MBL Denmark 2020 A/S

Glarmestervej 18B, st. th, 8600 Silkeborg
CVR-nr. 41 64 20 68

Annual Report 2024

1 January - 31 December

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 30 April 2025

Lars Bichel Lüneborg

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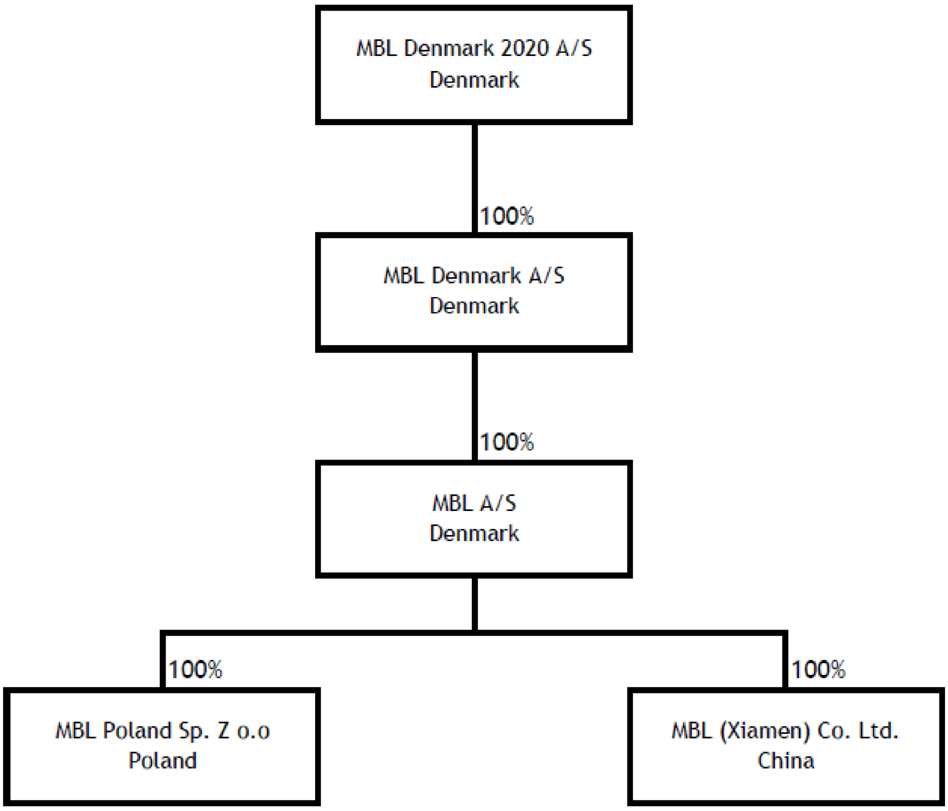
Company Details

Company	MBL Denmark 2020 A/S Glarmestervej 18B, st. th 8600 Silkeborg
	CVR No.: 41 64 20 68 Established: 28 August 2020 Municipality: Silkeborg Financial Year: 1 January - 31 December
Board of Directors	Ingelise Nygaard Lauritsen, chairman Mogens Bichel Lauritsen Lars Bichel Lüneborg Ashwin Roy Nerijus Drobavicius Anatolijus Faktorovicius
Executive Board	Martin Bichel Lauritsen
Auditor	KPMG P/S Statsautoriseret Revisionspartnerselskab Frederiks Plads 42 8000 Aarhus C

Group Structure



Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of MBL Denmark 2020 A/S for the financial year 1 January - 31 December 2024.

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

In our opinion the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2024 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2024.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Silkeborg, 30 April 2025

Executive Board

Martin Bichel Lauritsen

Board of Directors

Ingelise Nygaard Lauritsen Chairman	Mogens Bichel Lauritsen	Lars Bichel Lüneborg
Ashwin Roy	Nerijus Drobavicius	Anatolijus Faktorovicius

Independent Auditor's Report

To the Shareholder of MBL Denmark 2020 A/S

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of MBL Denmark 2020 A/S for the financial year 1 January - 31 December 2024, comprising income statement, balance Sheet, statement of changes in equity, notes including accounting policies, for the Group as well as for the Parent Company and a cash flows statement for the Group. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for Opinion

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

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company 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 that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the 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 Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and parent company financial statements.

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

- identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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.

Independent Auditor's Report

Statement on Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Parent Company 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary 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 of Management Commentary.

Aarhus C, 30 April 2025

KPMG P/S
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen
State Authorised Public Accountant
MNE no. mne34459

Michael E. K. Rasmussen
State Authorised Public Accountant
MNE no. mne41364

Financial Highlights of the Group

	2024 12 month EUR '000	2023 12 month EUR '000	2022 12 month EUR '000	2021 12 month EUR '000	2020 4 month EUR '000
Income statement					
Net revenue	116.669	92.456	88.915	69.986	18.778
Gross profit	29.556	21.615	15.191	12.540	4.370
Operating profit of main activities	10.299	5.164	-80	-890	-729
Financial income and expenses, net	-1.106	2.877	651	-2.898	-1.547
Profit/loss for the year before tax	9.193	8.041	571	-3.788	-2.276
Profit/loss for the year	6.604	5.869	-852	-2.958	-2.452
Balance sheet					
Total assets	119.172	104.813	104.714	103.771	98.726
Equity	58.806	51.669	46.781	46.151	48.419
Cash flows					
Cash flows from operating activities	10.919	9.329	3.658	5.235	6.929
Cash flows from investing activities	-5.197	-2.979	-1.984	-3.634	-27.548
Cash flows from financing activities	-3.943	-3.259	-2.150	855	17.922
Total cash flows	1.779	3.091	-476	2.456	-2.697
Investment in property, plant and equipment	-4.820	-2.643	-1.915	-3.203	-1.484
Average number of full-time employees	**1.694**	**1.522**	**1.508**	**1.390**	**1.346**
Key ratios					
Gross margin	25,3	23,4	17,1	17,9	23,3
Operating margin	8,8	5,6	-0,1	-1,3	-3,9
Equity ratio	49,3	49,3	44,7	44,5	49,0
Net revenue per employee	69	61	59	50	41

The ratios stated in the list of key figures and ratios have been calculated as follows:

Gross margin:	$\frac{\text{Gross profit x 100}}{\text{Net revenue}}$
Operating margin:	$\frac{\text{Operating profit/loss x 100}}{\text{Net revenue}}$
Equity ratio:	$\frac{\text{Equity, at year-end x 100}}{\text{Total assets, at year-end}}$
Net revenue per employee EUR ('000)	$\frac{\text{Net revenue EUR('000)}}{\text{Average number of full-time employees}}$

Management Commentary

Principal activities

The principal activities of the MBL Group comprise, like in previous years, of development, production and trade in products related to the wheelchair/rehabilitation and aged care markets. The production is performed in the foreign subsidiaries in Poland and China. Product development and sale of the Group's products is also performed by the foreign subsidiaries.

The products are sold globally, primarily in Europe and the Asia Pacific region. MBL has continued to further develop the US market in 2024 (2024 US sales growth versus 2023 is above 55%). During 2024 MBL's products have been sold to more than 35 countries.

MBL delivers the following products to the rehabilitation and aged care markets:

1. Complete mobility devices: Rollators, wheelchairs, powered add-on devices and long-term care beds (ODM and OEM)
2. Sub-assemblies to manual and powered wheelchairs (including electromechanical solutions like tilt, lift and tilt & lift systems)
3. Components like wheels, casters, brakes, axles, cushions, pushrims etc.

Unusual matters

There were no unusual matters in 2024.

Development in activities and financial and economic position

The MBL Group delivered rapid growth with consolidated revenues increase from EUR 92m to EUR 117m. MBL delivered several monthly record revenues during 2024 due to sustained demand thanks to the macro environment of the health and senior citizen sector (i.e. increasing ageing population, rising prevalence of diseases, increasing global healthcare spend and improved insurance coverage).

In 2024, MBL realized reduction in costs via continuous rationalization programs. After mitigation of labor costs inflation, the group gross profit margin improved from 23.4% to 25.3%. Another positive impact on MBL’s results came from economies of scale. Accordingly, MBL Group’s financial results improved significantly. In 2024 MBL served its debt to financing partners in line with the agreed schedule. At the end of 2024 MBL had available cash assets of EUR 9.2m.

On comparable basis in 2024, excl. goodwill amortization of EUR 6.4m, the operating profit from ordinary operations was EUR 18.6m against EUR 11.3m in 2023. Supported by year-on-year revenues increase of 26% and reduction in product costs due to continuous rationalization programs, despite general inflationary pressures on labor costs, overall led to an operating profit improvement from EUR 5.2m in 2023 to EUR 10.3m in 2024.

Excluding goodwill amortization, results before tax for the year (EUR 15.5m in 2024 vs EUR 14.4m in 2023) apart from operating performance were impacted by exchange valuation (and 2023 hedging valuation gains).

During the financial year, for the purpose of an ongoing share sales process, the company hired professional services providers, including law firms, accounting firms, commercial consulting firms for advisory and data services etc., and incurred service fees of EUR 2.3m. These costs have been recognized under “Other operating expenses”.

MBL reported net profit after tax of EUR 6.6m (excl. goodwill amortization the net profit was EUR 13m) which was better than budget due to operational overperformance.

Due to growth of business activity overall and the resulting level of trade working capital increase, MBL generated a positive cash flow from operations at the level of EUR 9.2m.

Management Commentary

Development in activities and financial and economic position (continued)
The Board of Directors has approved the 2025 budget leading to net profit and delivery of satisfactory MBL Group EBITDA higher than in 2024. The key aspect of this planned earnings improvement is additional sales growth (15%), supported by continuous cost rationalizations, increasing production series volume & productivity and higher share of new higher margin products.

These initiatives (new projects, cost rationalizations and production efficiency improvements) together with a motivating bonus program, are expected to maintain satisfactory profitability and to establish a buffer for inflationary pressures being experienced both in Poland and in China.

The MBL Group had at 31 December 2024 an equity of EUR 58.8m.

In 2024 MBL Denmark 2020 A/S paid dividend to shareholders of EUR 0.4m.

Outlook
The ongoing US-China tariff policies continue to impact cross-border trade costs and supply chain dynamics globally. With a unique multi-continent operational footprint - across Europe, US, and Asia - MBL is in a strong position to mitigate the challenges in the CDMO (Contract Development and Manufacturing Organization) rehabilitation and aged care markets. Furthermore, per the March 6th released HTS codes, there is on very limited tariffs impacts for MBL’s shipments from CN to the US.

In Q1 2025 the MBL Group estimate turnover of EUR 30.2m would be 24% higher than in Q1 2024.

A positive net profit result is expected in 2025 following all budget initiatives. It is expected to be based on margins improvements, profitable new products, core products sales growth and strategic portfolio simplification.

Profit/loss for the year compared to the expected development
The 2024 result was close to expectations:
1. Turnover increased by 11.7% split on most key customers
2. Raw materials costs decreased to 41% vs 41.2% of TO budgeted thanks to the continuous cost rationalizations program
3. Energy costs decreased to 1.6% vs 1.4% of TO budgeted
4. Contribution margin remained on budget level
5. EBITDA higher by EUR 4.2m than budgeted
6. EBITDA% was 18.7% of TO vs 16.9% budgeted

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the company's financial position.

Financial risk
Special risks
The Group's most significant operating risk is the growing geo-political tension between USA and China and its impact on global trade and economy. On the other hand, MBL’s multi-continent operational footprint across Europe, US, and Asia will enable MBL to perform well in the CDMO rehabilitation and aged care markets.

Foreign exchange risks
Fluctuations of the EUR/PLN exchange rate affect sales from MBL Poland, for which a revaluation cannot directly be passed on to the customers as MBL’s competitors are primarily located in Asia and are therefore not, like MBL, very sensitive to more than one currency. It is also related to the RMB/USD exchange rate, for which revaluation is possible to be passed on to customers, however, there may be some lagged effect and/or negative customer relationships impact.

Management Commentary

Financial risk (continued)

As there are activities in foreign countries, the results, cash flows and equity are influenced by the exchange rate development of several currencies, in particular EUR, USD, RMB and PLN. It is the Group's policy to hedge the commercial foreign exchange risks properly in close cooperation with the Group's principal bank in Poland. For MBL Poland hedging is primarily done in the form of foreign currency options, swaps and forward contracts to hedge the expected sales and purchases within 3 to 12 months in the relevant currencies. (The remaining hedging contracts signed during 2022 expired by the end of 2024. MBL will continue to pursue hedging in 2025). MBL does not enter into any speculative foreign exchange hedging positions.

For MBL China, due to lack of local hedging possibilities, the Group is rigorously monitoring the exchange rates development and passes on relevant price adjustments to the Group's customers.

Exchange rate adjustments of investments in subsidiaries and associates, which are independent entities, are recognized directly in the equity. Foreign exchange risks related hereto are not, generally, hedged as it is the Group's opinion that a current hedging of such long-term investments will not be appropriate from an overall risk and cost perspective.

Interest risks

Changes in the interest level would have a direct impact on earnings as the interest-bearing net debt represents a considerable amount. In order to reduce the risk of interest fluctuations the Group's latest financing structure is based either on fixed interest rates (like with shareholder loans) or is hedged via interest rate swaps (the long-term bank loan).

Market risks

The most significant market risks are currently related with Russia's war in Ukraine, growing geo-political tensions between western countries and China, high inflation and economic slowdown in many countries leading to reduction in global demand and in short-and-medium term risks of delayed payments from MBL's customers experiencing cash shortages.

Key risk mitigation for MBL:
1. Daily monitoring of key operations processes like customer feedback, cash collection, people availability and implementation of all required health and safety regulations
2. Short term cash planning
3. Long-term opportunities like leveraging new projects and developments, internal optimizations and cost rationalizations

Research and development activities

The development activities are handled by the subsidiaries.

The Group's own product program and customer specific products are developed in close cooperation with the customers' purchase and development departments. A considerable amount of time and resources have been used during the year for product design, documentation and development of the necessary tools for production of own and customer specific products. A minor share of these costs is covered by the customers. During the last 2-3 years there has been a strategic shift towards a higher share of new products owned by the Group vs customer specific projects. Cost rationalizations have also been a focus area for the R&D and sourcing staff and it is the key focus area in the coming years as well as development of new products.

Future expectations

From a strategic perspective MBL is one of the key suppliers to the rehabilitation and aged care markets globally which have a substantial growth potential. The market for wheelchairs and other rehabilitation devices like rollators, long term care beds, power add on devices and wheelchairs, and thus the Group's main products, will grow in the long term because of an increasing ageing population, rising prevalence of diseases, increasing global healthcare spend as well as increasing insurance coverage.

Management Commentary

Future expectations (continued)

The expected growth rate of the market based on a market study prepared by professional advisors is estimated at 5-7% annually.

With stable growth from 2021 with EUR 70m to 2024 with EUR 117m, MBL plans to accelerate sales in 2025 and onwards and to continue to outpace the market MBL operates in.
By partnering with the leading mobility OEMs globally, the Group will sustain the growth by following the market growth trend and further win extra shares from competitors. MBL has earned a strong reputation via reliability in quality, a one-stop-shop product portfolio, multi-continent presence, >30 years proven track record of development capabilities.

Furthermore, virtual OEMs will be the main driver of growth (e.g. Rehasense, Saljol, Russka). With successful roll out in Europe & Australia, MBL's key virtual OEM customer, Rehasense, is now expanding into new countries and will further expand the product portfolio (from rollators, power add on devices & long-term care beds to wheelchairs).

Additionally, MBL is engaging with some leading mobility OEMs for further growth (such as Pride and Permobil).

MBL continues to promote the premium components brand, OMOBIC, dedicated to active wheelchair users, which should bring higher margins for the wheelchair components. The plan is to create a strong and globally recognized brand which will elevate MBL's product into the higher end segment.

The already embedded new management structure has continuously been releasing considerable resources from top management and all the way through the organisation which may further contribute to a considerable improvement of the earnings in the coming years.

The key initiatives in the budget to maintain profitability and achieve the goals in 2025 continue to be:

1. Solid revenue growth
    a. Further sales increase of complete products driven by market growth
    b. Incremental increases from launch of manual wheelchairs and power add on devices
    c. Implementation of new projects for complete units and components of manual wheelchairs and rollators with Saljol, Rehasense, Ki Mobility/ETAC, Permobil Group
    d. Implementation of new projects within powered wheelchairs components and sub-assemblies for prospective customers (Pride Mobility in the US)
    e. implementation of the OMOBIC line in the portfolio of key customers
2. Product cost rationalizations particularly on new "high runners" to reduce the cost base and improve margins
3. Simplification of the product portfolio and increasing production series volume to improve productivity
4. Introduction of new higher margin products with simultaneous reduction of lower margin portfolio sales

The most important business processes with respect to meeting MBL's targets and the customers' expectations continue to be service, quality, delivery on time and project efficiency.

MBL continues monthly monitoring of the business via Balanced Scorecard Key Performance Indicators and management financial reporting.

The Company's foreign branches

The company has no foreign branches.

Management Commentary

Corporate social responsibility (CSR) report
This section has been prepared in accordance with The Danish Financial Statements Act §99a.

The principal activities comprise, like in previous years, of production and trade in products related to the wheelchair/rehabilitation and aged care markets. The production is performed in the foreign subsidiaries in Poland and China. Product development and sale of the Group's products is also performed by the foreign subsidiaries.

MBL conducts its business based on defined, simplified principles for business practices and ethics and focuses on social responsibility towards employees, business partners and the surrounding society.

The Group desires to develop its business and meet its strategic challenges in a financially and socially justifiable way by adherence to the legislation, activities and measures of a social nature in all three countries where the Group is operating.

The Group has implemented policies comprising internal guidelines, goals and strategies according to which work is focused on ensuring a safe and healthy working environment and optimization of the processes of the company to ensure environmentally responsible operations. For both subsidiaries it has been communicated to each employee in the form of a staff book.

The Group continuously evaluate existing policies to systematically implement improvements where necessary.

Compliance with respective policies and procedures has been regularly monitored and controlled by both internally and externally authorized groups. In 2024 there were no material breaches or incompliance cases.

In general, it is the management's opinion that the work regarding the environment and work environment is supportive of the Group's image and efficiency. The Group's work with social responsibility has also had the effect that the production processes have become less environmentally damaging, and that the consumption of energy is reduced. It is expected that these activities will be continued and further intensified in the future.

Environmental protection
Internally the Group has a code of rules for environmental and work environmental issues as described in the policies.

All companies within the MBL Group are proactively looking for an opportunity to reduce energy consumption, gas emission, waste and other pollution. In MBL Poland, 68% of electrical energy comes from renewable energy sources. MBL monitors environmental risks at local operational levels to minimize the environmental footprint. MBL is committed to ensuring environmentally sound and energy-efficient production.

Main risks related to lack of proper environmental protection:
1. Legal consequences – fines, higher costs of operations, criminal prosecutions etc.
2. Negative PR
3. Stricter environmental requirements imposed on the company with negative impact on operations

Mitigations of these risks in MBL are:
1. Clear communication from management that there is no compromise on meeting environmental standards required by law in relevant countries
2. More focus on information collection to strengthen the analysis of possible improvement areas – in MBL Poland there is continuous cooperation with an external consultant to track the progress on environment protection
3. Actions in place in case of any environmental risk – new installations, exchange of chemical pollutants in MBL Poland during the last 3 years

Management Commentary

Corporate social responsibility (CSR) report (continued)

In 2024 MBL continued the effort to improve the production environment as well as the health and safety environment in both subsidiaries including selective capital investments. New machines consume ca. 30% less electrical power thanks to improved technology, which are more environmentally friendly by using less oil and coolant liquids, and eventually less CO_2 emission. Moreover, in 2024, MBL initiated CBAM compliance training to address evolving EU carbon border regulations. This proactive certification preparation aims to minimize operational risks related to cross-border trade requirements.

There is an increasing focus on areas such as gas emission, waste and other pollution as described in the CSR section.

MBL will continue its efforts to support environmental protection in 2025.

Human rights

Internally MBL has a code of rules for human rights issues as described in the policies. In 2024 there were no cases of breach of any law connected to human rights in any of the subsidiaries.

The main risks related to human rights protection in MBL are:

1. Health and safety risk for employees and all sorts of ethical and legal consequences related to this
2. Mistreatment of employees

Mitigations of these risks in MBL are:

1. Monitoring of H&S procedures and related implementation of these – in both MBL Poland and MBL Xiamen there is a H&S specialist employed responsible for this area. Additionally each people manager is responsible for H&S tasks
2. All cases of accidents are separately analyzed with an action plan and there is a formal protocol describing the accident
3. Selective investments in assets improving the health and safety
4. In terms of employee mistreatment there is a developed HR function in both Poland and China and all employees have a point of contact in case of issues apart from regular communication with their managers
5. Regular communication meetings are in place and run by senior management
6. There is implemented a whistleblowing policy in MBL Poland. The Management Board is informed about any grievances resulting from the whistleblowing service and how it was solved

The Group continues to stay compliant with local regulations and requirements.

The key health and safety improvements and actions in 2024 were related to:

1. Strict control of proper PPE use
2. Dedicated training and seminars to increase safety awareness and promote proper behavior among employees
3. Standardization of safety rules and proper behavior particularly in relation to the most dangerous jobs
4. Cross-departmental safety inspections to promote best practices and safety leadership
5. Upgrade of safety measures in connection with internal transport

MBL will continue its efforts to support human rights in 2025.

Management Commentary

Corporate social responsibility (CSR) report (continued)

Climatic impact
MBL has a code of rules for climate impact as described in the policies.

As an element of its policies relating to environmental and social responsibility, the Group focuses on the climatic impact of its production and distribution. In 2018 and 2019 MBL Poland in cooperation with an external advisor reviewed and monitored environmental and climatic impact. Several actions were implemented which brought the next significant improvement in terms of an environmental footprint. These actions mostly focused on reduction of metal and paper wastes.

The main risk for MBL is lack of proper handling of production waste in Poland and China, which may result in increased costs and legal responsibility.
Mitigations of these risks in MBL are:

1. Use of certified waste handlers
2. Review of the contracts with waste handlers
3. Review of the waste handling procedure

MBL Poland started the project to exchange all lighting with LED lighting in its Polish facility in 2024 (to be completed in 2025). 40% of the lamps are exchanged and an "intelligent" controlling unit is already working to help to save as much energy as possible by constant control of the light intensity in the production area. Fully implemented it will reduce the total electrical energy usage by 5-6%. For lighting itself the saving will be 70%.

Furthermore, MBL is studying a possible installation of solar roof panels in Poland by the end of 2025 which will supply the company with sustainable 250kWh. We continue to create awareness and general focus on optimization of consumption in the production area.

MBL will continue its efforts to reduce its climate impact in 2025.

Anti-corruption and bribery
In management's view ethical behavior and safeguarding of company assets is vital for further company development and well-being. One of the key aspects is to protect MBL from risks related to corruption. The main risks in general can be identified in the areas of sales pricing and contracts, cooperation with suppliers, bank and treasury transactions, production consumables and employee expense claims. Due to certain reasons this risk is assessed as higher in MBL China.

Key risk mitigation policies and procedures are:

1. Sales cooperation is strictly monitored by senior management – in all key customers cooperation the Managing Director is involved
2. Sales prices are registered in the ERP system based on a target margin approval grid with involvement of the Sales Director and the Managing Director. Sales price changes are monitored monthly by the controlling team
3. Cooperation with key suppliers is monitored closely by the Managing Director and the Supply Chain Manager in China. Additionally, all purchase price changes are monitored and approved by the controlling team
4. Bank and treasury transactions are run with the rule of segregation of duty and approval required in the bank system. Key transactions require CFO approval. Cash flow is monitored daily
5. Employee expense practices are in place both in Poland and in China
6. Each employee in MBL Poland signed separate statement that he/she was acquainted with the provisions on equal treatment in employment. All employees in China signed on an acknowledgement to confirm they receive the Staff Book

Management Commentary

Corporate social responsibility (CSR) report (continued)
Key Anti-corruption and bribery actions in 2024 were as followings:

1. MBL carried out employee rotations among sourcing staff across different commodities and suppliers in 2024.
2. In Q4 2024, MBL China began implementing the OA system to ensure that all purchase requisitions were properly approved (in line with preset limits) before the procurement of goods/services. The OA system was officially launched by March 2025.
3. In 2024, MBL China's finance controlling initiated regular weekly purchase - order - price checks to identify whether the purchase volumes from non-prioritized suppliers were explainable, to spot any price inconsistencies, and to explore possibilities of better pricing with higher purchase volumes.

MBL will continue its efforts to support avoidance of corruption and bribery in 2025.

Social and staff matters
In MBL Group all the rules are collected and communicated in a so-called “Staff Book” and separate regulations and procedures where social and staff matters are described such as employee policy, relations between managers and employees, employment and resignation from work, salary and work conditions, employee insurance, leave, working hours, job rotation, job promotion, training and education, annual work evaluation and salary conversation, social aspects and welfare fund in chapters from 12 to 18.

Both MBL Poland and MBL China have developed a strong HR function to safeguard, to communicate and to develop those procedures. The HR department is responsible, in close cooperation with the managers and the employees, for all aspects connected with recruitment, induction, employment, motivation, remuneration, information and communication, development and performance management. There was no change in 2024.
Main risks for staff matters:

1. Ensuring required qualified staff for the production in connection with decreasing availability and competition in the labor market

Mitigation of these risks in MBL are:

1. Analysis and development of the C&B system and motivation system by defining solutions which can create a more attractive work environment
2. Investigation and implementation of new solutions (e.g. new equipment, new working time system) to improve the working conditions in the production
3. Development of training programs with regards to gaining new qualifications for new employees and implementation of a multi-tasking structure in the production
4. Analysis and implementation of new sources for recruitment of required qualifications

Thanks to the continuation of initiatives/activities implemented in 2024 the required positions were successfully filled in the production in both MBL Poland and MBL China.

Key initiatives/actions:

1. Development of the performance management system which supports increasing work effectiveness
2. Continuation of the development programs for the line managers and the team leaders and technical and sales staff (e.g. Leadership Academy stage II, Project Management, Negotiation Academy, Green Belt certification).
3. Development of the C&B system
4. Digitalization of the HR process to improve effectiveness and efficient communication and information flow between HR and other departments

MBL will continue its efforts to improve social and staff matters in 2025.

Management Commentary

Report of data ethics

Processing data in MBL is a relatively small part of MBL's business. MBL complies with relevant laws and strives to process, treat and analyze all data in a fair and transparent way and with a strong ethical commitment. We respect all stakeholders' privacy through:

1. Collection and processing of data fairly, lawfully, and transparently only for business purposes
2. Processing of data done in compliance with regulatory frameworks
3. Commitment to privacy remaining also after end of the relationships with the stakeholder's

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2024 EUR '000	2023 EUR '000	2024 EUR '000	2023 EUR '000
Net revenue	1	**116.669**	**92.456**	**0**	**0**
Production costs	2	-87.113	-70.841	0	0
Gross profit		**29.556**	**21.615**	**0**	**0**
Distribution costs	2	-2.056	-1.667	0	0
Administrative expenses	2, 3	-15.342	-15.021	-117	-83
Operating profit/loss of main activities		**12.158**	**4.927**	**-117**	**-83**
Other operating income		498	529	0	0
Other operating expenses	4	-2.357	-292	0	0
Operating profit/loss		**10.299**	**5.164**	**-117**	**-83**
Income from investments in subsidiaries		0	0	7.115	6.302
Other financial income	5	3.138	6.694	189	357
Other financial expenses	6	-4.244	-3.817	-720	-828
Profit before tax		**9.193**	**8.041**	**6.467**	**5.748**
Tax on profit for the year	7	-2.697	-1.975	137	121
Other taxes		108	-197	0	0
Profit for the year	8	**6.604**	**5.869**	**6.604**	**5.869**

Balance Sheet at 31 December

Assets

	Note	Group 2024 EUR '000	Group 2023 EUR '000	Parent Company 2024 EUR '000	Parent Company 2023 EUR '000
Development projects completed, including patents and similar rights originating from development projects		872	940	0	0
Acquired concessions, patents, licences, trademarks and similar rights		299	312	0	0
Goodwill		35.990	42.341	0	0
Development projects in progress and prepayments for intangible assets		419	323	0	0
Intangible assets	9	**37.580**	**43.916**	**0**	**0**
Land and buildings		11.860	10.477	0	0
Production plant and machinery		7.382	5.373	0	0
Other plant, fixtures and equipment		2.429	2.034	0	0
Tangible fixed assets in progress and prepayments for tangible fixed assets		762	361	0	0
Tangible fixed assets	10	**22.433**	**18.245**	**0**	**0**
Investments in subsidiaries		0	0	71.292	62.532
Derivative financial instruments	11	213	501	64	209
Rent deposit and other receivables		13	13	0	0
Financial non-current assets	12	**226**	**514**	**71.356**	**62.741**
Non-current assets		**60.239**	**62.675**	**71.356**	**62.741**

Balance Sheet at 31 December

Assets (continued)	Note	Group 2024 EUR '000	Group 2023 EUR '000	Parent Company 2024 EUR '000	Parent Company 2023 EUR '000
Expenses for raw materials and consumables		7.050	5.534	0	0
Work in progress		3.310	2.400	0	0
Finished goods and goods for resale		3.703	2.733	0	0
Inventories		**14.063**	**10.667**	**0**	**0**
Trade receivables		30.096	19.746	0	0
Receivables from group enterprises		0	0	589	2.452
Deferred tax assets	13	14	12	0	0
Derivative financial instruments	11	24	931	0	0
Other receivables		4.237	1.521	0	0
Joint tax contribution receivable		0	0	357	415
Prepayments	14	1.298	1.839	0	0
Receivables	15	**35.669**	**24.049**	**946**	**2.867**
Cash and cash equivalents		**9.201**	**7.422**	**1.282**	**367**
Current assets		**58.933**	**42.138**	**2.228**	**3.234**
Assets		**119.172**	**104.813**	**73.584**	**65.975**

Balance Sheet at 31 December

Equity and liabilities

		Group		Parent Company	
	Note	2024 EUR '000	2023 EUR '000	2024 EUR '000	2023 EUR '000
Share capital	16	106	106	106	106
Reserve for net revaluation under the equity method		0	0	3.125	0
Fair value reserve for hedge accounting		166	389	50	163
Fair value reserve for currency translation of foreign entities		591	-269	0	0
Retained earnings		57.943	51.443	55.525	51.401
Equity		**58.806**	**51.669**	**58.806**	**51.670**
Provisions for pensions and similar obligations		157	129	0	0
Provision for deferred tax	17	703	643	0	0
Provisions		**860**	**772**	**0**	**0**

Balance Sheet at 31 December

Equity and liabilities (continued)

	Note	Group 2024 EUR '000	Group 2023 EUR '000	Parent Company 2024 EUR '000	Parent Company 2023 EUR '000
Bank debt		7.727	11.292	1.254	3.851
Lease liabilities		1.920	1.087	0	0
Debt to owners and management		7.000	7.000	7.000	7.000
Frozen holiday pay		0	15	0	0
Non-current liabilities	18	**16.647**	**19.394**	**8.254**	**10.851**
Bank debt		10.630	9.448	2.624	2.624
Lease liabilities		787	522	0	0
Trade payables		22.747	14.619	0	0
Debt to Group companies		0	0	3.061	0
Debt to owners and management		673	554	673	554
Corporation tax payable		1.152	1.338	111	213
Joint tax contribution payable		0	0	25	32
Other liabilities		6.734	6.346	30	31
Deferred income	19	136	151	0	0
Current liabilities		**42.859**	**32.978**	**6.524**	**3.454**
Liabilities		**59.506**	**52.372**	**14.778**	**14.305**
Equity and liabilities		**119.172**	**104.813**	**73.584**	**65.975**

	Note
Contingencies etc.	20
Charges and securities	21
Related parties	22

Equity

EUR '000	Group					
	Share capital	Fair value reserve for hedge accounting	Fair value reserve for currency translation of foreign entities	Retained earnings	Proposed dividend	Total
Equity at 1 January 2024	106	390	-269	51.444	0	51.671
Proposed profit allocation, cf. note 8				5.604	1.000	6.604
Transactions with owners						
Extraordinary dividend paid					-1.000	-1.000
Other legal bindings						
Other adjustments to equity value				1.105		1.105
Change fair value reserves						
Value adjustments in the year		-287	860			573
Tax on changes in equity		**63**		**-210**		**-147**
Equity at 31 December 2024	**106**	**166**	**591**	**57.943**	**0**	**58.806**

EUR '000	Parent Company					
	Share capital	Reserve for net revaluati-on under the equity method	Fair value reserve for hedge accounting	Retained earnings	Proposed dividend	Total
Equity at 1 January 2024	106	0	163	51.402	0	51.671
Proposed profit allocation, cf. note 8		7.115		-1.511	1.000	6.604
Transactions with owners						
Extraordinary dividend paid					-1.000	-1.000
Other legal bindings						
Foreign exchange adjustments		860				860
Other adjustments to equity value		784				784
Transfers						
Allowed equalization		-5.634		5.634		0
Change fair value reserves						
Value adjustments in the year			-145			-145
Tax on changes in equity			**32**			**32**
Equity at 31 December 2024	**106**	**3.125**	**50**	**55.525**	**0**	**58.806**

Cash Flow Statement 1 January - 31 December

	Group	
	2024 EUR '000	2023 EUR '000
Profit/loss for the year	6.604	5.869
Depreciation and amortisation, reversed	8.813	8.559
Reversed realization gains	-7	14
Adjustment of other financial income	907	811
Adjustment of other financial expenses	1.775	1.641
Tax on profit/loss, reversed	2.697	1.975
Corporation tax paid	-2.998	-1.522
Change in inventories	-3.396	-651
Change in receivables (ex tax)	-12.525	-2.525
Change in other provisions	28	46
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	8.487	-3.568
Other cash flows from operating activities	534	-1.320
Cash flows from operating activity	**10.919**	**9.329**
Purchase of intangible assets	-424	-427
Purchase of property, plant and equipment	-4.820	-2.643
Sale of property, plant and equipment	47	92
Purchase of financial assets	0	-1
Cash flows from investing activity	**-5.197**	**-2.979**
Change in lease liabilities	1.098	14
Instalments on loans	-3.605	-6.283
Other changes in non-current debt (interests)	-1.737	-1.603
Change in bank debt	1.182	4.178
Dividends paid in the financial year	-1.000	0
Other cash flows from debt to owners and management	119	435
Cash flows from financing activity	**-3.943**	**-3.259**
	1.779	**3.091**
Cash and cash equivalents at 1. januar	7.422	4.331
Cash and cash equivalents at 31 December31. december	**9.201**	**7.422**

Cash Flow Statement 1 January - 31 December

	Group	
	2024 EUR '000	2023 EUR '000
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	9.201	7.422
Cash and cash equivalents	**9.201**	**7.422**

Notes

	Group		Parent Company	
	2024 EUR '000	2023 EUR '000	2024 EUR '000	2023 EUR '000
1 | Net revenue				
Segment details (geography)				
Western Europe	48.249	39.838	0	0
Eastern Europe	31.458	23.284	0	0
Asia Pacific	22.895	19.715	0	0
Northern America	13.780	9.151	0	0
Others	287	468	0	0
	116.669	**92.456**	**0**	**0**

The group and parent company has only one operating segment, "components, subassemblies and complete products for mobility devices industry", which form the basis for managerial decision taking.

	Group 2024	Group 2023	Parent 2024	Parent 2023
2 | Staff costs				
Average number of full time employees	1.694	1.522	1	1
Wages and salaries	23.418	19.993	0	0
Pensions	383	306	0	0
Social security costs	3.561	2.799	0	0
Other staff costs	122	112	0	0
	27.484	**23.210**	**0**	**0**
Remuneration of Executive Board	438	446	0	0
Remuneration of Board of Directors	99	45	0	0
	537	**491**	**0**	**0**

Staff costs are included in the following items:
Production costs: EUR ('000) 22.260.
Distribution costs: EUR ('000) 742.
Administrative expenses: EUR ('000) 4.482.

Notes

	Group		Parent Company	
	2024 EUR '000	2023 EUR '000	2024 EUR '000	2023 EUR '000
3 | Fee to statutory auditor				
Total fee:				
KPMG	188	139	54	32
	188	**139**	**54**	**32**
Specification of fee:				
Statutory audit	166	125	32	18
Assurance engagements	22	14	22	14
	188	**139**	**54**	**32**

4 | Special items

During the financial year the company has incurred extraordinary consulting costs total EUR ('000) 2.300. These costs has been recognised under "Other operating expenses".

	Group 2024 EUR '000	Group 2023 EUR '000	Parent Company 2024 EUR '000	Parent Company 2023 EUR '000
5 | Other financial income				
Interest, Group companies	0	0	16	145
Other interest income	3.138	6.694	173	212
	3.138	**6.694**	**189**	**357**
6 | Other financial expenses				
Interest, Group companies	0	0	3	0
Other interest expenses	4.244	3.817	717	828
	4.244	**3.817**	**720**	**828**
7 | Tax on profit/loss for the year				
Calculated tax on taxable income of the year	2.811	1.735	-169	-170
Adjustment of tax in previous years	38	0	0	0
Adjustment of deferred tax	-166	112	0	0
Tax on changes in equity	14	128	32	49
	2.697	**1.975**	**-137**	**-121**

Notes

	Group		Parent Company	
	2024 EUR '000	2023 EUR '000	2024 EUR '000	2023 EUR '000
8 | Proposed distribution of profit				
Extraordinary dividend	1.000	0	1.000	0
Allocation to reserve for net revaluation under the equity method	0	0	7.115	6.302
Retained earnings	5.604	5.869	-1.511	-433
	6.604	**5.869**	**6.604**	**5.869**

9 | Intangible assets

	Group	
EUR '000	Development projects completed, including patents and similar rights originating from development projects	Acquired concessions, patents, licences, trademarks and similar rights
Cost at 1 January 2024	4.937	1.327
Exchange adjustment at closing rate	118	29
Transfer	167	25
Additions	48	115
Cost at 31 December 2024	**5.270**	**1.496**
Amortisation at 1 January 2024	3.998	1.016
Exchange adjustment at closing rate	96	23
Amortisation for the year	304	158
Amortisation at 31 December 2024	**4.398**	**1.197**
Carrying amount at 31 December 2024	**872**	**299**

Notes

9 | Intangible fixed assets (continued)

	Group	
EUR '000	Goodwill	Development projects in progress and prepayments for intangible assets
Cost at 1 January 2024	63.511	322
Exchange adjustment at closing rate	0	8
Transfers to/from other items	0	-167
Additions	0	261
Disposals	0	-5
Cost at 31 December 2024	**63.511**	**419**
Amortisation at 1 January 2024	21.170	0
Amortisation for the year	6.351	0
Amortisation at 31 December 2024	**27.521**	**0**
Carrying amount at 31 December 2024	**35.990**	**419**

Special conditions for recognition of development costs
The Company's development projects concern development of wheelchairs, rollators, hospital beds, electro-mechanical products, and components for manual wheelchairs.

The development progresses as planned and is expected to be completed within 1 to 2 years and company is going to benefit through additional revenues or cost benefits for the following years.

The market for these products for the health and senior citizen sector is increasing considerably more than the general economic development (with growing number of ageing population, Rising Prevalence of Disease, Global healthcare spend and also insurance coverage), and there is a limited competition in the market for this type of products.

Notes

10 | Tangible fixed assets

EUR '000	Group Land and buildings	 Production plant and machinery
Cost at 1 January 2024	9.074	14.278
Exchange adjustment at closing rate	158	303
Transferred	166	773
Additions	154	2.253
Disposals	0	-252
Cost at 31 December 2024	**9.552**	**17.355**
Revaluation at 1 January 2024	4.395	0
Exchange adjustment at closing rate	76	0
Revaluation of the year	1.105	0
Revaluation at 31 December 2024	**5.576**	**0**
Depreciation and impairment losses at 1 January 2024	2.993	8.902
Exchange adjustment at closing rate	52	184
Reversal of depreciation of assets disposed of	0	-223
Depreciation for the year	223	1.110
Depreciation and impairment losses at 31 December 2024	**3.268**	**9.973**
Carrying amount at 31 December 2024	**11.860**	**7.382**
Value of recognised assets, excluding revaluation under § 41 (1)	6.284	
Finance lease assets		3.862

EUR '000	Group Other plant, fixtures and equipment	 Tangible fixed assets in progress and prepayments for tangible fixed assets
Cost at 1 January 2024	7.054	361
Exchange adjustment at closing rate	167	6
Transferred	-705	-259
Additions	1.759	654
Disposals	-145	0
Cost at 31 December 2024	**8.130**	**762**
Depreciation and impairment losses at 1 January 2024	5.021	0
Exchange adjustment at closing rate	118	
Reversal of depreciation of assets disposed of	-139	
Depreciation for the year	701	
Depreciation and impairment losses at 31 December 2024	**5.701**	**0**
Carrying amount at 31 December 2024	**2.429**	**762**
Finance lease assets	190	

Notes

11 | Derivative financial instruments

The Parent company and two other Group companies, MBL A/S and MBL Poland Sp. z o.o use derivatives for hedging of interest rate risks.

The risk management is undertaken individually for each Group company on the basis of reported positions and each Group Company carries the counterparty risk for all hedging transactions. Only financial institutions with high credit ratings are applied for derivative transactions, why the counterparty risk is low.

The hedging instuments impact the Balance Sheet, Income Statement and Equity as follows:

	Group
	Interest rate swap
Fair value at 31 December 2024	
Assets	237
Value adjustment in the year recognised in Equity	-224

	Parent Company
	Interest rate swap
Fair value at 31 December 2024	
Assets	64
Value adjustment in the year recognised in Equity	-113

12 | Financial non-current assets

	Group	
EUR '000	Derivative financial instruments	Rent deposit and other receivables
Cost at 1 January 2024	0	13
Cost at 31 December 2024	**0**	**13**
Revaluation at 1 January 2024	501	0
Revaluation and impairment losses for the year	-288	0
Revaluation at 31 December 2024	**213**	**0**
Carrying amount at 31 December 2024	**213**	**13**

Notes

12 | Fixed asset investments (continued)

EUR '000	Parent Company Investments in subsidiaries	 Derivative financial instruments
Cost at 1 January 2024	68.166	0
Cost at 31 December 2024	**68.166**	**0**
Revaluation at 1 January 2024	15.537	209
Exchange adjustment	860	0
Profit/loss for the year	13.466	0
Revaluation and impairment losses for the year	0	-145
Equity movements	784	0
Revaluation at 31 December 2024	**30.647**	**64**
Impairment losses and amortisation of goodwill at 1 January 2024	21.170	0
Amortisation of goodwill	6.351	0
Impairment losses and amortisation of goodwill at 31 December 2024	**27.521**	**0**
Carrying amount at 31 December 2024	**71.292**	**64**

Investments in subsidiaries (EUR '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
MBL Denmark A/S, Denmark	35.303	13.466	100 %
MBL A/S, Denmark	37.486	13.549	100 %
MBL Poland Sp. z o.o, Poland	4.613	-1.984	100 %
MBL (Xiamen) Co., Ltd, China	31.068	15.726	100 %

13 | Deferred tax assets

Deferred tax assets is related to differences between the carrying amount and tax value at the balance sheet date.

	Group		Parent Company	
	2024 EUR '000	2023 EUR '000	2024 EUR '000	2023 EUR '000
Deferred tax assets, beginning of year	12	7	0	0
Deferred tax of the year, income statement	2	5	0	0
Deferred tax assets 31 December 2024	**14**	**12**	**0**	**0**

The Group's deferred tax asset is recognised in the balance sheet by EUR ('000) 14. The net tax asset relates to difference between the carrying amount and tax value at the balance sheet date. Deferred tax asset relates to borrowing costs.

Notes

14 | Prepayments

Prepayments and accrued income comprise prepaid costs, primarily insurances and deferred financing costs, relating to the next financial year.

	Group		Parent Company	
	2024 EUR '000	2023 EUR '000	2024 EUR '000	2023 EUR '000

15 | Receivables falling due after more than one year

	Group 2024 EUR '000	Group 2023 EUR '000	Parent Company 2024 EUR '000	Parent Company 2023 EUR '000
Trade receivables	205	0	0	0
Other receivables	20	0	0	0
	225	**0**	**0**	**0**

16 | Share capital

	2024 EUR '000	2023 EUR '000
Allocation of Share capital:		
A-shares, 106.146 unit in the denomination of 1 EUR	106	106
	106	**106**

17 | Provision for deferred tax

The provision for deferred tax is related to differences between the carrying amount and tax value at the balance sheet date.

	Group		Parent Company	
	2024 EUR '000	2023 EUR '000	2024 EUR '000	2023 EUR '000
Deferred tax, beginning of year	643	508	0	0
Deferred tax of the year, income statement	-164	116	0	0
Deferred tax of the year, equity	224	19	0	0
Provision for deferred tax 31 December 2024	**703**	**643**	**0**	**0**

Notes

18 | Long-term liabilities

	Group			
EUR '000	31/12 2024 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2023 total liabilities
Bank debt	10.351	2.624	0	13.916
Lease liabilities	2.686	766	0	1.583
Debt to owners and management	7.000	0	0	7.000
Frozen holiday pay	0	0	0	23
	20.037	**3.390**	**0**	**22.522**

	Parent Company			
EUR '000	31/12 2024 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2023 total liabilities
Bank debt	3.878	2.624	0	6.475
Debt to owners and management	7.000	0	0	7.000
	10.878	**2.624**	**0**	**13.475**

Debt to owners and management are subordinated loan capital. As regards subordinated loan capital the creditor has signed a Letter of Subordination in relation to the other creditors in the Company. There's no firm repayment date of main subordinated loan capital from investor.

19 | Deferred income

Deferred income include mainly the payments received from subsidy projects regarding income in subsequent years

Notes

20 | Contingencies etc.

Contingent liabilities

	Group		Parent Company	
	2024 EUR '000	2023 EUR '000	2024 EUR '000	2023 EUR '000
Rental commitments, the remaining non-cancellable period being:				
Within 1 year	460	850	0	0
Between 1 and 5 years	484	389	0	0
After 5 years	0	0	0	0
	944	**1.239**	**0**	**0**
Guarantee for subsidiaries	0	0	21.677	21.677

Joint liabilities
The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to EUR ('000) 111 at the Balance Sheet date.

Notes

21 | Charges and securities

	Group		Parent Company	
	Carrying amount of assets EUR '000	Nominal value of mortgage or outstanding debt EUR '000	Carrying amount of assets EUR '000	Nominal value of mortgage or outstanding debt EUR '000
The following assets have been provided as security for debt:				
Equity investment in group enterprises under fixed assets investment (MBL Denmark 2020 A/S)	0	0	71.292	18.416
Owner's mortgages on property, etc., as security for bank debt of a nominal amount of (MBL Poland Sp. z o.o)	11.861	20.370	0	0
Chattel mortgage on machinery and plant (MBL Poland Sp. z o.o)	2.510	20.464	0	0
Assigment of receivable, factoring (MBL Poland Sp. z o.o))	2.110	2.812	0	0
Cash at banks (MBL Poland Sp. z o.o)	2.722	20.370	0	0
The following assets are financed by finance leases:				
Production plant and machinery (MBL Poland Sp. z o.o)	3.862	2.561	0	0
Other plant, fixtures and equipment (MBL Poland Sp. z o.o)	169	125	0	0
Other plant, fixtures and equipment (MBL A/S)	30	22	0	0

Notes

22 | Related parties

The Company's related parties include:

The Controlling interest
Martin Bichel Lauritsen, Ul. Sulejowska 45, 97300 Piotrkow, Poland
(ownership and executive board)

The Group's related parties with significant influence include:
MBL Denmark 2020 A/S related parties with significant influence include group companies, the companies' board of directors, executive board and key management personnel, as well as the family members of these persons. Related parties also include companies in which executive board has significant interests.

The following transaction were carried out with related parties:

Related party transctions

	Group		Parent Company	
	2024	**2023**	**2024**	**2023**
	EUR'000	EUR'000	EUR'000	EUR'000
Income statement				
Net revenue	134	0	0	0
Production costs	-632	0	0	0
Administrative expenses	-537	-491	0	0
Other financial income	0	0	16	145
Other financial expenses	-318	-305	-321	-305
	-1.353	**-796**	**-305**	**-160**
Assets				
Trade receivables	45	0	0	0
Receivables from Group enterprises	0	0	589	2.452
Other receivables	1.404	1.108	0	0
Other receivables (Accumulated write-downs)	-686	-677	0	0
	763	**431**	**589**	**2.452**
Liabilities				
Debt to owners and management (non-current liabilities)	-7.000	-7.000	-7.000	-7.000
Trade payables	-93	0	0	0
Debt for Group companies	0	0	-3.061	0
Debt to owners and management (current liabilities)	-673	-554	-673	-554
	-7.766	**-7.554**	**-10.734**	**-7.554**
Equity				
Dividend	-1.000	0	-1.000	0
	-1.000	**0**	**-1.000**	**0**

Accounting Policies

The Annual Report of MBL Denmark 2020 A/S for 2024 has been presented in accordance with the provisions of the Danish large-size Financial Statements Act for enterprises in reporting class C .

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company MBL Denmark 2020 A/S and the subsidiaries in which MBL Denmark 2020 A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Sold or wound-up enterprises are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not adjusted for newly acquired, sold or wound-up enterprises.

The date of takeover is the date at which the Group gains actual control over the acquired enterprise.

Acquired enterprises are recognised in the Consolidated Financial Statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods.

At calculation of the fair value of investment properties, a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor’s opinion, using an overall assessment of the production equipment. Deferred tax of the acquired reassessments with the exception of goodwill is recognised.

Positive differences (goodwill) between the acquisition value and fair value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the Income Statement under an individual assessment of the useful life.

Negative differences are recognised in the Income Statement at the date of acquisition. The difference from acquired enterprises is EUR (‘000) 35.989.

At acquisition of new companies, in which there are minority interests, the minority interests are recognised and measured at fair value, inclusive of goodwill on the share of the minority interests.

Equity interests in subsidiaries are set off by the proportional share of the subsidiaries’ fair value of net assets and liabilities at the date of takeover.

Accounting Policies

Income Statement

Net revenue
Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Company’s operating principles is that transport costs incurred by the company are to be covered by customer without any margin or mark-up. As part of revenues is related to transport cost re-invoiced to customers, it is continued company’s practice to present transport cost as reduction of net revenues.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Production costs
Production costs comprise the costs of manufacture and procurement paid to achieve the net revenue for the year, including costs of raw materials and consumables, wages and salaries, energy, maintenance, leasing and depreciation of production plant, and adjusted for changes in inventory of finished goods and work in progress.

Amortisation of capitalised development and research costs and the development costs that do not fulfil the criteria for capitalisation are also recognised in production costs.

Moreover, provisions for losses on contract work are recognised.

Distribution costs
The costs paid for the distribution of goods sold during the year and for sales campaigns, etc. carried out during the year are recognised in distribution costs. The cost of sales personnel, advertising and exhibition costs and amortisation of distribution and sales related assets are also recognised in distribution costs. Common losses on bad debts are also recognised.

Administrative expenses
Administrative expenses recognise costs incurred during the year regarding management and administration, inclusive of costs relating to the administrative staff, Executives, office premises, office expenses, etc., and related amortisation.

Other operating income
Other operating income includes items of a secondary nature in relation to the Group’s and the Company’s activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group’s and the Company’s activities. Losses from sale of intangible and tangible fixed assets are also included.

Income from investments in subsidiaries
The proportional share of the results of subsidiaries, stated according to the Parent Company’s accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company’s Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold subsidiaries are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Accounting Policies

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

Other taxes comprise withholding taxes paid in foreign subsidiaries.

Balance Sheet

Intangible fixed assets
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 10 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

Acquired intangible fixed assets, include patents og licenses are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

Development projects comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company's development activities and which fulfil the criteria for recognition in the Balance Sheet.

The accounting item is measured at the lower of the capitalised costs less accumulated amortisation and recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 3-5 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Accounting Policies

Tangible fixed assets
Land and buildings are measured at fair value less accumulated depreciation. The fair value is based on assessments made by estate agents. A new assessment will be made if there is any indication of change of the fair value. The net revaluation is recognized directly in the equity as part of retained earnings. The net revaluation for the year is recognized separately. There is no depreciation on land.

Production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

Prepayment for tangible fixed assets under construction are measured at cost.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Buildings	20-40 years	25-50 %
Production plant and machinery	5-10 years	0-30 %
Other plant, fixtures and equipment	3-8 years	0-30 %

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Lease contracts
Lease contracts relating to tangible fixed assets for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

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The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

Financial non-current assets
Investments in Equity interests in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Accounting Policies

Equity investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models. A discounted cash flow model is used to calculate the fair value of investment properties based on a discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, based on an overall assessment of the production equipment.

The acquisition date is the date on which the Company gains actual control over the acquired entity.

Consolidated goodwill is amortised over the expected useful life, which is determined on the basis of Management's experience within the individual lines of business. Consolidated goodwill is amortised on a straightline basis over the amortisation period, which is 10 years. The amortisation period is determined on the basis of an assessment of the acquired entity's market position and earnings profile, and the industryspecific condition.

Received dividend is deducted in the carrying amount of the equity investment.

Net revaluation of equity interests in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries deficit.

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Other receivables are measured at amortised cost which usually corresponds to the nominal amount. The amount is written down to meet expected losses.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Accounting Policies

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Equity
Dividens
The expected dividend payment for the year is disclosed as a separate item under equity.

Reserve for net revaluation under the equity method
Net revaluation reserve according to the equity method comprises net revaluation of equity investments in subsidiaries in proportion to cost. Dividends that expected to be received before the balance sheet date are not tied to the reserve. Reserves may be eliminated in connection with loss, realisation of equity investments or changes in accounting estimates. Reserves cannot be recognised at a negative amount.

Fair value reserve for hedge accounting
The reserve includes the accumulated post-tax net change in the fair value of hedging transactions regarding hedge of future cash flows, and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows no longer are expected to be realised, or the hedging relationship is no longer effective. The reserve is not an undistributable reserve and may therefore constitute a negative amount.

Accounting Policies

Fair value reserve for foreign currency translation
The reserve includes a share of foreign currency translation adjustments arisen at translation of the financial statements of entities with another functional currency than Danish Kroner as well as foreign currency translation adjustments regarding assets and liabilities which constitute a share of the company's net investments in such entities. The reserve is dissolved by disposal of foreign entities. In the parent company where investments in subsidiaries, associates and equity investments are subject to the requirement of limitation of the reserve according to equity method, foreign currency translation adjustments will instead be included in the reserve according to the equity method.

Other provisions for liabilities
Other provisions for liabilities include the expected cost of pension and similar obligations and deferred tax. Specifically future pension provision is presented under Provision for Liabilities.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accounting Policies

Liabilities are split into short-term and long-term part based on expected repayment period – liabilities with expected repayment period within 1 year are recognized as short terms.

The capitalised remaining lease liability on finance lease contracts is also recognised as financial liabilities.

Factoring liabilities related to Receivables factoring are also recognized as financial liabilities – short term.

Liabilities related to bank debt (loans and factoring) are presented as bank debt.

There is company policy to set up accruals to recognize the costs in the period when they are incurred based on already known amounts. Company also recognizes the provisions for possible futures expenses on condition that they would be present obligation arisen as a result of past event, payment is probable and the amounts can be reliably estimated.

Accruals and provisions are recognized generally under Other Debt. Specifically Holiday Provision is presented under Other Debt.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

Derivative financial instruments

Derivative financial instruments are initially recognised in the Balance Sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised under receivables and payables, respectively.

Change in the fair value of derivative financial instruments classified as and complying with the criteria for hedging of the fair value of a recognised asset or a recognised liability is recognised in the Income Statement together with possible changes in the fair value of the hedged asset or the hedged liability.

Change in the fair value of derivative financial instruments related to hedging of future cash flows are recognised in Equity to the extent, that the conditions for this purpose are fulfilled. The value adjustments are recognised in a fair value reserve for hedging for accounting purposes until the hedged transaction is realised or the hedging ceases is adjusted downward. Upon realisation the accumulated value of the hedging instrument together with the hedged transaction is recognised in the Income Statement, unless the hedging transaction results in recognition of a non-financial asset or a non-financial liability. In this case, the amount is transferred from Equity to the cost price or carrying amount of this asset or liability.

Where a hedging is no longer effective, in part or in full, the accumulated value in Equity is transferred in full or proportionally to the financial income or expenses in the Income Statement. Changes in the fair value of derivative financial instruments which the Company might elect not to transfer to hedging for accounting purposes are also recognised here. Tax on the movements in the hedging reserve is recognised, which is transferred to tax in the Income Statement as the reserve is being dissolved.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

Accounting Policies

At recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the Balance Sheet date. Non-monetary items are translated at the rate at the date of acquisition or at the date of a subsequent revaluation or writedown of the asset. The items of the Income Statement are translated at the rate on the transaction date, items derived from non-monetary items being translated at the historic rates of the non-monetary item.

The Income Statements of foreign subsidiaries and associates fulfilling the concitions for being independent entities are translated at an average exchange rate for the year and the Balance Sheet items are translated at the rate of exchange on the Balance Sheet date. Exchange differences arising from translation of the equity of foreign subsidiaries at the beginning of the year to the rates of the Balance Sheet date and from translation of Income Statements from average rate to the rates of the Balance Sheet date are recognised directly in the equity.

Exchange adjustment of intercompany accounts with foreign subsidiaries that are deemed to be an addition to or deduction from the equity of independent subsidiaries are recognised directly in the equity.

Exchange rate differences recognised in Equity are accumulated in a fair value reserve for currency translation of foreign entities and are transferred to the Income Statement when object of the currency translation is realised or ends. An exception is exchange rate differences arising from translation of Equity interests, which are recognised at Equity value, where the whole value adjustment, including exchange rate differences, are included in the reserve for net valuation according to the Equity value method.

Cash Flow Statement

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

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

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.