

Designlink ApS

Stærmosegårdsvej 8 st, 5230 Odense M
CVR no. 39 35 20 95

Annual report for the financial year 01.07.21 - 30.06.22

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 21.12.22

Nicolai Bladt Hansen
Dirigent

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The company

Designlink ApS
Stærmossegårdsvej 8 st
5230 Odense M
Website: www.dsgnlink.com
Registered office: Odense
CVR no.: 39 35 20 95
Financial year: 01.07 - 30.06

Executive Board

Direktør Kenneth Olsbro Mejrup
Direktør Morten Elvar Juel
Direktør Nicolai Bladt Hansen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Bank

Sydbank

Lawyer

Mazanti-Andersen Korsø Jensen

Parent company

Dsgnlink Holding ApS, Odense

Statement by the Executive Board on the annual report

We have on this day presented the annual report for the financial year 01.07.21 - 30.06.22 for Designlink ApS.

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

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 30.06.22 and of the results of the company's activities for the financial year 01.07.21 - 30.06.22.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Odense M, December 21, 2022

Executive Board

Kenneth Olsbro Mejrup
Direktør

Morten Elvar Juel
Direktør

Nicolai Bladt Hansen
Direktør

Independent auditor's report on extended review

To the capital owner of Designlink ApS

Opinion

We have performed an extended review of the financial statements of Designlink ApS for the financial year 01.07.21 - 30.06.22 which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Based on the work performed, in our opinion, the financial statements give a true and fair view of the company's assets, equity and liabilities and financial position as at 30.06.22 and the company's financial performance for the financial year 01.07.21 - 30.06.22 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the 'Auditor's responsibilities for the extended review of the financial statements' section of our report. We are independent of the company 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Statement regarding the management's review

The management is responsible for the management's review.

Our opinion on the financial statements does not include the management's review, and we do not express any form of conclusion on the management's review.

In connection with our extended review of the financial statements, it is our responsibility to read the management's review and in this connection consider whether the management's review is materially inconsistent with the financial statements or the knowledge we have obtained during our extended review, or in any other way appears to be materially misstated.

Independent auditor's report on extended review

Furthermore, it is our responsibility to consider whether management's review contains the information required under the Danish Financial Statements Act.

Based on the work performed, we believe that the management's review is in accordance with the financial statements and has been prepared in accordance with the provisions of the Danish Financial Statements Acts. We have not detected any material misstatement in the management's review.

Management's responsibility for the financial statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Danish Financial Statements Act and for such internal control as the 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 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 company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures primarily consisting of making inquiries of management and others within the company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Independent auditor's report on extended review

Odense, December 21, 2022

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Jacob Pedersen

State Authorized Public Accountant
MNE-no. mne33725

Primary activities

The company's activities comprise in import and export of furniture.

Development in activities and financial affairs

The income statement for the period 01.07.21 - 30.06.22 shows a profit/loss of DKK 17,960,411 against DKK 1,157,538 for the period 01.03.21 - 30.06.21. The balance sheet shows equity of DKK 23,250,866.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

		01.03.21	30.06.21
		2021/22	2020/21
Note		DKK	DKK
	Gross profit	29,502,165	4,657,306
1	Staff costs	-9,243,808	-1,928,359
	Profit before depreciation, amortisation, write-downs and impairment losses	20,258,357	2,728,947
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-757,167	-49,452
	Other operating expenses	0	-391,800
	Operating profit	19,501,190	2,287,695
2	Financial income	20,849,260	288,601
	Financial expenses	-17,276,587	-1,063,943
	Profit before tax	23,073,863	1,512,353
3	Tax on profit for the year	-5,113,452	-354,815
	Profit for the year	17,960,411	1,157,538

Proposed appropriation account

	Extraordinary dividend for the financial year	240,000	0
	Proposed dividend for the financial year	1,100,000	0
	Retained earnings	16,620,411	1,157,538
	Total	17,960,411	1,157,538

ASSETS		30.06.22	30.06.21
		DKK	DKK
Note			
	Completed development projects	964,269	0
	Goodwill	132,558	308,500
	Development projects in progress	196,280	346,198
4	Total intangible assets	1,293,107	654,698
	Leasehold improvements	130,124	64,484
	Other fixtures and fittings, tools and equipment	56,008	12,131
5	Total property, plant and equipment	186,132	76,615
6	Deposits	296,361	438,428
	Total investments	296,361	438,428
	Total non-current assets	1,775,600	1,169,741
	Manufactured goods and goods for resale	2,028,541	159,947
	Prepayments for goods	12,529,100	9,057,516
	Total inventories	14,557,641	9,217,463
	Trade receivables	14,851,898	11,845,639
	Receivables from group enterprises	15,912,912	5,811,060
	Deferred tax asset	57,811	0
	Other receivables	363,128	63,777
	Prepayments	239,856	43,547
	Total receivables	31,425,605	17,764,023
	Cash	3,607	298,348
	Total current assets	45,986,853	27,279,834
	Total assets	47,762,453	28,449,575

EQUITY AND LIABILITIES		30.06.22	30.06.21
		DKK	DKK
Note			
	Share capital	50,000	50,000
	Reserve for development costs	905,228	0
	Retained earnings	21,195,638	5,480,455
	Proposed dividend for the financial year	1,100,000	0
	Total equity	23,250,866	5,530,455
	Provisions for deferred tax	0	4,545
	Total provisions	0	4,545
7	Other payables	0	56,303
	Total long-term payables	0	56,303
7	Short-term part of long-term payables	5,232,111	351,296
	Payables to other credit institutions	11,195,359	16,416,512
	Prepayments received from customers	1,209,395	96,758
	Trade payables	3,809,636	2,404,901
	Payables to group enterprises	1,317,702	1,590,931
	Income taxes	351,294	307,232
	Other payables	1,202,338	1,690,642
	Deferred income	193,752	0
	Total short-term payables	24,511,587	22,858,272
	Total payables	24,511,587	22,914,575
	Total equity and liabilities	47,762,453	28,449,575
8	Contingent liabilities		
9	Charges and security		

Statement of changes in equity

Figures in DKK	Share capital	Reserve for development costs	Retained earnings	Proposed dividend for the financial year	Total equity
Statement of changes in equity for 01.07.21 - 30.06.22					
Balance as at 01.07.21	50,000	0	5,480,455	0	5,530,455
Total depreciation, amortisation, impairment losses and write-downs during the year	0	-419,683	419,683	0	0
Extraordinary dividend paid	0	0	-240,000	0	-240,000
Transfers to/from other reserves	0	1,324,911	-1,324,911	0	0
Net profit/loss for the year	0	0	16,860,411	1,100,000	17,960,411
Balance as at 30.06.22	50,000	905,228	21,195,638	1,100,000	23,250,866

		01.03.21
	2021/22	30.06.21
	DKK	DKK

1. Staff costs

Wages and salaries	7,775,625	1,598,650
Pensions	694,355	145,240
Other social security costs	164,410	5,870
Other staff costs	609,418	178,599
Total	9,243,808	1,928,359
Average number of employees during the year	10	8

2. Financial income

Interest, group enterprises	173,656	0
Foreign currency translation adjustments	20,675,604	288,601
Total	20,849,260	288,601

3. Tax on profit for the year

Tax on profit or loss for the year	5,175,808	351,296
Adjustment of deferred tax for the year	-62,356	3,519
Total	5,113,452	354,815

4. Intangible assets

Figures in DKK	Completed development projects	Goodwill	Development projects in progress
Cost as at 01.07.21	0	351,883	346,198
Additions during the year	0	0	1,352,406
Transfers during the year to/from other items	1,502,324	0	-1,502,324
Cost as at 30.06.22	1,502,324	351,883	196,280
Amortisation and impairment losses as at 01.07.21	0	-43,383	0
Amortisation during the year	-538,055	-175,942	0
Amortisation and impairment losses as at 30.06.22	-538,055	-219,325	0
Carrying amount as at 30.06.22	964,269	132,558	196,280

The development project in progress is costs used to a new development of an IT program that will streamline workflows.

5. Property, plant and equipment

Figures in DKK	Leasehold improvements	Other fixtures and fittings, tools and equipment
Cost as at 01.07.21	66,433	20,600
Additions during the year	94,936	57,751
Cost as at 30.06.22	161,369	78,351
Depreciation and impairment losses as at 01.07.21	-1,949	-8,469
Depreciation during the year	-29,296	-13,874
Depreciation and impairment losses as at 30.06.22	-31,245	-22,343
Carrying amount as at 30.06.22	130,124	56,008

6. Non-current financial assets

Figures in DKK	Deposits
Cost as at 01.07.21	296,361
Cost as at 30.06.22	296,361
Carrying amount as at 30.06.22	296,361

7. Long-term payables

Figures in DKK	Repayment first year	Total payables at 30.06.22	Total payables at 30.06.21
Income taxes	5,175,808	5,175,808	351,296
Other payables	56,303	56,303	56,303
Total	5,232,111	5,232,111	407,599

8. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 1-33 months and total lease payments of DKK 1,156k.

Other contingent liabilities

The company is taxed jointly with the other companies in the group and is liable for income taxes on a pro rata basis for the jointly taxed companies. The maximum liability totals an amount corresponding to the share of the capital in the company which is owned directly or indirectly by the ultimate parent. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

The company has concluded lease agreement that is non-cancellable until June 30th, 2025. The termination obligation constitutes the amount of DKK 2,334,168 after which the notice period is 6 months corresponding to DKK 447,360.

9. Charges and security

As security for debt to credit institutions of DKK 16,416,513, a company charge of DKK 6.000.000 has been provided comprising goodwill, intellectual property rights, motor vehicles, other plant, fixtures and fittings, tools and equipment, inventories and agricultural stock, trade receivables as well as fuels and other ancillary materials. The total carrying amount of the comprised assets is DKK 30,888,778.

10. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

10. Accounting policies - continued -**LEASES**

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT**Gross profit**

Gross profit comprises revenue and raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

10. Accounting policies - continued -**Depreciation, amortisation and impairment losses**

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK
Completed development projects	2-3	0
Goodwill	2	0
Leasehold improvements	5	0
Other plant, fixtures and fittings, tools and equipment	5	0

Goodwill is amortised over 2 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

10. Accounting policies - continued -**Other operating expenses**

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET**Intangible assets***Completed development projects and development projects in progress*

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

10. Accounting policies - continued -

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

10. Accounting policies - continued -**Impairment losses on fixed assets**

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

10. Accounting policies - continued -

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank account.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

An amount equivalent to internally generated development costs in the balance sheet is recognised in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or

10. Accounting policies - continued -

settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.