Deloitte.

GUBI Group ApS

Orientkaj 18
2150 Nordhavn
CVR No. 39113139

Annual report 2022

The Annual General Meeting adopted the annual report on 29.03.2023

Anne Sofie Bendix Ranch
Chairman of the General Meeting

Contents

Entity details

Entity

GUBI Group ApS
Orientkaj 18
2150 Nordhavn

Business Registration No.: 39113139
Registered office: Copenhagen
Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Lars Henrik Munch, Chairman
Asbjørn Mosgaard Hyldgaard, Vice Chairman
Hans Christian Galst
Jacob Gudmund Olsen
Tue Mantoni
Lars Cordt
Jacob Lahn Sloth

Executive Board

Klaus Thyge Høeg-Hagensen, CEO
Henriette Schütze

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of GUBI Group ApS for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 22.03.2023

Executive Board

Klaus Thyge Høeg-Hagensen
CEO

Henriette Schütze

Board of Directors

Lars Henrik Munch
Chairman

Asbjørn Mosgaard Hyldgaard
Vice Chairman

Hans Christian Galst

Jacob Gudmund Olsen

Tue Mantoni

Lars Cordt

Jacob Lahn Sloth

Independent auditor's report

To the shareholder of GUBI Group ApS

Opinion
We have audited the consolidated financial statements and the parent financial statements of GUBI Group ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 22.03.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bill Haudal Pedersen
State Authorised Public Accountant
Identification No (MNE) mne30131

Hans Tauby
State Authorised Public Accountant
Identification No (MNE) mne44339

Management commentary

Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
Key figures					
Revenue	522,793	508,162	211,206	367,805	373,547
Gross profit/loss	162,899	199,470	84,804	146,321	169,303
EBITDA	85,370	133,654	54,936	93,134	131,052
EBITDA, normalised for non-recurring costs	106,645	144,415	64,988	110,440	135,153
Operating profit/loss	(18,307)	30,973	4,400	(6,050)	35,647
Net financials	(21,324)	(22,785)	(14,306)	(27,161)	(27,273)
Profit/loss for the year	(47,851)	(10,727)	(18,903)	(43,146)	(12,101)
Profit for the year excl. minority interests					(12,101)
Balance sheet total	1,634,806	1,708,200	1,779,775	1,860,616	1,957,379
Investments in property, plant and equipment	372	0	261	2,516	1,589
Equity	1,116,365	1,163,730	1,176,544	1,195,247	1,237,642
Cash flows from operating activities	41,515	51,961			
Cash flows from investing activities	(5,547)	(4,936)			
Cash flows from financing activities	(32,161)	(67,080)			
Average number of employees	89	94	86	75	68

Ratios					
Gross margin (%)	31.16	39.14	39.76	39.78	45.32
Equity ratio (%)	68.29	68.13	66.11	64.24	63.23
EBITDA margin (%)	16.33	26.20	25.78	25.30	35.10
Norm. EBITDA (%)	20.40	28.30	30.49	30.00	36.20

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

Gross margin (%):
Gross profit * 100
Revenue

Equity ratio (%):
Equity * 100
Balance sheet total

EBITDA margin (%):
EBITDA * 100
Revenue

Norm. EBITDA margin (%):
Norm. EBITDA * 100
Revenue

Primary activities
The main activities of GUBI Group ApS (the "Parent"), incl. GUBI A/S and its subsidiaries (jointly referred to as the "Group") are within design and sale of furniture, lighting, and interior products.

GUBI is a leading Danish design brand focusing on timeless, high-quality furniture, lighting, and interior products. The Group designs and markets products developed in co-operation with reputable national and international designers for both consumer and contract markets, and the range includes several prize-winning designs. Products are sold by leading national and international retailers and e-tailers and to professional customers worldwide. The Group's headquarters are located in Nordhavn, Copenhagen.

The Parent's main activities are investments in subsidiaries within design and sale of furniture, lighting, and interior products as well as related activities, including providing management services to GUBI A/S and its subsidiaries.

Development in activities and finances
In 2022, the Group realized revenue of DKK 522,793k, compared to revenue of DKK 508,162k in 2021. Revenue has grown 3%. Normalized operating profit (EBITDA) of DKK 106,645k was realized compared to DKK 144,415k in 2021. The Group profit is affected by high inflation at costs prices as well as significantly higher freight costs. In addition, the Group has continued to invest in strategic initiatives related to the sales organization and marketing activities. Non-recurring costs, primarily related to one-off cost of organizational re-organization and consultancy costs, amounted to DKK 21,275k.

Profit/loss for the year in relation to expected developments
Management considers the results for the financial year 2022 to be satisfactory.

Uncertainty relating to recognition and measurement
No significant uncertainties are attached to recognition and measurement.

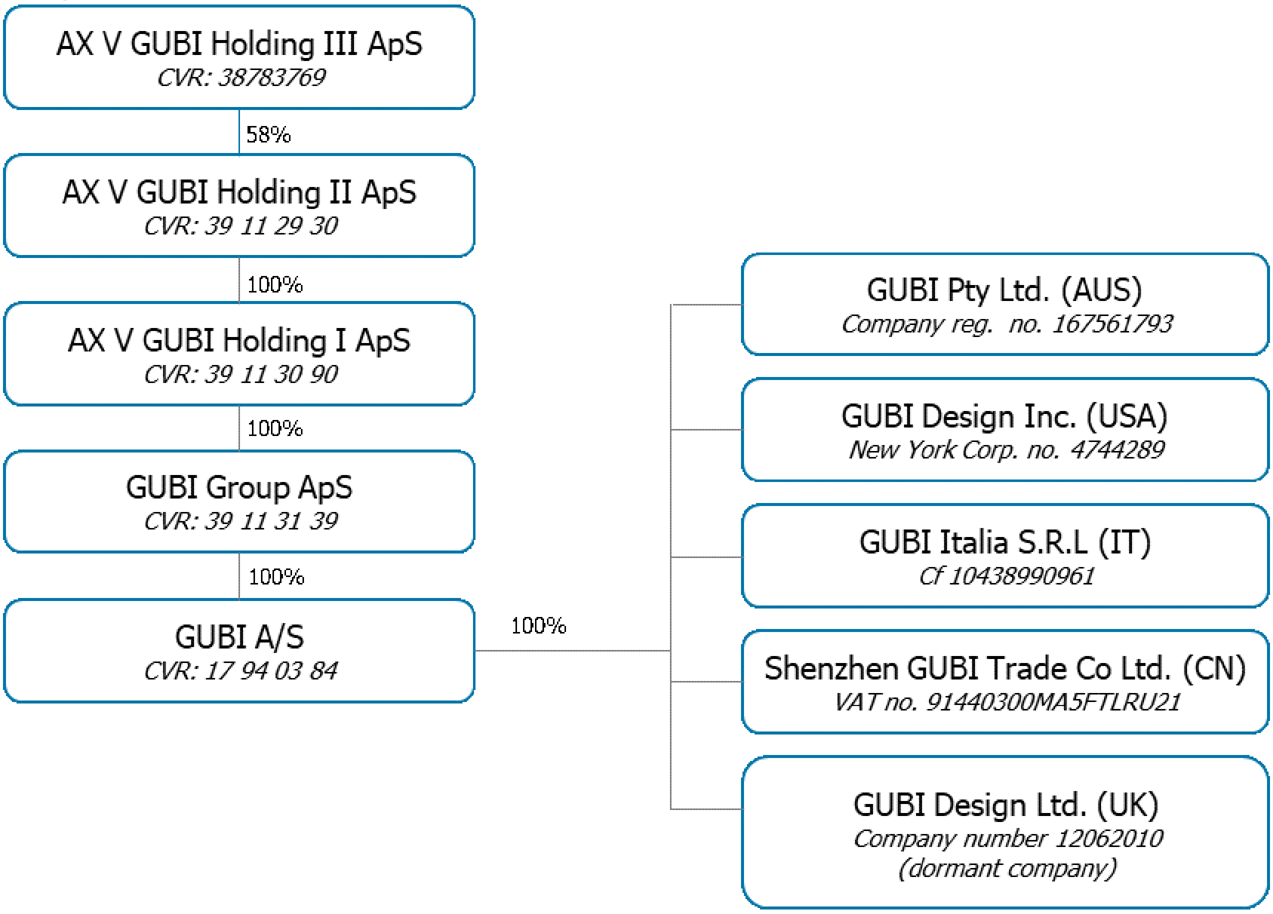
Unusual circumstances affecting recognition and measurement
No significant unusual circumstances affecting recognition and measurement have occurred.

Outlook
The Group expects revenue growth and anticipates normalized operating profit margin (EBITDA) to improve compared to 2022.

Knowledge resources
It is essential for the Group to attract, develop and retain high-quality employees with an appertaining high level of competences. The realization of the Group's goal of ensuring both quality, knowledge and knowhow at each employee level will be facilitated through recruitment procedures and a continuous development of the existing employees and their competences. Throughout the year, a considerable number of experienced and highly qualified employees have been added to the Group. This initiative has strengthened the Group's knowledge and competence base.

Research and development activities
The Group's research activities are related to products developed and designed both internally and in collaboration with external national as well as international designers/partners.

Group relations



The Parent is ultimately owned by (i) the Danish private equity fund Axcel (Fund V) holding approx. 58% of the share capital (ii) Jacob G. Olsen holding approx. 39% of the share capital and (iii) certain members of the Board of Directors and certain key employees etc. holding approx. 3% of the share capital.

The Parent's equity consists of one (1) class of shares and the loan capital consists of bank debt, provided by Nykredit Bank A/S and Nordea Danmark, branch of Nordea Bank Abp, Finland.

The current capital structure is deemed appropriate in relation to the need for financial flexibility in the Group.

This annual report for 2022 will be published at GUBI website, https://gubi.com/en/dk/company/company-information.

Statutory report on corporate social responsibility

Simultaneously with the annual report, the Group (and ultimate parent AX V Gubi Holding III ApS) has published a Sustainability Report covering non-financial results related to environmental, social, and governance impacts including disclosures in accordance with section 99(a), 99(b), 99(d) and 107(d) of the Danish Financial Act. The Sustainability Report is available at GUBI website, https://gubi.com/en/dk/company/company-information.

Events after the balance sheet date

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Revenue	2	522,793	508,162
Cost of sales		(295,275)	(255,853)
Other external expenses	3	(64,619)	(52,839)
Gross profit/loss		**162,899**	**199,470**
Staff costs	4	(77,529)	(65,817)
Depreciation, amortisation and impairment losses	5	(103,677)	(102,680)
Operating profit/loss		**(18,307)**	**30,973**
Other financial income	6	822	16
Other financial expenses	7	(22,146)	(22,801)
Profit/loss before tax		**(39,631)**	**8,188**
Tax on profit/loss for the year	8	(8,220)	(18,915)
Profit/loss for the year	9	**(47,851)**	**(10,727)**

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Completed development projects	11	5,209	7,312
Acquired licences		3,354	4,069
Acquired trademarks		256,371	272,911
Goodwill		1,202,878	1,280,487
Development projects in progress	11	4,381	4,056
Intangible assets	10	**1,472,193**	**1,568,835**
Plant and machinery		439	869
Other fixtures and fittings, tools and equipment		976	1,049
Property, plant and equipment	12	**1,415**	**1,918**
Deposits		3,560	4,246
Financial assets	13	**3,560**	**4,246**
Fixed assets		**1,477,168**	**1,574,999**
Manufactured goods and goods for resale		85,230	58,150
Prepayments for goods		1,345	3,834
Inventories		**86,575**	**61,984**
Trade receivables		43,499	55,455
Other receivables		1,723	2,153
Tax receivable		3,585	3,239
Prepayments	14	1,538	556
Receivables		**50,345**	**61,403**
Cash		**20,718**	**9,814**
Current assets		**157,638**	**133,201**
Assets		**1,634,806**	**1,708,200**

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		50	50
Translation reserve		135	23
Reserve for fair value adjustments of hedging instruments		0	1,088
Retained earnings		1,116,180	1,162,569
Equity		**1,116,365**	**1,163,730**
Deferred tax	15	56,041	60,450
Other provisions	16	7,667	8,701
Provisions		**63,708**	**69,151**
Bank loans		295,496	354,950
Other payables	17	0	1,700
Non-current liabilities other than provisions	18	**295,496**	**356,650**
Current portion of non-current liabilities other than provisions	18	62,384	31,192
Bank loans		23,939	16,842
Prepayments received from customers		5,037	11,610
Trade payables		40,727	33,556
Payables to group enterprises		0	5,303
Tax payable		374	0
Joint taxation contribution payable		15,685	3,240
Other payables		11,091	16,926
Current liabilities other than provisions		**159,237**	**118,669**
Liabilities other than provisions		**454,733**	**475,319**
Equity and liabilities		**1,634,806**	**1,708,200**

Events after the balance sheet date	1
Unrecognised rental and lease commitments	19
Contingent liabilities	20
Assets charged and collateral	21
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Consolidated statement of changes in equity for 2022

	Contributed capital DKK'000	Translation reserve DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	50	23	1,088	1,162,569	1,163,730
Exchange rate adjustments	0	112	0	0	112
Fair value adjustments of hedging instruments	0	0	(1,088)	1,462	374
Profit/loss for the year	0	0	0	(47,851)	(47,851)
Equity end of year	**50**	**135**	**0**	**1,116,180**	**1,116,365**

Consolidated cash flow statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Operating profit/loss		(18,307)	30,973
Amortisation, depreciation and impairment losses		103,378	102,680
Other provisions		0	(262)
Increase/decrease in inventories		(24,591)	(24,309)
Increase/decrease in receivables		11,404	(2,494)
Increase/decrease in trade payables		(7,219)	(573)
Cash flow from ordinary operating activities		**64,665**	**106,015**
Financial income received		822	16
Financial expenses paid		(19,216)	(22,801)
Taxes refunded/(paid)		(4,756)	(31,269)
Cash flows from operating activities		**41,515**	**51,961**
Acquisition etc. of intangible assets		(5,861)	(6,052)
Sale of intangible assets		0	1,116
Acquisition etc. of property, plant and equipment		(372)	0
Sale of fixed asset investments		686	0
Cash flows from investing activities		**(5,547)**	**(4,936)**
Free cash flows generated from operations and investments before financing		**35,968**	**47,025**

Repayments of loans etc.	(31,192)	(72,339)
Repayment of debt to group enterprises	(969)	5,259
Cash flows from financing activities	**(32,161)**	**(67,080)**
Increase/decrease in cash and cash equivalents	**3,807**	**(20,055)**
Cash and cash equivalents beginning of year	(7,028)	13,027
Cash and cash equivalents end of year	**(3,221)**	**(7,028)**
Cash and cash equivalents at year-end are composed of:		
Cash	20,718	9,814
Short-term bank loans	(23,939)	(16,842)
Cash and cash equivalents end of year	**(3,221)**	**(7,028)**

Notes to consolidated financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Revenue

	2022 DKK'000	2021 DKK'000
Denmark	76,426	98,190
Europe	234,346	243,812
Other countries	212,021	166,160
Total revenue by geographical market	**522,793**	**508,162**
Furnitures, lighting, accessories	522,793	508,162
Total revenue by activity	**522,793**	**508,162**

3 Fees to the auditor appointed by the Annual General Meeting

	2022 DKK'000	2021 DKK'000
Statutory audit services	417	417
Other assurance engagements	0	25
Other services	113	112
	530	**554**

4 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries	73,209	65,362
Pension costs	3,403	1,481
Other social security costs	1,829	1,015
Other staff costs	3,117	2,015
	81,558	**69,873**
Staff costs classified as assets	(4,029)	(4,056)
	77,529	**65,817**

Average number of full-time employees	89	94

	Remuneration of management 2022 DKK'000	Remuneration of management 2021 DKK'000
Executive Board	5,773	6,264
Board of Directors	1,300	1,300
	7,073	**7,564**

5 Depreciation, amortisation and impairment losses

	2022 DKK'000	2021 DKK'000
Amortisation of intangible assets	102,503	101,273
Depreciation on property, plant and equipment	875	1,407
Impairment losses on property, plant and equipment	299	0
	103,677	**102,680**

6 Other financial income

	2022 DKK'000	2021 DKK'000
Other interest income	403	0
Exchange rate adjustments	419	16
	822	**16**

7 Other financial expenses

	2022 DKK'000	2021 DKK'000
Other interest expenses	21,498	22,017
Exchange rate adjustments	648	784
	22,146	**22,801**

8 Tax on profit/loss for the year

	2022 DKK'000	2021 DKK'000
Current tax	12,922	24,153
Change in deferred tax	(4,533)	(4,416)
Adjustment concerning previous years	(169)	(822)
	8,220	**18,915**

9 Proposed distribution of profit/loss

	2022 DKK'000	2021 DKK'000
Retained earnings	(47,851)	(10,727)
	(47,851)	**(10,727)**

10 Intangible assets

	Completed development projects DKK'000	Acquired licences DKK'000	Acquired trademarks DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	18,113	6,015	330,801	1,552,185	4,056
Transfers	0	0	0	0	(4,056)
Additions	4,677	859	0	0	4,381
Cost end of year	**22,790**	**6,874**	**330,801**	**1,552,185**	**4,381**
Amortisation and impairment losses beginning of year	(10,801)	(1,946)	(57,890)	(271,698)	0
Amortisation for the year	(6,780)	(1,574)	(16,540)	(77,609)	0
Amortisation and impairment losses end of year	**(17,581)**	**(3,520)**	**(74,430)**	**(349,307)**	**0**
Carrying amount end of year	**5,209**	**3,354**	**256,371**	**1,202,878**	**4,381**

Acquired trademarks and goodwill have been created on the basis of a purchase price allocation in connection with acquisitions of companies in Gubi Group.

11 Development projects

Development projects regarding products and processors that are clearly defined and identifiable, where a potential future market or development opportunity in companies can be found, and where appropriate in manufacturing, marketing or using the official product or work, procedures, add in as an intangible assets. The cost of development projects, which includes externally invoiced costs as well as internal wages directly attributable to development projects.

12 Property, plant and equipment

	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	3,251	2,907
Additions	0	372
Cost end of year	**3,251**	**3,279**
Depreciation and impairment losses beginning of year	(2,382)	(1,858)
Depreciation for the year	(430)	(445)
Depreciation and impairment losses end of year	**(2,812)**	**(2,303)**
Carrying amount end of year	**439**	**976**

13 Financial assets

	Deposits DKK'000
Cost beginning of year	4,246
Disposals	(686)
Cost end of year	**3,560**
Carrying amount end of year	**3,560**

14 Prepayments

Prepayments are related to prepaid costs.

15 Deferred tax

Changes during the year	2022 DKK'000	2021 DKK'000
Beginning of year	60,450	64,648
Recognised in the income statement	(4,533)	(4,417)
Recognised directly in equity	124	219
End of year	**56,041**	**60,450**

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

16 Other provisions

Provisions for warranty and fairness of mDKK 5,7 have been recognised as of 31 December 2022 to cover expected warranty and claims. The size and timing of the provisions is based on previous experience of the level and timing of repairs and returns. The expected amount due within one year amounts to mDKK 1,5.

17 Other payables

	2022 DKK'000	2021 DKK'000
Other costs payable	0	1,700
	0	**1,700**

18 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK'000	Due within 12 months 2021 DKK'000	Due after more than 12 months 2022 DKK'000
Bank loans	62,384	31,192	295,496
	62,384	**31,192**	**295,496**

All debt is due within five years.

Amortization allowance of DKK 8m is recognized in the bank debt.

With Nordea, the company has entered into an interest rate swap, which means that interest on a significant part of the bank debt is fixed until 2022.

19 Unrecognised rental and lease commitments

	2022 DKK'000	2021 DKK'000
Total liabilities under rental or lease agreements until maturity	**3,855**	**4,154**

20 Contingent liabilities

	2022 DKK'000	2021 DKK'000
Other contingent liabilities	2,394	15,580
Contingent liabilities	**2,394**	**15,580**

Other contingent liabilities relates to a repurchase obligation towards a number of their suppliers.

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which AX V Gubi Holding III ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

21 Assets charged and collateral

GUBI Group ApS and its subsidiary, GUBI A/S are subject to negative pledges (in Danish: pantsætningsforbud). The shares in GUBI A/S are pledged in favour of the lenders under the Group's Senior Facilities Agreement.

22 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

23 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
AX V Gubi Holding III ApS, Sankt Annæ Plads 10, Copenhagen C 1250

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
AX V Gubi Holding III ApS, Sankt Annæ Plads 10, Copenhagen C 1250

24 Subsidiaries

	Registered in	Corporate form	Ownership %
Gubi A/S	Denmark	A/S	100
Gubi Design Inc	USA	Inc	100
Gubi Shenzhen Co.	China	Ltd.	100
Gubi Pty Ltd	Australia	Ltd.	100
Gubi Design Limited (inactive)	UK	Ltd.	100
Gubi Italy Srl	Italy	SRL	100

Parent income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Revenue		15,425	16,144
Other external expenses		(122)	(486)
Gross profit/loss		**15,303**	**15,658**
Staff costs	2	(14,161)	(14,463)
Operating profit/loss		**1,142**	**1,195**
Income from investments in group enterprises		(34,676)	5,259
Other financial income	3	92	507
Other financial expenses	4	(19,715)	(20,358)
Profit/loss before tax		**(53,157)**	**(13,397)**
Tax on profit/loss for the year	5	5,306	2,669
Profit/loss for the year	6	**(47,851)**	**(10,728)**

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Investments in group enterprises		1,441,629	1,531,194
Financial assets	7	**1,441,629**	**1,531,194**
Fixed assets		**1,441,629**	**1,531,194**
Receivables from group enterprises		30,161	20,936
Deferred tax	8	1,265	123
Joint taxation contribution receivable		3,585	3,093
Receivables		**35,011**	**24,152**
Cash		**152**	**74**
Current assets		**35,163**	**24,226**
Assets		**1,476,792**	**1,555,420**

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		50	50
Translation reserve		135	23
Reserve for fair value adjustments and hedging instruments		0	1,088
Retained earnings		1,116,180	1,162,569
Equity		**1,116,365**	**1,163,730**
Bank loans		295,496	354,950
Other payables	9	0	650
Non-current liabilities other than provisions	10	**295,496**	**355,600**
Current portion of non-current liabilities other than provisions	10	62,384	31,192
Trade payables		66	47
Other payables		2,481	4,851
Current liabilities other than provisions		**64,931**	**36,090**
Liabilities other than provisions		**360,427**	**391,690**
Equity and liabilities		**1,476,792**	**1,555,420**

Events after the balance sheet date	1
Contingent liabilities	11
Assets charged and collateral	12
Related parties with controlling interest	13
Transactions with related parties	14

Parent statement of changes in equity for 2022

	Contributed capital DKK'000	Translation reserve DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	50	23	1,088	1,162,569	1,163,730
Exchange rate adjustments	0	112	0	0	112
Fair value adjustments of hedging instruments	0	0	(1,088)	1,462	374
Profit/loss for the year	0	0	0	(47,851)	(47,851)
Equity end of year	**50**	**135**	**0**	**1,116,180**	**1,116,365**

Notes to parent financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries	13,786	14,368
Other social security costs	336	95
Other staff costs	39	0
	14,161	**14,463**

Average number of full-time employees	12	13

3 Other financial income

	2022 DKK'000	2021 DKK'000
Financial income from group enterprises	91	507
Other interest income	1	0
	92	**507**

4 Other financial expenses

	2022 DKK'000	2021 DKK'000
Other interest expenses	19,689	20,342
Exchange rate adjustments	26	16
	19,715	**20,358**

5 Tax on profit/loss for the year

	2022 DKK'000	2021 DKK'000
Change in deferred tax	(1,265)	0
Adjustment concerning previous years	(456)	0
Refund in joint taxation arrangement	(3,585)	(2,669)
	(5,306)	**(2,669)**

6 Proposed distribution of profit and loss

	2022 DKK'000	2021 DKK'000
Retained earnings	(47,851)	(10,728)
	(47,851)	**(10,728)**

7 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	1,837,438
Cost end of year	**1,837,438**
Impairment losses beginning of year	(306,244)
Exchange rate adjustments	112
Amortisation of goodwill	(90,510)
Share of profit/loss for the year	55,834
Dividend	(55,000)
Other adjustments	(1)
Impairment losses end of year	**(395,809)**
Carrying amount end of year	**1,441,629**

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

Group enterprises contains goodwill and trademarks which amounts to DKK 1,403 thousand.

8 Deferred tax

Changes during the year	2022 DKK'000	2021 DKK'000
Beginning of year	123	343
Recognised in the income statement	1,265	0
Recognised directly in equity	(123)	(220)
End of year	**1,265**	**123**

Deferred tax assets
Deferred tax relates to hedging instruments.

9 Other payables

	2022 DKK'000	2021 DKK'000
Other costs payable	0	650
	0	**650**

10 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK'000	Due within 12 months 2021 DKK'000	Due after more than 12 months 2022 DKK'000
Bank loans	62,384	31,192	295,496
	62,384	**31,192**	**295,496**

All debt is due within five years.

11 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which AX V Gubi Holding III ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

12 Assets charged and collateral

GUBI Group ApS and its subsidiary, GUBI A/S are subject to negative pledges (in Danish: pantsætningsforbud).

13 Related parties with controlling interest

Related parties with controlling interest in Gubi Group A/S:
AX Gubi Holding I ApS, Orientkaj 18, 2150 Nordhavn (immidiate parent company)
AX Gubi Holding II ApS, Orientkaj 18, 2150 Nordhavn
AX Gubi Holding III ApS, Sankt Annæ Plads 10, 1250 Copenhagen
Axcel V K/S, c/o Bruun & Hjejle, Noergade 21, 1165 Copenhagen (ultimate parent company)

14 Non-arm’s length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

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

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

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

rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

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

Derivative financial instruments

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

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish

Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill
Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 20 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 20 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.
Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

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

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

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 3 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	3-5 years
Property	5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 20 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 20 years.

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

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

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

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

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

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income. Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions payable or receivable
Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax or tax losses, joint taxation contributions

receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

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

Cash
Cash comprises cash in hand and bank deposits.

Other provisions
Provisions comprise provisions for warranty and provisions for fairness. Provisions for warranty are obligations to repair products within the warranty period, whereas provisions for fairness are obligations to repair products after the end of the warranty period.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with activities and fixed asset investments, and purchase, development, improvement and sale,
etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

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