange adjustment	-377,008	0
Net profit/loss for the year	653,437	-5,759,311
Dividend to the Parent Company	0	-38,500,000
Other equity movements, net	-2,783,062	-2,366,180
Amortisation of goodwill	-2,091,762	-2,231,841
Transfers for the year	-10,308,740	0
Value adjustments at 30 June	3,427,689	19,373,257
Carrying amount at 30 June	28,198,489	36,902,517
Remaining positive difference included in the above carrying amount at	8,626,400	10,718,162



Notes to the Financial Statements

10. Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes
Dymak A/S	Denmark	62%
Laboraigh Invest ApS	Denmark	100%

11. Other fixed asset investments

(DKK)	Group			Parent company	
	Other investments	Deposits	Other receivables	Other investments	Other receivables
Cost at 1 July	26,772,723	7,354,548	0	25,739,825	0
Additions for the year	0	0	14,173,791	0	14,173,791
Cost at 30 June	26,772,723	7,354,548	14,173,791	25,739,825	14,173,791
Revaluations at 1 July	5,236,670	0	0	5,338,528	0
Revaluations for the year	1,278,014	0	0	1,278,014	0
Revaluations at 30 June	6,514,684	0	0	6,616,542	0
Carrying amount at 30 June	33,287,407	7,354,548	14,173,791	32,356,367	14,173,791

12. Deferred tax asset

(DKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Deferred tax asset at 1 July	-646,661	-1,061,761	0	0
Amounts recognised in the income statement for the year	1,434,549	978,576	0	0
Amounts recognised in equity for the year	587,527	-563,476	0	0
Deferred tax asset at 30 June	1,375,415	-646,661	0	0
Recognised in the balance sheet as follows:				
Assets	1,575,416	0	0	0
Provisions	-200,001	-646,661	0	0
	1,375,415	-646,661	0	0



Notes to the Financial Statements

13. Prepayments

Prepayments consist of prepaid expenses

14. Fair values

(DKK)	Value adjustment, income statement	Fair value at 30 June
Group		
Shares and bonds	-1,278,348	15,440,805
Parent company		
Shares and bonds	-1,278,348	15,440,805

15. Long-term debt

(DKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.				
The debt falls due for payment as specified below:				
Lease obligations				
After 5 years	80,791,891	26,232,076	0	0
Between 1 and 5 years	27,644,428	38,640,123	0	0
Long-term part	108,436,319	64,872,199	0	0
Within 1 year	7,651,672	6,927,348	0	0
	116,087,991	71,799,547	0	0



Notes to the Financial Statements

16. Cash flow statement - Adjustments

(DKK)	Group	
	2024/25	2023/24
Financial income	-6,900,046	-4,162,138
Financial expenses	20,216,781	5,256,921
Depreciation, amortisation and impairment losses, including losses and gains on sales	9,324,093	8,518,564
Tax on profit/loss for the year	2,006,950	569,559
Exchange adjustments	-629,920	-942,711
	24,017,858	9,240,195

17. Cash flow statement - Change in working capital

(DKK)	Group	
	2024/25	2023/24
Change in inventories	-11,933,469	-9,405,339
Change in receivables	-10,660,096	-697,392
Change in trade payables, etc	-3,969,157	32,614,247
Fair value adjustments of hedging instruments	-4,488,810	257,703
	-31,051,532	22,769,219

18. Contingent assets, liabilities and other financial obligations

(DKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
Charges and security				
The following assets have been placed as security with bankers:				
Company charges registered to the totalling kDKK 35.000, providing security on account receivables, inventory, tangible and intangible assets at a total carrying amount of:	59,744,297	32,213,192	59,744,297	32,213,192
Pledge of shares in affiliated companies kDKK 1.000 at a total carrying amount of:	0	0	28,198,489	36,902,517



Notes to the Financial Statements

18. Contingent assets, liabilities and other financial obligations (continued)

(DKK)	Group		Parent company	
	2024/25	2023/24	2024/25	2023/24
The following assets have been placed as security for lease obligations:				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	984,072	839,309	0	0
Between 1 and 5 years	1,287,383	585,284	0	0
	2,271,455	1,424,593	0	0
Obligation to designate buyer, operating leases.				
Expected residual value on expiry agreement	11,097,281	55,382,724	0	0
Lease obligations, period of non-terminability 5-6 years				
	6,733,153	9,430,254	0	0

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to DKK 2,311,368. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group's liability.

19. Related parties

Basis

Controlling interest

Claus Bøgelund 100 % ownership

Transactions

Apart from the above, there have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.



Notes to the Financial Statements

20. Accounting policies

The Annual Report of Bøgelund ApS for 2024/25 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024/25 are presented in DKK.

Recognition and measurement

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

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

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

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

Basis of consolidation

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

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

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

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.



Notes to the Financial Statements

20. Accounting policies (continued)

Leases

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

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

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

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Derivative financial instruments

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

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

Hedge accounting

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

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

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



Notes to the Financial Statements

20. Accounting policies (continued)

Income statement

Revenue

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

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

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

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

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

The Company is jointly taxed with . The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).



Notes to the Financial Statements

20. Accounting policies (continued)

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas. The useful life of goodwill related to the subsidiary Dymak A/S is estimated at 10 years, as the subsidiary holds a strong market position and has a long earnings profile. Dymak A/S is considered a strategic investment for the Group, expected to contribute positively to the Group's financial results over an extended period.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5-10 year.

Property, plant and equipment

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

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

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

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

Other fixtures and fittings, tools and equipment	3-10 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.



Notes to the Financial Statements

20. Accounting policies (continued)

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

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

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

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

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

Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Other investments are initially recognized at cost. Subsequently, they are measured at equity value in accordance with Section 38(1)(2) of the Danish Financial Statements Act, as the company exercises control or significant influence over the investees.

Unlisted equity investments classified as fixed asset investments are measured at fair value at the balance sheet date. Changes in fair value are recognized in the income statement under financial income or expenses.

Other fixed asset investments

Other fixed asset investments consist of deposit and receivables (fixed assets).

Inventories

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

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

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

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

Receivables

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



Notes to the Financial Statements

20. Accounting policies (continued)

Prepayments

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

Current Asset Investments

Current Asset Investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

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

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

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

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

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

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

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



Notes to the Financial Statements

20. Accounting policies (continued)

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Current asset investments". "Current asset investments" consist of short-term securities with an insignificant risk of value changes that can readily be turned into cash.

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

Financial Highlights

Explanation of financial ratios

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