



## ferm LIVING ApS

Kuglegårdsvej 1  
1434 Copenhagen  
CVR No. 30070186

## Annual report 2023

The Annual General Meeting adopted the annual report on 24.06.2024

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**Thomas Riis**

Chairman of the General Meeting

# Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2023	15
Balance sheet at 31.12.2023	16
Statement of changes in equity for 2023	18
Notes	19
Accounting policies	25

# Entity details

## Entity

ferm LIVING ApS  
Kuglegårdsvej 1  
1434 Copenhagen

Business Registration No.: 30070186  
Registered office: Copenhagen  
Financial year: 01.01.2023 - 31.12.2023

## Board of Directors

Torsten Bjerre Rasmussen, chairman  
Anna Kathrine Neve Andersen  
Sophie Louise Knauer  
Hans Maasbøl  
Thomas Riis

## Executive Board

Peter Mikael Vedel, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of ferm LIVING ApS for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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, 24.06.2024

## Executive Board

**Peter Mikael Vedel**  
CEO

## Board of Directors

**Torsten Bjerre Rasmussen**  
chairman

**Anna Kathrine Neve Andersen**

**Sophie Louise Knauer**

**Hans Maasbøl**

**Thomas Riis**

# Independent auditor's report

## To the shareholders of ferm LIVING ApS

### Opinion

We have audited the financial statements of ferm LIVING ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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 financial statements" section of this auditor's report. We are independent of the Entity 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 financial statements

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

In preparing the financial statements, Management is responsible for assessing the 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 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 financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 24.06.2024

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Bjørn Winkler Jakobsen**

State Authorised Public Accountant  
Identification No (MNE) mne32127

#### **Hans Tauby**

State Authorised Public Accountant  
Identification No (MNE) mne44339

# Management commentary

## Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Revenue	335,510	387,195	403,935		
Gross profit/loss	105,537	123,813	119,788	75,740	47,967
EBITDA	50,180	75,115	83,684	44,400	21,959
Operating profit/loss	41,122	66,017	74,706	43,621	21,748
Net financials	(1,583)	(3,060)	(1,969)	(1,229)	(333)
Profit/loss for the year	27,472	50,314	55,053	40,163	16,386
Total assets	242,155	260,194	270,977	85,683	65,811
Investments in property, plant and equipment	682	1,455	468	2,151	0
Equity	177,203	211,995	161,315	35,855	39,511
<b>Ratios</b>					
Gross margin (%)	31.46	31.98	29.66		
EBIT margin (%)	12.26	17.05	18.49		
Net margin (%)	8.19	12.99	13.63		
Equity ratio (%)	73.18	81.48	59.53	41.85	60.04

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark. The annual reports of 2019 and 2020 were presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium). Hence, revenue figures and revenue related ratios for 2019 and 2020 have not been disclosed.



**Gross margin (%):**

Gross profit/loss \* 100

Revenue

**EBIT margin (%):**

Operating profit/loss \* 100

Revenue

**Net margin (%):**

Profit/loss for the year \* 100

Revenue

**Equity ratio (%):**

Equity \* 100

Total assets

### Primary activities

ferm LIVING is a distinct brand with the primary activity to design, develop and distribute its portfolio of interior design products across its numerous retail and e-tail partners all over the world. From their home in Copenhagen, they blend authentic design and responsible thinking to create honest collections for your home. Objects that embrace the contrasts in life, so you can create space to feel comfortably you. They create collections of furniture, accessories, and lighting, for all rooms in the home. Their products are sold worldwide in more than 85 countries with main markets in Europe and North America. The company was founded in 2006 by Trine Andersen in Denmark and participant of UN Global Compact.

### Development in activities and finances

The challenging market conditions from 2022 continued in 2023, due to numerous external factors with high inflation, increased interest cost resulting in reduced disposable income and the low consumer sentiment.

The company has continued to launch new accessory products and expanded the furniture and lighting collection to complement the existing collections and brand universe. The 2023 collections have performed well and represent 15% of orders in the year and the growth in the furniture and lighting categories has continued to now 45% of the total revenue.

The brand is available at retailers and e-tailers in more than 85 countries and worldwide on the company's own website. The dedicated work with existing partners in strategic and key markets continues to develop the business and new branded concept presentations have been established in several major cities. Furthermore, the company collaborates with key B2B contract dealers in main markets to promote the brand to office, the hospitality sector, and others in the professional market.

The Brand continues to experience strong interest and is investing significantly in growing awareness of the brand and traffic to the website, which hosted more than 5 million sessions (+24%) and the social media community increased 15% and surpassed 1,5 million followers. A very clear testament that the brand is well established and with strong future potential.

Given the diverse product assortment, geographical spread, and multiple sales channels, the company managed despite challenging market conditions to maintain respectable sales levels resulting in 335 MDKK in ferm LIVING ApS and 371 MDKK in revenue (at consolidated group level), a decline of ÷8% compared to 2022.

Consequently, the company made organizational changes reducing the workforce to align with the lower revenue levels, while at the same time realigning positions towards growth opportunities. Following the wish from the company founder transitioning to the board, a new Head of Design has been joining the team and other key positions strengthen the organization for future development of the company. New suppliers were onboarded, and relationships developed further with existing suppliers. During the year, the company has continued to invest in improvements of IT systems to make operation more efficient and significant upgrades to the business intelligence system were implemented.

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

The overall cost base has increased during the year as anticipated, to ensure appropriate operational capability to continue the growth journey. With a slow-down in sales, this means profit for the year is less than both planned and last year. However, given the market situation and conditions, still an acceptable level.

**Unusual circumstances affecting recognition and measurement**

Management reports and books have been thoroughly analysed by auditors and do not foresee any uncertainty in the reporting.

**Outlook**

The Board and Management expects return to positive development of the company with its attractive market position both online and offline. Thanks to a strong brand, iconic and popular products, and a growing loyal customer base there are good long-term growth possibilities. The company will invest in resources and tools to further strengthen the operation combined with strategic initiatives aiming for revenue growth. However, given the current market conditions and uncertainty, the company expects growth to be modest in 2024 at a consolidated revenue levels in the range of 370-400 MDKK.

**Environmental performance**

As a part of the global consumer industry GHG emissions are a risk. Therefore, the company has for many years been working with sustainability and in the period this work has been intensified to outline the ESG strategy. The company continues to actively improve the CSR profile with FSC and BSCI certifications and initiative to measure Co2 impact. As member of UN Global Compact and a dedicated internal resource working with continued improvement of the environmental performance. The company has identified it's 2030 commitments and actively working on it. Please see <https://fermliving.com/pages/sustainability> for further details.

ferm LIVING works with certifications and testing to ensure working conditions in the supply chain are safe and fair and that products are responsibly produced and of high quality. The company currently works with the following certifications: GOTS (The Global Organic Textile Standard), OCS (The Organic Content Standard), FSC™ (The Forest Stewardship Council), and BSCI (Business Social Compliance Initiative).

With the launch of new products in the year the share of responsible products increased to 33% and target for the coming year is to reach 36%. Climate screening of almost 200 products performed in effort to establish CO2 baseline, which is expected to be complete during summer 2024. The number of responsible suppliers increased to 54% and target to reach 60% in 2024.

**Group relations**



Maj Invest Equity is a part of the Danish private equity fund Maj Invest. The current structure is deemed appropriate in relation to the need for financial flexibility and stability in the Group.

### Foreign branches

During the year the company has taken over the development of the Norwegian market from its agent and establishment of a Norwegian subsidiary will take place with own employees and showroom in Oslo.

### Statutory report on corporate social responsibility

For a description of the Group's business model, please refer to the section above "Principal activities".

As a global company, ferm LIVING is aware that there may be risk across the business when operating in areas where human rights, labour, environment, ethics, and anti-corruption may differ from Denmark. Hence there is focus on these risks including setting the tone at the top to align the values throughout the Group to comply with international rules and regulations and expecting the same from our stakeholders. Secondly, employees are being trained on guidelines within these areas.

The company joined the UN Global Compact in 2021 and is committed to the Ten Principles of the UNGC for responsible business conduct within the areas of human rights, labour, environment, and anticorruption.

The company takes ESG very seriously as we believe it's not only crucial for the environment that we treat natural resources better, but also that it is becoming business critical and necessary to succeed in the market.

The company has selected a series of key performance indicators related to three Sustainable Development Goals. These indicators will serve as a contributor to the development of the ESG profile of the company and contribute to the efforts and goals set out by the UN and the 2030 agenda.

Furthermore, the company has since 2017 been reporting on ESG (Environmental, Social, and Governance) topics to its Board of Directors and the Management is responsible for ensuring the ESG strategy is implemented.

### Human Rights

The Company recognise the importance of maintaining and promoting basic human rights throughout the operations and has joined the UN Universal Declaration of Human Rights, which states, among other things, that all people are born free and equal in dignity and rights. All employees receive guidelines on respecting human rights. Our goal is not to experience any issues related to non-compliance with human rights and the established whistleblower scheme can also be used if human rights are violated.

ferm LIVING's Code of Conduct is based on the Ten Guiding Principles of the UN Global Compact. It defines the ethical principles of our business and has been signed by all our employees, agents, and suppliers. Violations of human rights are a risk, unacceptable and will, under no circumstances, be tolerated. The use of child labour of any kind is strictly forbidden. Primary risk of potential violation of human rights is identified to be related to supply chain, hence the group requires all suppliers to comply with ferm LIVING's Code of Conduct and to acknowledge the declaration stated in the UN Global Compact. The company is not aware of any breach of human rights within the company or among suppliers during 2023 and will continue to monitor the operation among suppliers.

### Social

The group policy is hiring according to qualifications and talent, regardless of ethnicity, age, gender, religion, sexual preference, disability, and social identity. The Company do not believe anyone is above others and work to create an environment and atmosphere where everyone can feel safe and are treated in the same way with the same possibilities and equality. The Company continuously work with its culture and conduct employee surveys to measure, mitigate risks and identify potential areas of improvements. When recruiting new people, the

potential candidates are selected solely based on qualifications and all been through a structured recruitment process, managed by HR. ferm LIVING has no knowledge of any breaches hereof. By the end of 2023 the company employed:

Number of employees	76
% of female employees	81%
% of female employees in leading or managerial positions	7%
% of male employees in leading or managerial positions	11%
% of women at board level	40%
Staff turnover	22%
Absenteeism rate	3%
# of workplace accidents	none

The company systematically registers workplace accidents, and no accidents were registered in the reporting year. Due to the nature of the company, there is very low risk and as such no specific health and safety procedures have been implemented. A workplace assessment (APV) was carried out in June 2023 with satisfactory overall results and a Team Engagement Culture Survey has been conducted in November 2023 with 91% participation. Finally, a Company Culture Day was held to work with continued improvements of the working environment in the company.

The company expect similar results in 2024 and will continue to work for equal opportunities and a safe work environment.

**Ethics & Anti-corruption**

According to the company’s Code of Conduct all business proposals in relation to corruption are rejected and the company is fully committed to following the law with integrity. Working with suppliers in many foreign countries there are always local risks, however, we have no tolerance within the company and all suppliers sign our code of conduct. 54% of the suppliers are classified “Responsible Suppliers” and audited by externals and company representatives visits suppliers from time to time. The company’s governance procedures utilize 4-eye principle for all company expenses and costs. Whistleblower procedures have been established and are available online for everyone and includes a process for the anonymous reporting of incidents, and nothing has been reported in the year. The company is not aware of any breach on corruption within the company or among suppliers during 2023. The company will continue to work actively its code of conduct and UN Global Conduct in its work for anti-corruption.

**Statutory report on the underrepresented gender**

The Board of directors consist of two women and three men, and thereby adhere to the goal of 40% female on the board. In the senior leadership team of the operating company there are 2 women and 2 men, while in leading or managerial positions there are 54% women and 46% men. In the total workforce of the company 81% are women and the company strive for equal share of men and women.

**Statutory report on data ethics policy**

The company has a policy for data ethics and strict IT security guidelines and continuously upgrades its IT system and policies to minimize risk of hacking and inappropriate use. The data ethics policy describes how to use and threat data and all systems are monitored by external IT services. The Group strives to conduct its business ethically, acknowledging the increased use and processing of data as an integral part of the Group’s business. As described in the company’s Code of Conduct, all data is treated with the greatest respect and confidentiality according to law.

### **Statutory report on corporate governance**

The Group is subject to and complies with the "Guidelines for responsible Ownership and Corporate Governance" of the Active Owners Denmark (Brancheforeningen for Aktive Ejere i Danmark, [www.aktiveejere.dk](http://www.aktiveejere.dk)) as a consequence of being ultimately owned by the private equity fund, Maj Invest Equity 5 that is a member of Active Owners Denmark

Management is on an ongoing basis monitoring the financial performance of the Group as well as the corporate governance to ensure that the Group is managed in accordance with applicable laws, in order to protect the interests of all stakeholders.

Risk management is an essential part of the Group's strategy and therefore a natural and integrated part of the daily work in the Group.

The members of the Board of Directors in ferm LIVING are appointed by the owners. The Board meetings are held on a regular basis.

### **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.

### **Financial Risks of the Elected Capital Structure**

MIE5 Datterholding 9 ApS' share capital is not divided into classes. The Group's equity ratio is 81.48 per cent.

### **Ownership and the Board of Directors' Managerial Duties**

Maj Invest Equity 5 K/S owns 67 per cent of MIE5 Datterholding 9 ApS.

**Board of Directors**

Name	Other management and board positions
<p>Torsten Bjerre Rasmussen Director Story House Egmont A/S</p>	<p>ferm LIVING ApS (chairman) Med24.DK Aps (board of directors) Egmont Creative Solutions A/S (chairman) S360 A/S (chairman) Story House Egmont (chairman)</p>
<p>Thomas Riis Partner Maj Invest Equity A/S Nominated by Maj Invest Equity 5 K/S</p>	<p>Sticks 'N' Sushi A/S (board of directors) Management Equity Vietnam I ApS (executive board) Danish Microfinance Partners Management ApS (executive board) General Partner Equity Vietnam ApS (executive board) Danish Microfinance Partners General Partner ApS (executive board) Wendelbo Interiors A/S (board of directors) Wendelbo Møbel Design A/S (board of directors) Ole Riis Holding (executive board) ferm LIVING ApS (board of directors) Sticks 'N' Sushi Holding A/S (board of directors) MIE4 Holding 2 ApS (executive board) DMP Holding 1 ApS (executive board) ACE Capital ApS (executive board) MIE5 Holding 1 ApS (executive board) MIFIF III GP ApS (executive board) MIE5 Holding 8 ApS (executive board) MIE5 Holding 9 ApS (executive board) MIE5 Datterholding 8 ApS (executive board) MIFIN GP ApS (executive board) Yellow Star Investment 3 Pte. Ltd. (board of directors) Yellow Star Investment 6 Pte. Ltd. (board of directors) Yellow Star Investment 21 Pte. Ltd. (board of directors)</p>
<p>Anna Kathrine Andersen Founding Partner</p>	<p>ferm Living ApS (board of directors) AKA Holding (founder &amp; director) Sana2020 ApS (director) Auna2020 ApS (director) Nest Design ApS (owner &amp; director) Sanest ApS (owner &amp; director) Lullula ApS (director)</p>
<p>Sophie Louise Knauer</p>	<p>ferm LIVING ApS (board of directors) CC Globe Holding I ApS (board of directors) CC Globe Holding II A/S (board of directors) CC Mist NEW Holding II ApS (board of directors) CC Fly Holding II A/S (board of directors) Rekom Group Holding ApS (board of directors) Rekom Group A/S (board of directors) Solar A/S (board of directors) Skako A/S (board of directors) SKAKO Vibration Holding A/S (board of directors) SKAKO VIBRATION A/S (board of directors) Lady Invest ApS (founder, owner &amp; director) NTG Nordic Transport Group A/S (board of directors) It's a club ApS (owner &amp; director)</p>
<p>Hans Maasbøl Director Fairpoint Outdoors</p>	<p>ferm LIVING ApS (board of directors) FAIRPOINT OUTDOORS A/S (director) HMV Holding ApS (Founder, Owner &amp; Director)</p>

# Income statement for 2023

	Notes	2023 DKK	2022 DKK
Revenue	2	335,509,736	387,194,592
Other operating income		19,026,533	23,364,272
Cost of sales		(196,618,116)	(240,091,740)
Other external expenses	3	(52,380,656)	(46,654,270)
<b>Gross profit/loss</b>		<b>105,537,497</b>	<b>123,812,854</b>
Staff costs	4	(55,357,439)	(48,697,865)
Depreciation, amortisation and impairment losses	5	(9,058,553)	(9,097,901)
<b>Operating profit/loss</b>		<b>41,121,505</b>	<b>66,017,088</b>
Income from investments in group enterprises		1,719,817	793,967
Other financial income	6	854,961	0
Other financial expenses	7	(2,438,179)	(3,059,595)
<b>Profit/loss before tax</b>		<b>41,258,104</b>	<b>63,751,460</b>
Tax on profit/loss for the year	8	(13,785,622)	(13,437,468)
<b>Profit/loss for the year</b>	9	<b>27,472,482</b>	<b>50,313,992</b>



# Balance sheet at 31.12.2023

## Assets

	Notes	2023 DKK	2022 DKK
Acquired intangible assets		0	106,762
Goodwill		90,694,021	98,199,733
<b>Intangible assets</b>	10	<b>90,694,021</b>	<b>98,306,495</b>
Other fixtures and fittings, tools and equipment		1,148,840	2,189,133
Leasehold improvements		876,222	599,757
<b>Property, plant and equipment</b>	11	<b>2,025,062</b>	<b>2,788,890</b>
Investments in group enterprises		8,690,987	7,236,177
Deposits		2,006,439	1,924,641
<b>Financial assets</b>	12	<b>10,697,426</b>	<b>9,160,818</b>
<b>Fixed assets</b>		<b>103,416,509</b>	<b>110,256,203</b>
Manufactured goods and goods for resale		50,748,509	72,073,477
Prepayments for goods		8,445,150	8,942,029
<b>Inventories</b>		<b>59,193,659</b>	<b>81,015,506</b>
Trade receivables		25,270,601	31,577,058
Receivables from group enterprises		21,945,674	23,773,265
Deferred tax	13	251,208	236,045
Other receivables		0	356,061
Prepayments	14	873,722	877,193
<b>Receivables</b>		<b>48,341,205</b>	<b>56,819,622</b>
<b>Cash</b>		<b>31,203,870</b>	<b>12,103,044</b>
<b>Current assets</b>		<b>138,738,734</b>	<b>149,938,172</b>
<b>Assets</b>		<b>242,155,243</b>	<b>260,194,375</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2023 DKK</b>	<b>2022 DKK</b>
Contributed capital		125,000	125,000
Translation reserve		635,929	900,936
Reserve for net revaluation according to the equity method		8,049,000	6,329,183
Retained earnings		122,392,879	159,640,214
Proposed dividend		46,000,000	45,000,000
<b>Equity</b>		<b>177,202,808</b>	<b>211,995,333</b>
Other provisions	15	838,764	1,727,853
<b>Provisions</b>		<b>838,764</b>	<b>1,727,853</b>
Bank loans		340,962	7,026,882
Prepayments received from customers		2,238,430	2,184,838
Trade payables		19,250,349	16,162,392
Payables to group enterprises		23,835,868	800,453
Tax payable		1,310,394	1,129,201
Joint taxation contribution payable		4,532,182	12,718,486
Other payables		12,605,486	6,448,937
<b>Current liabilities other than provisions</b>		<b>64,113,671</b>	<b>46,471,189</b>
<b>Liabilities other than provisions</b>		<b>64,113,671</b>	<b>46,471,189</b>
<b>Equity and liabilities</b>		<b>242,155,243</b>	<b>260,194,375</b>
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Assets charged and collateral	18		
Related parties with controlling interest	19		
Non-arm's length related party transactions	20		
Group relations	21		

# Statement of changes in equity for 2023

	Contributed capital DKK	Translation reserve DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend DKK
Equity beginning of year	125,000	900,936	6,329,183	159,640,214	45,000,000
Ordinary dividend paid	0	0	0	0	(45,000,000)
Extraordinary dividend paid	0	0	0	(17,000,000)	0
Exchange rate adjustments	0	(265,007)	0	0	0
Profit/loss for the year	0	0	1,719,817	(20,247,335)	46,000,000
<b>Equity end of year</b>	<b>125,000</b>	<b>635,929</b>	<b>8,049,000</b>	<b>122,392,879</b>	<b>46,000,000</b>

	Total DKK
Equity beginning of year	211,995,333
Ordinary dividend paid	(45,000,000)
Extraordinary dividend paid	(17,000,000)
Exchange rate adjustments	(265,007)
Profit/loss for the year	27,472,482
<b>Equity end of year</b>	<b>177,202,808</b>

# Notes

## 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

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Europe	311,354,703	343,725,672
Rest of World	24,155,033	43,468,920
<b>Total revenue by geographical market</b>	<b>335,509,736</b>	<b>387,194,592</b>
Furnitures, lighting, accessories	335,509,736	387,194,592
<b>Total revenue by activity</b>	<b>335,509,736</b>	<b>387,194,592</b>

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

With reference to section 96(3) of the Danish Financial Statements Act, the fee to the auditor appointed by the general meeting is not disclosed.

## 4 Staff costs

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	46,105,342	39,579,615
Pension costs	5,232,731	4,134,946
Other social security costs	1,586,531	1,045,924
Other staff costs	2,432,835	3,937,380
	<b>55,357,439</b>	<b>48,697,865</b>
Average number of full-time employees	82	75

	<b>Remuneration of Management 2023 DKK</b>	<b>Remuneration of Management 2022 DKK</b>
Total amount for management categories	2,912,324	2,717,058
	<b>2,912,324</b>	<b>2,717,058</b>

### Special incentive programmes

An incentive scheme for key management personnel has been established to motivate and retain the participants.

The incentive scheme has allowed participants to subscribe for a number of warrants, entitling all holders to collectively buy 380,185 warrants of a nominal value of DKK 380,185 in the Group at a price agreed in advance.

As of 31st December 2023, management participants in the incentive scheme have subscribed for 219,371 warrants in total.

Management categories have been summarized, as the executive board consists of one individual.

### 5 Depreciation, amortisation and impairment losses

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	7,612,474	7,725,062
Depreciation of property, plant and equipment	1,446,079	1,372,839
	<b>9,058,553</b>	<b>9,097,901</b>

### 6 Other financial income

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	492,518	0
Other interest income	362,443	0
	<b>854,961</b>	<b>0</b>

### 7 Other financial expenses

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	1,223,648	996,577
Exchange rate adjustments	1,214,531	2,063,018
	<b>2,438,179</b>	<b>3,059,595</b>

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

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	10,604,515	13,650,427
Change in deferred tax	(15,163)	(258,110)
Adjustment concerning previous years	3,196,270	45,151
	<b>13,785,622</b>	<b>13,437,468</b>

## 9 Proposed distribution of profit and loss

	<b>2023</b>	<b>2022</b>
	<b>DKK</b>	<b>DKK</b>
Ordinary dividend for the financial year	46,000,000	45,000,000
Retained earnings	(18,527,518)	5,313,992
	<b>27,472,482</b>	<b>50,313,992</b>

### Dividend distributed after the balance sheet date

Extraordinary dividend	0	17,000,000
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## 10 Intangible assets

	<b>Acquired intangible assets</b>	<b>Goodwill</b>
	<b>DKK</b>	<b>DKK</b>
Cost beginning of year	658,050	150,114,241
<b>Cost end of year</b>	<b>658,050</b>	<b>150,114,241</b>
Amortisation and impairment losses beginning of year	(551,288)	(51,914,508)
Amortisation for the year	(106,762)	(7,505,712)
<b>Amortisation and impairment losses end of year</b>	<b>(658,050)</b>	<b>(59,420,220)</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>90,694,021</b>

## 11 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment</b>	<b>Leasehold improvements</b>
	<b>DKK</b>	<b>DKK</b>
Cost beginning of year	4,446,056	1,758,865
Transfers	(2,322,438)	2,322,438
Additions	605,416	76,835
<b>Cost end of year</b>	<b>2,729,034</b>	<b>4,158,138</b>
Depreciation and impairment losses beginning of year	(2,256,923)	(1,159,108)
Transfers	1,356,363	(1,356,363)
Depreciation for the year	(679,634)	(766,445)
<b>Depreciation and impairment losses end of year</b>	<b>(1,580,194)</b>	<b>(3,281,916)</b>
<b>Carrying amount end of year</b>	<b>1,148,840</b>	<b>876,222</b>

## 12 Financial assets

	<b>Investments in group enterprises DKK</b>	<b>Deposits DKK</b>
Cost beginning of year	6,058	1,924,641
Additions	0	81,798
<b>Cost end of year</b>	<b>6,058</b>	<b>2,006,439</b>
Revaluations beginning of year	7,230,119	0
Exchange rate adjustments	(265,007)	0
Share of profit/loss for the year	1,293,427	0
Adjustment of intra-group profits	426,390	0
<b>Revaluations end of year</b>	<b>8,684,929</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>8,690,987</b>	<b>2,006,439</b>

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>
ferm LIVING US Inc.	USA	Inc	100.00

## 13 Deferred tax

	<b>2023 DKK</b>	<b>2022 DKK</b>
<b>Changes during the year</b>		
Beginning of year	236,045	(22,065)
Recognised in the income statement	15,163	258,110
<b>End of year</b>	<b>251,208</b>	<b>236,045</b>

### Deferred tax assets

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

## 14 Prepayments

Prepayments consist prepaid costs, primarily insurances and membership fees, relating to the next year.

## 15 Other provisions

Other provisions for warranty and fairness of DKK 0.8 million have been recognised as of 31 December 2023 to cover expected warranty and fairness 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 DKK 0.8 million. No amount is expected to be outstanding after 5 years.

## 16 Unrecognised rental and lease commitments

	<b>2023 DKK</b>	<b>2022 DKK</b>
Liabilities under rental or lease agreements until maturity in total	25,003,660	15,609,932

### **17 Contingent liabilities**

The Entity participates in a Danish joint taxation arrangement where MIE5 Holding 9 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 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend 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.

### **18 Assets charged and collateral**

The company has issued business charge of DKK ('000) 15.000 to Nykredit Bank A/S, providing security on the chattel.

ferm LIVING ApS and its subsidiary are subject to negative pledges (in Danish pantsætningsforbud). The shares in ferm LIVING US Inc are pledged in favour of the lenders under the Group's bank agreement.



### **19 Related parties with controlling interest**

Related parties with controlling interest in ferm LIVING ApS:

MIE5 Datterholding 9 ApS, 1457 Copenhagen, (immediate parent company)

MIE5 Holding 9 ApS, 1457 Copenhagen, (parent company)

### **20 Non-arm's length related party transactions**

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report.

During the financial year, related party transactions have been conducted on an arm's length basis besides the following transactions:

In 2023 the Group did not recognize interest on all intercompany balances.

### **21 Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

MIE5 Holding 9 ApS, Gammeltorv 18, 1457 Copenhagen.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

MIE5 Datterholding 9 ApS, Gammeltorv 18, 1457 Copenhagen.

# 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 financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## 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.

## 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. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation

reserve in equity.

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

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

## **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 from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities and salary refunds.

### **Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal 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 salaries and wages, 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 interest income, including interest income on payables and transactions in foreign currencies and tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses payables and transactions in foreign currencies and tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

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

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. 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 is 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.

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 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

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.

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

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 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 according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

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

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

Goodwill is the positive difference between cost of investments 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.

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

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.

### **Prepayments**

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

cost.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

### **Other provisions**

Other 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 provisions are recognised when there is a legal or constructive obligation as a result of events in the financial year or previous years, and it is probable that an outflow of financial resources will be required to settle the obligation. Provisions are measured at the present value of the expected expenditure required to settle the obligation.

### **Operating leases**

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

### **Other financial liabilities**

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

### **Prepayments received from customers**

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

### **Tax receivable or payable**

Current tax receivable or payable 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 receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

### **Cash flow statement**

In accordance with section 86(4) if the Danish Financial Statements Act no cash flow statement has been prepared. The cash flow statement for ferm LIVING ApS incorporated in the cash flow statement of the consolidated Financial Statements of MIE5 Datterholding 9 ApS.