

Annual Report 2023 / 2024



HOLMRIS B8 A/S
Business Registration no. 21 32 00 80
01.05.2023 – 30.04.2024

The Annual General Meeting adopted
the Annual Report on 28.06.2024

Chairman of the General Meeting

Peter Thostrup

HOLMRIS B8

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Company information

The Company

HOLMRIS B8 A/S
Odinsvej 5
DK-8850 Bjerringbro

Business Registration No.: 21 32 00 80
Registered office: Bjerringbro

Date of incorporation: 01.12.1998
Financial year: 01.05.2023 – 30.04.2024

Board of Directors:

Peter Thostrup, Chairman
Peter Liu Johansen, Vice Chairman
Mark Jaap Peter van Ingen
Jan Lythcke-Jørgensen
Jens-Peter Poulsen
Henrik Holmrís Hansen

Executive Board

Flemming Ib Windfeld
Henrik Holmrís Hansen
Henrik Sykes Bjerregaard

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management

The Board of Directors and Executive Board have today discussed and approved the annual report for HOLMRIS B8 A/S for the financial year 2023/24.

The consolidated financial statements and the parent's financial statements have been prepared in accordance with International Financial Reporting Standards, which have been adopted by the EU.

Further, the consolidated financial statements have been prepared in accordance with additional requirements under the Danish Financial Statements Act.

In our opinion the consolidated financial statements and the financial statements for the parent company give a true and fair view of HOLMRIS B8 Group's and the parent company's assets, liabilities and financial position at April 30, 2024 and of the results of the HOLMRIS B8 Group's and the parent company's operations and cash flow for the financial year 2023/24.

The management review contains in our opinion a true and fair review of the development in the HOLMRIS B8 Group's and the parent company's operations, financial circumstances and results for the year, and the parent company's financial position, and describes the material risks and uncertainties affecting the HOLMRIS B8 Group and the parent company.

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

Bjerringbro 28.06.2024

Executive Board

Flemming Ib Windfeld

Henrik Holmrís Hansen

Henrik Sykes Bjerregaard

Board of Directors

Peter Thostrup
Chairman

Peter Liu Johansen
Vice Chairman

Mark Jaap Peter van Ingen

Jan Lythcke-Jørgensen

Jens-Peter Poulsen

Henrik Holmrís Hansen

Independent auditor's report

To the Shareholders of HOLMRIS B8 A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Holmrís B8 A/S for the financial year 01.05.2023 - 30.04.2024, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of 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 30.04.2024, and of the results of their operations and cash flows for the financial year 01.05.2023 - 30.04.2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

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

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 by relevant law and regulations.

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 relevant law and regulations. We did not identify any material misstatement of the management commentary.

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 IFRS Accounting Standards as adopted by the EU and additional requirements of 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 Parent'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 Group or 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 these 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 Parent'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 Parent'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.

Aarhus, 28.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Jacob Nørmark
State-Authorised Public Accountant
Identification No (MNE) mne30176

Chris Middelhede
State-Authorised Public Accountant
Identification No (MNE) mne45823

Management commentary

Primary activities

The Group is a leading Scandinavian sales and design house developing, selling, servicing and advising around innovative interior design solutions for spaces within the corporate and public sector.

The solutions are based on a one-stop shop offering from more than 1,000 brand partners paired with a strong offering of selected own products, supported by a flexible supply chain and related advisory and consultancy services. The Group's sales activities take place from both HOLMRIS B8 A/S and its subsidiaries. The solutions are sold partly in Denmark where the Group is a clear market leader, in international markets where our customers operate and in selected export markets where the Group has placed a significant focus and experiences a strong momentum.

Development in activities and finances

In the 2023/24 financial year, the Group achieved a revenue of DKK 1,300 million and an EBITDA of DKK 119 million, representing yet another strong result. The revenue and EBITDA increased compared to the previous financial year. The order intake has been satisfactory throughout the year, leaving a strong order backlog heading into 2024/25.

In line with its strategy plan, the Group has maintained its market position and its ability to deliver innovative solutions to its customers, both in Denmark and abroad. The focus on sustainability and future ways of working has continued to increase throughout the 2023/24 financial year across all segments and tech and data-driven concepts have further expanded.

Another important pillar in the Group strategy is international growth. The share of revenue outside of Denmark has increased in 2023/24 and in March 2024, the Norwegian company Holmrís Form/Funk was fully acquired which will further accelerate international growth in the coming financial year.

In March 2024, the private equity firm Mentha Capital became majority shareholder alongside the management team and a group of key employees. Mentha Capital has the aim of supporting and accelerating the Group's existing strategy.

Profit/loss for the year in relation to expected developments

The level of both revenue and profitability has been realized in line with expectations.

Outlook

Group management is confident about the future. For the 2024/25 financial year, Group management expects both Group revenue and profitability to increase 10-20% compared to the levels in the 2023/24 financial year. The main drivers are expected to be a continued strong core market as well as positive effects from the investments made in selected new strategic areas.

Particular risks

The Group is not exposed to any particular risks beyond usual risks within the Group's industry. In general, the volatility and cost price inflation in global supply chains are currently seen to represent the most significant external risks.

Price risks

Increased risk is seen driven by the global cost price inflation, cf. the above.

Foreign exchange risks

It is the Group's policy to hedge the commercial foreign exchange risks for up to 12 months. Such hedging is primarily obtained through foreign exchange contracts on anticipated sales and purchases over the next 12 months in the relevant currencies. Exchange adjustments of investments in subsidiaries and associates which are independent entities are recognized directly in equity. As a principal rule, related currency risks are not hedged, as the Group believes that current hedging of such long-term investments will not be optimal from an overall risk and cost point of view.

Interest rate risks

Significant changes in the interest rate level will have a minor impact on earnings, which, however, is not considered material.

Capital structure risks

HOLMRIS B8 A/S's share capital is divided into share classes. Management assesses on a regular basis whether the Group has an adequate capital structure, and Management assesses on a continuing basis whether the capital structure is consistent with the Group's and its stakeholders' interests. The general objective is to ensure a capital structure that supports long-term and profitable growth.

It is Management's assessment that the present capital structure provides the necessary flexibility to meet the Group's future strategy.

Intellectual capital resources

In addition to the Group's primary activity of developing, selling, and servicing innovative interior solutions, the Group's business foundation includes advisory services to customers on the design of its spaces. The Group has its own product designs and brand and cooperation with more than 1,000 third-party brand partners. This places particularly high demands on the knowledge resources regarding employees and business processes.

Moreover, there are special requirements for the knowledge resources in the development of the Group's main products. To continuously deliver these solutions, it is crucial for the Group to be able to recruit and retain employees, both employees with a high educational level and employees with technical experience.

The critical business processes relating to the Group's main products are design, construction, service, quality and, to a less extent, individual solutions. To ensure that the customer receives the agreed service, the individual methods and procedures are required to be documented. As a measure of whether the Group meets this requirement, observance of delivery time and the number of customer complaints are important indicators of how the business processes are working. In the coming year, emphasis will be on a further reduction of delivery and development times without compromising on quality and the technological level.

Environmental performance

On behalf of the Group, HOLMRIS B8 A/S has prepared an overall strategy for its environmental efforts. An environmental policy and related objectives have been developed in this respect to manage the environmental efforts. The environmental policy is based on environmentally sound operations and is integrated as a natural element of the Group's objectives for product quality and supply chain.

Research and development activities

The development activities are managed in the parent company where they are primarily carried out. There were no major development activities during the financial year.

Statutory report on corporate social responsibility

The Group has prepared a CSR report. The CSR report includes HOLMRIS B8 A/S's report on the gender composition of management, see S. 99b of the Danish Financial Statements Act, and HOLMRIS B8 A/S's report on corporate social responsibility, see S. 99a of the Danish Financial Statements Act. The CSR report can be found on HOLMRIS B8 A/S's website at the following link: <https://media.holmrisk.com/csr/csr-rapport-2024/?page=1>

Statutory report on corporate governance

The Board of Directors and the Executive Board of HOLMRIS B8 A/S continuously aim at ensuring that the Group's management structure and control systems are appropriate and well-functioning.

The foundation for organizing Management's tasks includes the Danish Companies Act, the Danish Financial Statements Act, the Company's Articles of Association, policies approved by the Board of Directors as well as good practices for enterprises of the same size as HOLMRIS B8 A/S.

As a company owned by a private equity fund, the group must also follow the Active Owners Denmark recommendations and guidelines for responsible ownership and corporate governance. It is Management's assessment that the recommendations are followed. Please refer to <http://aktiveejere.dk> for further information on the guidelines.

The Board of Directors ensures that the Executive Board observes the objectives, strategies and business processes laid down by the Board of Directors.

HOLMRIS B8 A/S has established a formal group reporting process comprising a monthly reporting process, which includes budget follow-up, performance assessment and achievement of adopted goals etc. The reporting is assessed at directors' and chairman's meetings.

The Board of Directors convenes at least five times a year based on a fixed meeting schedule. Furthermore, the Chairman and the CEO have meetings at least once every month. Extraordinary meetings will be convened if necessary.

The Board of Directors has decided not to appoint a separate audit committee as the board wants to retain the direct involvement in the group's accounting considerations.

Statutory report on the underrepresented gender

The gender composition on the board remains unchanged this year, with 100% male members. This is due to the fact that no changes have been made to the board's composition. The only changes in participation were related to the change of ownership to Mentha. The board diversity goals, of 14% women and 86% men, are set for the fiscal year 2024/25. The other management gender proportions are 37% women and 63% men, with targets of 40% women and 60% men in 2025/26. Our company policies clearly state the company values and outlines the focus on improving gender equality in management. This fiscal year, we have focused our efforts on biases and reducing these in hiring situations and will continue these efforts moving forward. Furthermore, we have defined additional categories of leadership groups to increase awareness of gender diversity at all management levels.

KPI		Target	2023-24	2022-23	2021-22	2020-21	2019-20
Board Gender Diversity	Women	14%	0% (0)	0% (0)	0% (0)	0% (0)	0% (0)
	Men	86%	100% (5)	100% (5)	100% (5)	100% (5)	100% (5)
Other Management Summary	Women	40%	37% (16)	31% (11)	25% (10)	18% (7)	22% (9)
	Men	60%	63% (27)	69% (25)	75% (30)	82% (32)	78% (32)
Executive Management Gender Diversity	Women	11%	0% (0)	0% (0)	0% (0)	0% (0)	0% (0)
	Men	89%	100% (3)	100% (3)	100% (3)	100% (3)	100% (3)
Management Committee and International Sales Group	Women	35%	23% (4)	-	-	-	-
	Men	65%	77% (7)	-	-	-	-
Other Management Gender Diversity	Women	45%	41% (12)	-	-	-	-
	Men	55%	59% (17)	-	-	-	-

Approach to data ethics

It is the Group's assessment that it does not have data that has not been adequately handled via the GDPR legislation, which is why there is currently no need of a data ethics policy.

Employees

The average number of employees per fiscal year increased from 291 in 2022/23 to 297 employees in 2023/24.

Events after the balance sheet date

After the balance sheet date, the Group has acquired the Swedish company 'Lindelöf AB' which will strengthen the position on the Swedish market in line the strategy plan of the Group and further enhance the international growth.

The share capital of the HOLMRIS B8 A/S is divided into share classes. The private equity fund Mentha Capital is the ultimate parent, holding an ultimate ownership share of 83%.

Key figures and ratios

DKK'000	2023/24	2022/23	2021/22	2020/21	2019/20
Income statement					
Revenue	1,299,686	1,122,226	1,119,638	852,974	1,140,881
Gross profit/loss	379,767	348,064	334,911	271,172	357,197
EBITDA	118,914	105,681	106,214	45,499	37,413
Operating profit before non-recurring items	92,610	82,380	83,005	12,224	(20,306)
Non-recurring items	(41,143)	(9,590)	(1,313)	754	(27,295)
Net financials	(22,903)	(20,695)	(18,710)	(12,834)	(12,379)
Profit/loss before tax	27,902	51,828	65,276	142	(59,980)
Profit/loss for the year	21,064	40,656	50,344	14,431	(58,755)
Statement of financial position					
Investments in property, plant and Equipment	5,088	2,173	5,323	4,760	3,205
Total assets	668,123	746,953	646,269	383,937	401,704
Equity	215,672	194,145	154,426	42,002	27,602
Gross margin	29.2%	31.0%	29.9%	31.8%	31.3%
Net margin	1.6%	3.6%	4.5%	1.7%	(5.1%)
Return on equity	10.3%	23.3%	51.3%	41.5%	(97.2%)
Equity ratio	32.3%	26.0%	23.9%	10.9%	6.9%

Ratios	Calculation formula	Calculation formula reflects
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity including shareholder loans} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income

Consolidated income statement

DKK'000	Note	2023/24	2022/23
Revenue	3	1,299,686	1,122,226
Other income		2,247	969
Cost of sales		(922,166)	(775,131)
Gross profit/(loss)		379,767	348,064
Staff costs	4	(192,604)	(186,780)
Other external expenses		(68,249)	(55,603)
Operating profit/(loss) before amortisation and depreciation		118,914	105,681
Amortisation and depreciation	6	(26,304)	(23,301)
Operating profit/(loss) before non-recurring items		92,610	82,380
Non-recurring items	7	(41,143)	(9,590)
Income from investments in associated enterprises		(662)	(267)
Financial income	8	879	31
Financial expenses	9	(23,782)	(20,726)
Profit/(loss) before tax		27,902	51,828
Tax on profit/(loss)	10	(6,838)	(11,172)
Profit/(loss) for the financial year		21,064	40,656
Other comprehensive income/loss			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign enterprises		716	(787)
Other comprehensive income/(loss) after tax		716	(787)
Total comprehensive income/(loss)		21,780	39,869

Consolidated financial statements

Consolidated statement of financial position

DKK'000	Note	30 April 2024	30 April 2023
Assets			
Goodwill		304,653	284,625
Acquired intangible assets		4,041	4,960
Completed development projects		6,138	3,711
Development projects in progress		1,798	1,314
Total intangible assets	11	316,630	294,610
Plant and machinery	12	6,635	5,008
Other fixtures, fittings and operating equipment	12	1,723	978
Leasehold improvements	12	3,058	2,197
Right-of-use assets	13	53,983	46,926
Total property, plant and equipment		65,399	55,109
Investment in associates	14	-	12,580
Deposits		6,410	5,672
Deferred tax	10	7,007	10,295
Total financial assets		13,417	28,547
Total non-current assets		395,446	378,266
Inventories	15	75,672	95,607
Trade receivables	16	71,293	115,424
Contract assets	3	5,584	8,128
Receivables from associates		-	1,657
Other receivables	16	12,837	10,751
Prepaid expenses		7,450	6,933
Cash and cash equivalents		99,841	130,187
Total current assets		272,677	368,687
Assets		668,123	746,953

DKK'000	Note	30 April 2024	30 April 2023
Equity and liabilities			
Share capital		1,295	1,295
Retained earnings		214,449	192,850
Total equity		215,744	194,145
Other provisions	17	2,003	2,209
Subordinated loans	18	-	-
Bank loans	18	55,000	98,100
Other non-current liabilities	18	15,489	17,696
Lease liabilities	18	37,532	30,593
Corporate Tax	10	0	3,843
Total non-current liabilities		110,024	152,441
Current portion of long-term liabilities other than provisions	18	60,307	61,808
Bank loans	18	12	1,509
Contract liabilities	3	42,535	99,638
Trade payables		186,180	189,299
Other payables		52,084	40,101
Corporate Tax		1,237	8,012
Total current liabilities		342,355	400,367
Total liabilities		452,379	552,808
Equity and liabilities		688,123	746,953

Consolidated financial statements

Consolidated statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
2023/2024			
Equity at 1 May	1,295	192,850	194,145
Profit/loss for the year	-	21,064	21,064
Other	-	(643)	(643)
Purchase of treasury shares	-	462	462
Comprehensive income for the year			
Exchange rate adjustments	-	716	716
Equity at 30 April	1,295	214,449	215,744

DKK'000			
2022/2023			
Equity at 1 May	1,295	153,131	154,426
Profit/loss for the year	-	40,656	40,656
Other	-	(508)	(508)
Sale of treasury shares	-	358	358
Comprehensive income for the year			
Exchange rate adjustments	-	(787)	(787)
Equity at 30 April	1,295	192,850	194,145

Share capital

Share capital consists of 1,295,424 shares of DKK 1 each.

DKK	30 April 2024
A shares	591,700
B shares	18,300
C shares	395,000
D shares	64,199
E shares	86,100
EA shares	134,951
EB shares	4,174
F shares	1,000
Total	1,295,424

Consolidated financial statements

Cash flow statement

DKK'000	Note	2023/24	2022/23
Operating profit / loss		92,610	82,380
Amortisation, depreciation and impairment losses		26,157	23,301
Non-recurring items		(41,143)	(9,590)
Working capital changes	19	2,302	14,271
Cash flow from ordinary operating activities		79,926	110,362
Interest received / income		879	31
Interest paid / expenses		(23,782)	(20,726)
Tax paid		(9,884)	-
Cash flow from operating activities		47,139	89,667
Investments in intangible assets		-	(2,250)
Investments in property, plant and equipment		(5,088)	(702)
Sale of property, plant and equipment		-	28
Mergers and acquisitions		(7,090)	-
Cash flows from investing activities		(12,178)	(2,924)
Proceeds and repayments of loans	20	(43,383)	(18,918)
Payment of principal portion of lease liabilities	20	(21,924)	(17,269)
Cash flows from financing activities		(65,307)	(36,187)
Cash at 1 May		130,187	50,556
Cash flows for the year		(30,346)	79,631
Cash and cash equivalents at 30 April		99,841	130,187

Notes

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1. Summary of significant accounting policies

Compliance with International Financial Reporting Standards

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and additional Danish disclosure requirements for the financial statements of reporting class C (Large) enterprises, cf. the Danish Executive Order on Adoption of IFRSs ("IFRS-bekendtgørelsen") issued in accordance with the Danish Financial Statements Act ("DFSA").

Basis of preparation

These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The consolidated financial statements are presented in DKK thousands and all values are rounded to the nearest thousand (DKK'000), except when otherwise indicated.

The accounting policies set out below have been used consistently in respect of the financial year and the comparative figures with minor reclassifications.

Basis of consolidation

The financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The profits or losses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

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 Group, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Group 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 Group, 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.

1. Summary of significant accounting policies (continued)

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.

Functional currency and presentation currency

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 with different functional currencies, 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.

Going concern

The Board of Directors has a reasonable expectation that the Group has adequate resources to continue as a going concern for the foreseeable future, having considered the Group's forecasts and projections, taking account of reasonably possible changes in operating performance and the current economic uncertainty. Accordingly, they have adopted the going concern basis of accounting in preparing the financial statements.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash 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 income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises and fixed asset investments as well as purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

1. Summary of significant accounting policies (continued)

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, utilisation of revolving credit facility, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and cash equivalents.

Income statement

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements. The normal credit term is 14 to 60 days upon delivery.

Office interior solutions

Revenue from the sale of furniture is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment or at the customer's acceptance, if the contract contains acceptance requirements.

Hospitality services

The Group provides installation and services that are either sold separately or in a bundle together with the sale of furniture to a customer. Installation and services comprise one performance obligation because the Group determined that the hospitality services are a series of distinct services that are substantially the same and have the same pattern of transfer to the customer. Contracts for bundled sales of furniture and installation/services are therefore comprised of two performance obligations because the promises to transfer furniture and provide installation/services are capable of being distinct and separately identifiable. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services.

The Group concluded that revenue from installation/services is to be recognised over time because the Group's performance enhances the assets and that the customer simultaneously receives and consumes the benefits

provided by the Group. The Group determined that the output method is the best method in measuring progress of the services, hence the Group recognises revenue on the basis of milestones reached (e.g. rooms finished).

1. Summary of significant accounting policies (continued)

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 Group's ordinary activities, 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 as well as social security contributions, pension contributions, etc. for group staff.

Non-recurring items

Non-recurring items include significant income and expenses of a special nature that cannot be attributed directly to the Group's ordinary operating activities.

Non-recurring items for the 2023/24 financial year mainly include costs related to the change of ownership in March 2024 and costs related to consolidation on fewer physical locations.

Non-recurring items are shown separately from the Group's ordinary operations to facilitate a better understanding of the Group's financial performance.

Depreciation and amortisation

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

Financial expenses

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, and tax surcharge under the Danish Tax Prepayment Scheme etc.

1. Summary of significant accounting policies (continued)

Taxation

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 in other comprehensive income (OCI) for items in OCI and directly in equity by the portion attributable to entries directly in equity. The Group is jointly taxed with the Danish subsidiaries. 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).

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 or the planned settlement of each liability. 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 carry forwards, 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.

Income 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 receivable or payable

Current joint taxation contributions receivable or 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.

Balance sheet

Goodwill

Goodwill comprises the amount by which the cost of the acquired operation exceeds the established fair value of identifiable net assets, as recognised in the acquisition analysis. In connection with the acquisition of operating activities, goodwill is allocated to cash-generating units. Since goodwill has an indefinite useful life, it is not amortised. Thus, it is not possible to determine a useful life. Instead, goodwill is subject to impairment testing either annually or when an indication of impairment arises. The carrying amount comprises the cost less any accumulated impairment losses.

1. Summary of significant accounting policies (continued)

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is lower than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis on the carrying amount of each asset in the unit. Any impairment of goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit/(loss) on disposal.

Other intangible assets

Other intangible assets comprise development projects completed and in progress with related intangible assets acquired.

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.

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

Development projects in progress are subject to impairment testing either annually or when an indication of impairment arises. The carrying amount comprises the cost less any accumulated impairment losses.

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 10 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. The amortisation periods used are 3-5 years.

Other intangible assets acquired are measured at cost less accumulated amortisation, and are written down to the lower of recoverable amount and carrying amount. The amortisation period is 3-10 years.

1. Summary of significant accounting policies (continued)

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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:

Plant and machinery	3 - 10 years
Other fixtures and fittings, tools and equipment	3 - 8 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.

Leases

When entering into an agreement, the Company assesses whether an agreement is a lease agreement or contains a lease element.

The right-of-use asset is measured at cost, which is calculated as the present value of the lease obligation plus any direct costs related to the entering into of the lease and prepaid lease payments.

The right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the useful life of the asset.

The Company leases vehicles and properties which include a service element in the payments to the lessor. This service is deducted from the lease payment when measuring the lease obligation. Where the Company cannot reliably separate lease and non-lease items, it is considered a single lease payment.

Short leases with a maximum lease term of 12 months and leases where the underlying asset has a low value are not recognised in the statement of financial position.

The lease term is defined as the non-cancellable period of a lease together with periods covered by options to extend the lease if it is reasonably certain that the options will be exercised and periods covered by options to terminate the lease if it is reasonably certain that the options will not be exercised. A number of leases contain extension and termination options in order to guarantee operational flexibility in managing the leases.

1. Summary of significant accounting policies (continued)

The lease obligation, which is recognised under “Lease liabilities”, is measured at the present value of the remaining lease payments, discounted by the Company’s incremental loan interest rate, if the implicit interest rate is not stated in the lease agreement or cannot reasonably be determined. The lease obligation is subsequently adjusted if:

- The value of the index or interest rate on which the lease payments are based changes.
- There is a change in the exercise of options to extend or shorten the lease period due to a material event or material change in circumstances which are within the control of the lessee.
- The lease term is changed as a result of exercising an option to extend or shorten the lease term.

Subsequent adjustments of the lease obligation are recognised as a correction to the right-of-use asset. However, if the right-of-use asset has a value of DKK 0, a negative reassessment of the right-of-use asset is recognised in the income statement.

Investments in associates

Associates is an entity over which the Group has significant influence, but not control. Investments in associates are accounted for using the equity method. Under the equity method, interests in associates are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses. When the Group’s share of losses in a associate equals or exceeds its interests in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Deposits

On initial recognition, deposits are measured at fair value and subsequently at amortised cost less impairment losses, if any.

Inventories

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

Cost consists of the 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 of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

1. Summary of significant accounting policies (continued)

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

Contract assets and liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays the consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

Trade receivables

Trade receivables consist of trade receivables not subject to factoring and are measured at amortised cost less provisions for expected credit losses. The Group applies the simplified approach in order to measure lifetime expected credit losses. Trade receivables have been grouped based on shared credit risk characteristics. Trade receivables are subject to impairment, where the actual provision made is based on a predefined percentage dependent on the number of reminders sent to the customer.

Other receivables

Other receivables consist of unpaid consideration from the factoring agreement measured at amortised cost, usually equalling nominal value.

Prepayments

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

Other investments

Other current asset investments comprise listed securities measured at fair value (market price) at the end of reporting period.

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments etc.

1. Summary of significant accounting policies (continued)

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Bank loans

Bank loans are initially recognised at fair value net of transaction expenses and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities comprise holiday allowances, other payables, VAT and other accrued costs. Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

2. Significant accounting estimates and judgements

Significant accounting estimates

As part of the preparation of the consolidated financial statements, Management makes a number of accounting estimates and judgements as well as assumptions as a basis for recognising and measuring the Group's assets, liabilities, income and expenses. The estimates, judgements and assumptions made are based on experience gained and other factors that are considered prudent by Management in the circumstances, but which are inherently subject to uncertainty and volatility. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur for which reason the actual results may differ from the estimates and judgements made. The Group's accounting policies are described in detail in note 1 to the consolidated financial statements to which we refer.

Management considers the following accounting estimates and judgements to be significant in the preparation of the annual report.

Impairment test of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units (CGU) to which goodwill has been allocated. The value-in-use calculation requires Management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value of the cash flows. Where the present value of the expected cash flows will not exceed the carrying amount of goodwill, a material impairment loss may arise. The key assumptions used in the impairment tests of goodwill are disclosed in note 11. The carrying amount of goodwill is DKK 304,653 thousand (2022/23: DKK 284,625 thousand).

2. Significant accounting estimates and judgements (continued)

The Group has determined that the group as a whole comprises the only CGU where it is possible to determine relevant cash flows and used as a part of reporting hereof to management and it is not possible to distinguish cash flow from entities on a stand alone basis. Key factors which have been considered in this determination is that even though the group comprises several entities they all contribute with different parts of the fully combined solution towards the clients (acquisition of furniture, development of new solutions etc.).

Determining the lease term of contracts

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised. Refer to note 13 for information on potential future rental payments relating to periods following the exercise date of termination options that are not included in the lease term.

Non-recurring items

The use of special items entails management judgement in the separation from ordinary items. Management carefully considers individual items and projects (including restructurings) in order to ensure the correct distinction and split between operating activities and significant income and expenses of a special nature.

Management initially assesses the entire restructuring project and recognises all present costs of the project. The projects are assessed on an ongoing basis, with additional costs possibly being incurred during the lifetime of the project.

The estimate includes expenses related to costs related to outsourcing and restructuring activities, premises costs related to consolidation on fewer physical locations, other normalizations one-off issues and strategy, consolidation and process optimization. Management reassesses the useful life and residual value of non-current assets used in an entity undergoing restructuring.

2. Summary of significant accounting policies (continued)

Valuation of deferred tax assets

Management has evaluated the measurement of deferred tax assets on the basis of budgets and forecasts and expected future income for the coming years. Deferred tax assets are expected to be utilised against future positive income over the next couple of years. Since the calculation of expected future taxable income for the coming years is subject to significant estimation and judgment, the valuation of the recognised deferred tax asset is inherently subject to uncertainty.

3. Revenue and contract assets and liabilities

DKK'000	2023/24	2022/23
<i>Revenue by business activity</i>		
Office, learning and care interior solutions	1,163,739	983,018
Hospitality	135,947	139,208
Total revenue by business activity	1,299,686	1,122,226
<i>Revenue by country</i>		
Denmark	1,028,054	898,948
Other countries	271,632	223,278
Total revenue by country	1,299,686	1,122,226
Contract assets and liabilities		
Contract balances	30 April 2024	30 April 2023
<i>Contract assets</i>		
Current contract assets	5,584	8,128
Total current contract assets	5,584	8,128
<i>Contract liabilities</i>		
Current contract liabilities	43,535	99,638
Total current contract liabilities	43,535	99,638

The Group has decided to use the practical expedient provided under IFRS and has therefore not disclosed the amount of the remaining performance obligation for contracts that qualify for invoicing.

4. Staff costs

DKK'000	2023/24	2022/23
Salaries and wages	154,409	156,246
Pension contributions	26,636	20,696
Other social security costs	3,724	3,801
Other staff costs	7,835	6,037
Total staff costs	192,604	186,780
Average number of employees	297	291

	Salary and pension	Bonus	Total
2023/24			
Remuneration to Executive Board	6,296	9,033	15,329
Remuneration to Board of Directors	550	1,839	2,389
	6,846	10,872	17,718
2022/23			
Remuneration to Executive Board	5,951	1,126	7,077
Remuneration to Board of Directors	550	-	550
	6,501	1,126	7,627

5. Share-based payments

Common stock warrants

In 2018, Holmrís Holding A/S issued 55,000 D-share warrants to directors of the Company. The holders of the warrants have paid fair market value and therefore no compensation expense is recognised. The warrants give the holders the right (without a pre-emption right for the Company's existing shareholders) to subscribe for 1 D-share in the Company with a par value of one Danish Krone, by cash contribution at exercise.

The D-share warrants expire at the earlier of (i) a change of control of the Group or an IPO or (ii) the period from 1 April 2023 to 15 April 2023.

The development in outstanding warrants can be specified as follows:

	Number of warrants	
	30 April 2024	30 April 2023
Outstanding at 1 May	0	45,000
Forfeited during the period	0	(22,500)
Exercised during the period	0	(22,500)
Outstanding at 30 April	0	0
Weighted average remaining contractual life (years)	0	0

6. Amortisation and depreciation

DKK'000	2023/24	2022/23
Amortisation and impairment, intangible assets	2,931	3,328
Depreciation of property, plant and equipment	4,170	4,532
Profit/loss from sale of intangible assets and property, plant and equipment	147	545
Leasing of property, plant and equipment	19,056	14,896
Total	26,304	23,301

7. Non-recurring items

DKK'000	2023/24	2022/23
<i>Non-recurring items:</i>		
Loss related to restructuring activities	3,128	6,858
Costs related to change in ownership	37,215	-
Premises costs related to consolidation on fewer physical locations	800	2,732
Total non-recurring items	41,143	9,590

Impact of non-recurring items on operating profit

If non-recurring items had been recognised in operating profit before non-recurring items, they would have been included in the following line items:

DKK'000	2023/24	2022/23
Other external expenses	2,317	3,961
Financing costs	18,540	-
Staff costs	20,286	5,629
Total non-recurring items	41,143	9,590

During the last months of 2023/24, the ownership of the company was transferred.

Thus, the company has incurred costs related to this transaction, including payment of bonus obligations to staff, financing costs and other costs related to the transaction.

8. Financial income

DKK'000	2023/24	2022/23
Interest income	879	31
Total financial income	879	31

9. Financial expenses

DKK'000	2023/24	2022/23
Interest expenses	20,436	18,459
Financial expenses	3,346	2,267
Total financial expenses	23,782	20,726

10. Taxation including current and deferred tax

DKK'000	2023/24	2022/23
Current tax	2,168	3,496
Changes in deferred tax	4,670	7,676
Adjustment previous year	-	-
Total	6,838	11,172

Reconciliation of tax expense and the profit multiplied by domestic tax rate for 2022/23 and 2023/24:

Profit before tax	27,901	51,828
Tax computed as statutory 22% tax rate	6,138	11,402
Other adjustment	571	(632)
Utilisation of previously unrecognised tax losses	-	-
Utilisation of tax losses (gains) from companies within the joint taxation contribution	-	-
Non-deductible expenses	147	343
Non-taxable income	(18)	59
Adjustment previous year	-	-
Income tax at the effective income tax rate of 22 %	6,838	11,172
Income tax expense reported in the income statement	6,838	11,172

Deferred tax assets, net

DKK'000	2023/24	2022/23
Deferred tax at 1 May	10,295	17,970
Adjustment previous year	-	-
Effect from merger, unrecognised tax assets etc.	1,381	-
Deferred tax for the year recognised in the income statement	(4,669)	(7,675)
Deferred tax at 30 April	7,007	10,295

Deferred tax is recognised in the statement of financial position as follows:

DKK'000	2023/24	2022/23
Deferred tax (asset)	7,007	10,295
Deferred tax (liability)	-	-
Deferred tax at 30 April	7,007	10,295

10. Taxation including current and deferred tax (continued)

Deferred tax concerns

DKK'000	2023/24	2022/23
Intangible assets	(741)	700
Property, plant and equipment	2,820	1,444
Provisions	297	141
Liabilities other than provisions	455	535
Tax loss carry forwards	4,176	7,475
Deferred tax at 30 April	7,007	10,295

Deferred tax

Management has evaluated the measurement of deferred tax assets on the basis of budgets and forecasts and expected future income for the coming years. Deferred tax asset is expected to be utilised against future positive income within the next couple of years. Since the calculation of expected future taxable income for the coming years is subject to significant estimation and judgment, the valuation of the recognised deferred tax asset is inherently subject to uncertainty.

11. Total intangible assets

DKK'000	Goodwill	Acquired intangible assets	Completed development projects	Development projects in progress
30 April 2024				
Cost at 1 May	284,625	16,421	19,333	1,314
Transfers	9,468	-	1,314	(1,314)
Additions	10,560	38	3,117	1,798
Disposals	-	-	(30)	-
Cost at 30 April	304,653	16,459	23,734	1,798
Amortisation at 1 May	-	(11,461)	(15,622)	-
Amortisation	-	(227)	(1,974)	-
Impairment	-	(730)	-	-
Reversal of amortisation	-	-	-	-
Amortisation at 30 April 2024	-	(12,418)	(17,596)	-
Carrying amount at 30 April 2024	304,653	4,041	6,138	1,798

11. Total intangible assets (continued)

DKK'000	Goodwill	Acquired intangible assets	Completed development projects	Development projects in progress
30 April 2023				
Cost at 1 May	284,625	16,421	18,824	-
Transfers	-	-	-	-
Additions	-	-	766	1,314
Disposals	-	-	(257)	-
Cost at 30 April	284,625	16,421	19,333	1,314
Amortisation at 1 May	-	(10,480)	(13,275)	-
Amortisation	-	(227)	(2,347)	-
Impairment	-	(754)	-	-
Reversal of amortisation	-	-	-	-
Amortisation at 30 April 2023	-	11,461	(15,622)	-
Carrying amount at 30 April 2023	284,625	4,960	3,711	1,314

Goodwill

At 30 April 2024, goodwill amounted to DKK 305 million (2022/23: DKK 285 million) for the Group. The Group has on 30 April in 2024 and 2023 performed impairment testing of the carrying amount of goodwill at the end of the financial year based on value in use. Impairment testing is performed each year based on the budgets or business plans approved by the Board of Directors.

The Group has determined that the Group itself represents the only identifiable CGU. As this is the case, then the carrying amount of goodwill and development projects in progress is allocated thereto. The impairment test for cash-generating units compares the recoverable amount, equivalent to the present value of the expected future free cash flow, with the carrying amount of the individual cash-generating units.

Budgets and projections for the 2024-2030 period are based on business plans and external market surveys, assessing risks associated with key parameters and incorporating these in expected future free cash flows. A ten-year period as opposed to a shorter period is used to make sure that assumptions are modelled as detailed as possible. The value for the period after 2033 takes into account the real growth and inflation expectations, which is described below.

When calculating the recoverable amount of goodwill, a discount rate of 12.29% (2022/23: 12.9%) after tax is assumed. The discount rate is based on a risk-free interest rate of 2.76% (2023: 2.5%). The discount rate has been determined based on the Cost of Capital model. The risk-free interest rate, the market risk premium and the beta factor are determined using external sources. The impairment tests performed at April 2024 indicate significantly higher value in use of the assets compared to the carrying amounts, and the impairment tests are therefore not sensitive to changes in the significant conditions and factors.

11. Total intangible assets (continued)

Key assumptions from the impairment testing of goodwill are as follows:

	Value drivers based on average for the period 2025-2030	Value drivers based on average for the terminal period
Net sales growth	5.6%	2.0%
EBITDA margin	10.6%	11.0%
EBITA margin	9.1%	9.5%

Acquired intangible assets, completed development projects and development projects in progress

The intangible assets comprising acquired intangible assets, completed development projects and development projects in progress have a total recoverable amount at 30 April 2024 of DKK 11,977 thousand (30 April 2023: DKK 9,985 thousand). No impairment loss are identified.

12. Total property, plant and equipment

DKK'000	Plant and machinery	Other fixtures and fittings, tools and equip- ment	Leasehold improve- ments
30 April 2024			
Cost at 1 May	10,397	5,184	7,745
Additions	4,143	1,202	2,239
Disposals	(123)	(372)	(289)
Cost at 30 April	14,417	6,014	9,695
Depreciation at 1 May	(5,389)	(4,206)	(5,550)
Depreciation	(2,516)	(457)	(1,197)
Disposals	123	372	110
Depreciation at 30 April 2024	(7,782)	(4,291)	(6,637)
Carrying amount at 30 April 2024	6,635	1,723	3,058
30 April 2023			
Cost at 1 May	9,549	4,916	6,950
Additions	1,082	296	795
Disposals	(234)	(28)	-
Cost at 30 April	10,397	5,184	7,745
Depreciation at 1 May	(3,386)	(3,410)	(4,051)
Depreciation	(2,237)	(796)	(1,497)
Disposals	234	-	-
Depreciation at 30 April 2023	(5,389)	(4,206)	(5,548)
Carrying amount at 30 April 2023	5,008	978	2,197

13. Right-of-use assets

DKK'000	30 April 2024	30 April 2023
30 April 2024		
Cost at 1 May	155,917	120,699
Additions	27,473	36,454
Adjustments and revaluations	(384)	(1,236)
Cost at 30 April	183,006	155,917
Depreciation at 1 May	(108,991)	(92,504)
Depreciation	(20,032)	(16,487)
Depreciation at 30 April 2024	(129,023)	(108,991)
Carrying amount at 30 April 2024	53,983	46,926

Carrying amounts of lease liabilities and movements during the period:

DKK'000	30 April 2024	30 April 2023
At 1 May	48,501	29,475
Additions	16,504	36,454
Accrual of interest	2,912	1,082
Payments	(21,924)	(17,269)
Adjustments and revaluation	11,846	(1,241)
At 30 April	57,839	48,501
Current	20,307	17,908
Non-current	37,532	30,593

The maturity analysis of lease liabilities is disclosed in note 18.

The following amounts have been recognised in profit or loss:

DKK'000	2023/2024	2022/2023
Depreciation expense of right-of-use assets	20,032	16,487
Interest expense on lease liabilities	2,912	1,082
Total amount recognised in profit or loss	22,944	17,569

The Group had total cash outflow for leases of DKK 21,9 million (2022/23: DKK 17.3 million).

The Group leases various properties, production equipment, equipment and cars. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

14. Investment in associates

	Investment in associates
2023/24	
Cost at 1 May	11,280
Disposals	(11,280)
Cost at 30 April	-
Value adjustments at start of year	1,300
Exchange rate adjustments	(96)
Disposals	(542)
Share of profit/(loss)	(662)
Value adjustments at 30 April	-
Carrying amount at 30 April	-

15. Inventories

DKK'000	30 April 2024	30 April 2023
Raw materials and consumables	27,025	24,485
Work in progress	636	2,631
Manufactured goods and goods for resale	35,567	61,317
Prepayments for goods	12,444	7,174
Total inventories	75,672	95,607

Included in the income statement

During 2023/24, DKK 922 million (2022/23: DKK 775 million) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

During 2023/24, DKK 1 million (2022/23: DKK 1 million) was recognised as write down of inventories carried at net realisable value. This is recognised in cost of sales.

16. Trade and other receivables

DKK'000	30 April 2024	30 April 2023
Trade receivables	72,271	115,627
Loss allowance	(978)	(203)
Other receivables	12,837	10,751
Total receivables	84,130	126,175

The average credit period for the sale of goods is 30 days.

The Group holds a portfolio of trade receivables which meets the SPPI test. The trade receivables are either held to collect their cash flows whereas some receivables are subject to factoring arrangements. The factoring arrangement results in derecognition of the trade receivables and recognition of a separate asset representing the unpaid consideration from the factor.

Trade receivables

Trade receivables have been grouped based on share credit risk characteristics. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors. See out below is the movement in the allowance for expected credit losses:

DKK'000	30 April 2024	30 April 2023
At 1 May	203	392
Provision for expected credit loss	946	161
Reversal of write-off	(249)	(392)
Write-off	78	42
At 30 April	978	203

17. Other provisions

DKK'000	30 April 2024	30 April 2023
Balance at 1 May	2,209	1,741
Reduction arising from payment	(606)	(961)
Additions	400	1,429
Other provisions at 30 April	2,003	2,209

Other provisions are expected to fall due as follows:

0-1 year	2,003	2,209
1-5 years	-	-
Other provisions at 30 April	2,003	2,209

Other provisions comprise anticipated costs of non-recourse guarantee commitments, restructuring, returns etc.

18. Financial risks

Capital management

The Group's Management assesses whether the Group's capital structure is in line with the interests of the Group and its shareholders. The overall objective is to ensure a capital structure that supports long-term profitable growth. At 30 April 2024, the Group's interest-bearing debt net, including leases, amounts to DKK 54 million (30 April 2023: DKK 54 million).

Financial risk management

The overall framework to manage financial risks is reflected in the Group's financial risk management policies. The policies include identification, limits, measurement and how to address risks regarding credit, foreign currency, liquidity and interest rates.

The policies are updated annually and approved by the Board of Directors.

It is the Group's policy not to speculate in financial risks. Hence, the financial risk management strategy aims at managing and reducing risks due to the Group's operations, investments and finance activities.

Only significant risks are described below. Each section gives a short description of the financial risk, the related business activity, risk management and impact during the year.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations towards the Group, leading to a financial loss. The Group is exposed to credit risk primarily related to its trade and other receivables, receivables from group enterprises, contract assets and cash held at financial institutions.

Trade and other receivables

In general, trade and other receivables consist of counterparties within the public sector or large corporations. To reduce credit risk and to secure flexibility in terms of liquidity related to the activity level in the business, the Group sells the majority of its trade receivables under a factoring agreement. In order for a trade receivable to qualify for factoring, an insurance company must approve the debtor's creditworthiness. Hence, the credit risk on factored receivables is reduced to a minimum. For the remaining trade receivables (i.e. not factored), Management assesses credit risk based on available information regarding the particular counterparty. Historic information typically relates to registered payment profiles, potential previous losses, annual reports etc. However, information used to estimate expected losses is derived from rating agencies, budgets, general development in macro-economic variables (e.g. unemployment rates) etc. Management assesses the need for credit insurance or collateral on an ongoing basis.

The maximum exposure to credit risk of trade and other receivables at the end of the reporting period equals the carrying amounts, see note 16.

18. Financial risks (continued)

Cash

The carrying amount of cash is DKK 99.8 million (30 April 2023: DKK 130.2 million). According to the Group's policy, cash is deposited at financial institutions with a high credit rating.

Liquidity risk

Liquidity risk is the risk of a loss or higher than expected costs to ensure the ability to fulfil the Group's short-term and long-term payment obligations. The Group aims to ensure that it is able to timely obtain the financing from both related and external counterparties.

The tables below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

DKK'000	Carrying amount	< 1 year	1 to 5 years	> 5 years	Total
30 April 2024					
Bank loans	95,012	41,520	56,600	-	98,120
Trade payables	186,180	186,180	-	-	186,180
Subordinate loan capital	-	-	-	-	-
Other payables	52,084	52,084	-	-	52,084
Holiday allowances	15,489	-	-	15,489	15,489
Lease liabilities	57,839	20,307	37,532	-	57,839
Total	406,604	300,091	94,132	15,489	409,712

DKK'000	Carrying amount	< 1 year	1 to 5 years	> 5 years	Total
30 April 2023					
Bank loans	135,360	42,719	104,419	-	147,138
Trade payables	189,299	189,299	-	-	189,299
Subordinate loan capital	2,677	2,677	-	-	2,677
Other payables	45,574	45,574	-	-	45,574
Holiday allowances	17,696	-	-	17,696	17,696
Lease liabilities	48,501	17,932	30,569	-	48,501
Total	439,107	298,201	134,988	17,696	450,885

Methods and assumptions of the maturity analysis

The maturity analysis is based on undiscounted cash flows which include estimated interest payments. The Revolving Credit Facility can be called by the bank on demand, hence the interest is deemed immaterial.

18. Financial risks (continued)

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's liabilities towards banks carrying floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings. Therefore, the Group's net interest rate risk exposure is limited at 30 April 2024 and 30 April 2023.

Interest rate sensitivity

The Group is primarily exposed to CIBOR 3M. CIBOR 3M saw some variation throughout the financial year. Therefore, a reasonable possible change in the interest rate is assessed to have an immaterial impact on the Group's profit or loss and equity for the years ended 30 April 2024 and 30 April 2023. This assessment is based on recognised financial assets and liabilities at year-end. If market interest rates increased by one percentage point, it would not affect the interest rate sensitivity.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency other than the Group entity's functional currency) and the Group's net investments in foreign subsidiaries.

The Group's net foreign currency risk exposure is limited as goods are sourced locally in each subsidiary's own currency at 30 April 2024 and 30 April 2023. However, Management assesses on an ongoing basis whether risk exposures exceed the risk limits.

18. Financial risks (continued)

Financial assets and liabilities

DKK'000	30 April 2024	30 April 2023
Trade receivables	71,293	115,424
Receivables from associates	-	1,657
Other receivables	12,837	10,770
Prepaid expenses	7,451	6,933
Cash	99,841	130,187
Financial assets measured at amortised cost	191,422	264,971
Bank loans	95,012	136,234
Trade payables	186,180	189,299
Other payables	67,573	65,073
Lease liabilities	57,839	48,501
Financial liabilities measured at amortised cost	406,604	439,107

Since the Group's financial instruments measured at amortised cost are either short-term and/or exposed to floating interest rates, Management has assessed that the carrying amount is a reasonable approximation of fair value.

19. Working capital changes

DKK'000	30 April 2024	30 April 2023
Increase (-)/decrease (+) in inventories	30,372	(4,022)
Increase (-)/decrease (+) in receivables etc.	46,619	(38,017)
Increase (+)/decrease (-) in current liabilities	(74,689)	56,310
Total	2,302	14,271

20. Reconciliation of liabilities arising from financing activities

DKK'000	Other Borrowings	Subordinated loan	Lease liabilities	Total liabilities from financing activities
30 April 2024				
Liabilities at 1 May	134,725	2,677	48,501	185,903
Additions from acquisitions etc.	-	-	11,846	11,846
Loan raised	-	-	16,899	16,899
Repayments	(39,725)	(2,677)	(21,924)	(64,326)
Adjustments and revaluations	-	-	(394)	(394)
Other	-	-	2,912	2,912
Liabilities at 30 April	95,000	-	57,839	152,840
30 April 2023				
Liabilities at 1 May	97,368	58,102	29,475	184,945
Additions from acquisitions etc.	-	-	36,453	36,453
Loan raised	59,850	-	-	59,850
Repayments	(22,493)	(55,425)	(17,269)	(95,187)
Adjustments and revaluations	-	-	(158)	(158)
Other	-	-	-	-
Liabilities at 30 April	134,725	2,677	48,501	185,903

21. Guarantees, contingent liabilities and collateral

The following assets are provided as collateral in favour of credit institutions in the Group:

DKK'000	30 April 2024	30 April 2023
Property, plant and equipment	65,399	55,109
Inventories	75,672	95,607
Trade receivables	71,293	115,424
Contract assets	5,584	8,128
Carrying amount of assets held as collateral	217,948	274,268

Debt to the factoring company is secured on a receivables charge on unsecured claims relating to the sale of goods and services. Debt to the factoring company has been set off against the value of trade receivables.

As security for commitments with clients and lessors, performance and payments guarantees of DKK 6,1 million (2022/23: DKK 6,2 million) have been provided through the bank.

21. Guarantees, contingent liabilities and collateral (continued)

The company has issued a mortgage deed letter to the company's bank capped at DKK 141,800 thousand in trade receivables, acquired intangible assets, inventories, plant and machinery and other fixtures, fittings and operating equipment.

The booked value of the assets is DKK 423,522 thousand.

22. Fees to auditor appointed by the general meeting

DKK'000	2023/24	2022/23
Statutory audit	670	615
Other assurance engagements	-	-
Tax and VAT advisory services	230	626
Other services	144	346
Total	1,044	1,587

23. Related parties

BWB Partners I K/S, Kokkedal (Denmark) owns the majority of shares and votes in the Entity throughout most of the fiscal year until 15th of March 2024, thus exercising control to this date. From 15th of March 2024, MC HB8 A/S, Kokkedal (Denmark) is the majority shareholder, exercising control from this date.

Related parties also comprise the members of the Board of Directors and the Executive Board as well as close family members of the members of the Board of Directors and the Executive Board as well as other senior executives.

Transactions with related parties:

Transactions with the Board of Directors and the Executive Board which comprise salaries, pension and other benefits are described in note 4. Other transactions with group enterprises:

DKK'000	2023/24	2022/23
Financial expenses from owners	(6)	(1,067)

24. Acquisition of operations – business combinations

On the 1st of march 2024, Holmrís B8 A/S acquired further 60% of the share capital of Holmrís Form/Funk AS (Oslo, Norway) in addition to the 40% ownership acquired in prior years, thus having 100% ownership of the share capital in the company from this day.

The acquisition strengthens Holmrís' market position and presence in Norway.

24. Acquisition of operations – business combinations (continued)

		30 April 2024
Purchase consideration, DKK'000		
Cash paid 2023/24 (60% ownership)		13,377
Acquired in prior years (40% ownership)		12,331
Purchase price		25,708
Assets and liabilities included in the acquisition, DKK'000	Fair value	Acquired carrying amount
Cash and cash equivalents	6,287	6,287
Tangible assets	1,021	1,021
Intangible assets	1,387	1,387
Financial assets	584	747
Inventories	10,437	10,437
Trade receivable and other receivables	8,247	8,247
Accounts payable and other operating liabilities	(22,669)	(22,339)
Tax payable	(757)	(757)
Deferred taxes, net	1,143	1,143
Net identifiable assets acquired	5,680	6,173
Goodwill		20,028
Purchase price		25,708

Goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

Purchase consideration, DKK'000	Cash outflow
Purchase consideration paid in cash 2023/24 (60% ownership)	13,377
Cash and cash equivalents in acquired subsidiaries	(6,287)
Reduction in the Group's cash and cash equivalents in conjunction with acquisitions in 2023/24	7,090

On the 31st of May 2024, after the balance sheet day, Holmrís B8 A/S further acquired 100% of the share capital of Aktiebolaget Evert Lindelöf Inredningsservice (Stockholm, Sweden).

The acquisition further strengthens Holmrís' market position and presence in Northern Europe and Sweden. The acquisition has not been recognized in the financial statements for the fiscal year 2023/24. At the time of financial statement reporting, the final purchase price allocation has not been concluded. Thus, information about acquired assets and liabilities and their fair values have been omitted.

25. Events after the balance sheet date

After the balance sheet date, the Group has acquired the Swedish company 'Lindelöf AB' cf. note 24. No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

26. Adoption of new and amended Standards

The new and amended Standards and Interpretations that have been issued, but which are not yet effective, up to the date of issuance of the Group's Financial Statements have not been adopted by the Group. The Group intends to adopt these new and amended Standards and Interpretations, if applicable, when they become effective. The adoption of these is not expected to have significant impact on the financial reporting for future periods.

Parent income statement

DKK'000	Note	2023/24	2022/23
Revenue	3	1,102,054	941,048
Other Income		13,513	10,086
Cost of sales		(853,039)	(715,019)
Gross profit/(loss)		262,528	236,115
Staff costs	4	(145,448)	(137,490)
Other operating income		(44,621)	(37,462)
Operating profit/(loss) before amortisation and depreciation		72,459	61,163
Amortisation and depreciation	6	(19,216)	(16,773)
Operating profit/(loss) before non-recurring items		53,243	44,390
Non-recurring items	7	(41,143)	(6,849)
Income from investments in group enterprises		14,338	(267)
Financial income	8	830	417
Financial expenses	9	(25,762)	(20,129)
Profit/(loss) before tax		1,506	17,562
Tax on profit/(loss)	10	2,166	(3,996)
Profit/(loss) for the financial year		3,672	13,566
Other comprehensive income/loss			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign enterprises		(96)	(787)
Other comprehensive income/(loss) after tax		(96)	(787)
Total comprehensive income/(loss)		3,576	12,779

Parent balance sheet

DKK'000	Note	30 April 2024	30 April 2023
Assets			
Goodwill		266,957	266,957
Acquired intangible assets		3,397	4,088
Completed development projects		753	1,409
Total intangible assets	11	271,107	272,454
Plant and machinery	12	2,965	1,839
Other fixtures, fittings and operating equipment	12	448	363
Leasehold improvements	12	3,015	2,197
Right-of-use assets	13	43,077	40,333
Total property, plant and equipment		49,505	44,732
Investment in group enterprises	14	65,500	50,442
Investment in associates	15	-	12,580
Deposits		5,971	5,628
Deferred tax	10	5,413	9,632
Total financial assets		76,883	78,282
Total non-current assets		397,495	395,468
Inventories	16	36,809	61,401
Trade receivables	17	34,954	78,057
Receivables from group enterprises		259	30,539
Other receivables	17	8,619	7,886
Joint taxation contribution receivable		21,818	16,672
Prepaid expenses		5,779	6,563
Cash and cash equivalents		90,439	104,766
Current assets		198,678	305,884
Total current assets		198,678	305,884
Assets		596,173	701,352

Parent balance sheet

DKK'000	Note	30 April 2024	30 April 2023
Equity and liabilities			
Share capital		1,295	1,295
Other capital reserves		587	2,834
Retained earnings		142,363	136,620
Total equity		144,245	140,749
Other provisions	18	53	139
Bank loans	19	55,000	98,100
Other payables	19	15,430	15,779
Lease liabilities	19	30,033	27,191
Corporate tax		-	3,843
Total non-current liabilities		100,516	145,052
Current portion of long-term liabilities other than provisions	19	55,447	57,230
Contract liabilities	3	28,196	74,305
Trade payables		129,353	140,316
Payables to group enterprises		106,082	111,273
Other payables		31,918	28,036
Corporate Tax		416	4,391
Total current liabilities		351,412	415,551
Total liabilities		451,928	560,603
Equity and liabilities		596,173	701,352

Parent statement of changes in equity

	Share capital	Reserve for development expenditure	Reserve for net revaluation according to the equity method	Retained earnings	Total
DKK'000					
2023/2024					
Equity at 1 May	1,295	1,098	1,300	137,056	140,749
Profit/loss for the year	-	-	(662)	4,334	3,672
Transfer to reserves	-	(511)	-	511	-
Purchase of treasury shares	-	-	-	462	462
Other	-	-	(542)	-	(542)
Comprehensive income for the year					
Exchange rate adjustments	-	-	(96)	-	(96)
Equity at 30 April	1,295	587	-	142,363	144,245

DKK'000					
2022/2023					
Equity at 1 May	1,295	1,652	-	124,664	127,611
Profit/loss for the year	-	-	-	13,566	13,566
Transfer to reserves	-	(554)	1,300	(746)	-
Capital injections	-	-	-	(350)	(350)
Additions from acquisitions etc.	-	-	-	709	709
Comprehensive income for the year					
Exchange rate adjustments	-	-	-	(787)	(787)
Equity at 30 April	1,295	1,098	1,300	137,056	140,749

Share capital

Share capital consists of 1,295,424 shares of DKK 1 each.

DKK	30 April 2024
A shares	591,700
B shares	18,300
C shares	395,000
D shares	64,199
E shares	86,100
EA shares	134,951
EB shares	4,174
F shares	1,000
Total	1,295,424

Parent cash flow statement

DKK'000	Note	2023/24	2022/23
Operating profit /loss		53,243	44,390
Amortisation, depreciation and impairment losses		19,106	16,555
Non-recurring items		(41,143)	(6,849)
Working capital changes	20	41,582	79,622
Cash flow from ordinary operating activities		72,788	133,718
Interest received / income		830	417
Interest paid / expenses		(25,762)	(20,129)
Tax paid		(7,847)	-
Cash flow from operating activities		40,009	114,006
Investments in intangible assets		-	(732)
Investments in property, plant and equipment		(5,227)	(2,056)
Investments in financial assets		(14,310)	(17,545)
Sale of intangible assets		-	257
Sale of property, plant and equipment		-	102
Sale of financial assets		10,534	-
Received dividends		14,338	-
Cash flows from investing activities		5,335	(19,974)
Proceeds and repayments of loans	21	(42,234)	(18,981)
Payment of principal portion of lease liabilities	21	(17,437)	(13,024)
Cash flows from financing activities		(59,671)	(32,005)
Cash flows for the year		(14,327)	62,027
Cash at 1 May		104,766	42,739
Cash and cash equivalents at 30 April		90,439	104,766

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1. Summary of significant accounting policies

Accounting policies

The accounting policies of the HOLMRIS B8 Group and the Parent Company are identical except for the situations mentioned below.

Situations, where the accounting policies of the Parent Company deviate from those of the Group

Investments in subsidiaries

Investments in subsidiaries are measured at cost in the parent company financial statements. If an indication of impairment exists, then an impairment test is performed as described in the accounting policies for the consolidated financial statements. If the carrying amount exceeds the recoverable amount, investments are written down to such lower amount.

If distributions are made from reserves other than retained earnings of subsidiaries, such distribution will reduce the cost of the investments if the distribution is in the nature of a repayment of the Parent Company's investment.

Distribution of profits accumulated by subsidiaries is recognised as income in the Parent Company's income statement in the financial year in which the dividend is declared. If an amount is distributed exceeding the subsidiary's comprehensive income for the period, then an impairment test is performed.

Other intangible assets

Other intangible assets comprise development projects completed and in progress with related intangible assets acquired.

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

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.

2. Significant accounting estimates and judgements

As part of the preparation of the parent company financial statements, Management makes a number of accounting estimates and judgements as well as assumptions as a basis for recognising and measuring the Parent Company's assets, liabilities, income and expenses. The estimates, judgements and assumptions made are in all respects, except for the situations described below, similar to the ones for the HOLMRIS B8 Group described in note 2 to the consolidated financial statements.

Situations where the significant accounting estimates of the Parent Company deviate from Group:

Impairment test of investments in subsidiaries

Determining whether investments in subsidiaries are impaired requires an estimation of the value in use of the cash-generating units representing the investments in subsidiaries. The value-in-use calculation requires Management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value of the cash flows. Where the present value of the expected cash flows will not exceed the carrying amount of investments in subsidiaries, a material impairment loss may arise. The key assumptions used in the impairment tests are disclosed in note 11.

3. Revenue and contract assets and liabilities

DKK'000	2023/24	2022/23
<i>Revenue by business activity</i>		
Office interior solutions	1,102,054	941,048
Total revenue by business activity	1,102,054	941,048
<i>Revenue by country</i>		
Denmark	974,873	816,103
Other countries	127,181	124,945
Total revenue by country	1,102,054	941,048
Contract assets and liabilities		
Contract balances	30 April 2024	30 April 2023
<i>Contract assets</i>		
Current contract assets	-	-
Total current contract assets	-	-
<i>Contract liabilities</i>		
Current contract liabilities	28,196	74,305
Total current contract liabilities	28,196	74,305

The Parent Company has decided to use the practical expedient provided under IFRS and has therefore not disclosed the amount of the remaining performance obligation for contracts that qualify for invoicing.

4. Staff costs

DKK'000	2023/24	2022/23
Salaries and wages	114,048	113,638
Pension contributions	22,679	16,271
Other social security costs	1,007	1,136
Other staff costs	7,714	6,445
Total staff costs	145,448	137,490

Average number of employees	211	197
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	Salary and pension	Bonus	Total
2023/24			
Remuneration to Executive Board	6,296	9,033	15,329
Remuneration to Board of Directors	550	1,839	2,389
	6,846	10,872	17,718

2022/23			
Remuneration to Executive Board	5,951	1,126	7,077
Remuneration to Board of Directors	550	-	550
	6,501	1,126	7,627

5. Share-based payments

Common stock warrants

In 2018, Holmrís Holding A/S issued 55,000 D-share warrants to directors of the Company. The holders of the warrants have paid fair market value and therefore no compensation expense is recognised. The warrants give the holders the right (without a pre-emption right for the Company's existing shareholders) to subscribe for 1 D-share in the Company with a par value of one Danish Krone, by cash contribution at exercise.

The D-share warrants expire at the earlier of (i) a change of control of the Group or an IPO or (ii) the period from 1 April 2023 to 15 April 2023.

The development in outstanding warrants can be specified as follows:

	Number of warrants	
	30 April 2024	30 April 2023
Outstanding at 1 May	-	45,000
Granted during the period	-	-
Forfeited during the period	-	(22,500)
Exercised during the period	-	(22,500)
Outstanding at 30 April	-	-

Weighted average remaining contractual life (years)	0	0
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6. Amortisation and depreciation

DKK'000	2023/24	2022/23
Amortisation, intangible assets	1,356	1,938
Depreciation of property, plant and equipment	3,197	2,432
Profit/loss from sale of intangible assets and property, plant and equipment	110	(144)
Leasing of property, plant and equipment	14,553	12,547
Total	19,216	16,773

7. Non-recurring items

DKK'000	2023/24	2022/23
<i>Non-recurring items:</i>		
Loss related to restructuring activities	3,128	6,849
Costs related to change in ownership	37,215	-
Premises costs related to consolidation on fewer physical locations	800	-
Total non-recurring items	41,143	6,849

Impact of non-recurring items on operating profit

If non-recurring items had been recognised in operating profit before non-recurring items, they would have been included in the following line items:

DKK'000	2023/24	2022/23
Other external expenses	2,317	6,849
Financing costs	18,540	-
Staff costs	20,286	-
Total non-recurring items	41,143	6,849

During the last months of 2023/24, the ownership of the company was transferred.

Thus, the company has incurred costs related to this transaction, including payment of bonus obligations to staff, financing costs and other costs related to the transaction.

8. Financial income

DKK'000	2023/24	2022/23
Financial income arising from subsidiaries	-	417
Interest income	830	-
Total financial income	830	417

9. Financial expenses

DKK'000	2023/24	2022/23
Financial expenses from subsidiaries	3,523	1,474
Interest expenses	19,258	14,735
Exchange rate adjustments	1,123	211
Financial expenses	1,858	3,709
Total financial expenses	25,762	20,129

10. Taxation including current and deferred tax

DKK'000	2023/24	2022/23
Current tax	-	414
Changes in deferred tax	4,219	8,055
Adjustment previous year	-	-
Utilisation of tax losses	(6,385)	(4,473)
Total	(2,166)	3,996

Reconciliation of tax expense and the profit multiplied by domestic tax rate for 2022/23 and 2023/24:

Profit before tax	3,191	17,562
Tax computed as statutory 22% tax rate	702	3,864
Other adjustment	105	45
Utilisation of previously unrecognised tax losses	-	-
Utilisation of tax losses (gains) from companies within the joint taxation contribution	(6,385)	-
Non-deductible expenses	3,412	28
Non-taxable income	-	59
Adjustment previous year	-	-
Income tax at the effective income tax rate of 22%	(2,166)	3,996
Income tax expense reported in the income statement	(2,166)	3,996

Deferred tax assets, net

DKK'000	2023/24	2022/23
Deferred tax at 1 May	9,632	17,686
Adjustment previous year	-	-
Effect from merger, unrecognised tax assets etc.	-	-
Deferred tax for the year recognised in the income statement	(4,219)	(8,054)
Deferred tax at 30 April	5,413	9,632

Deferred tax is recognised in the statement of financial position as follows:

DKK'000	2023/24	2022/23
Deferred tax (asset)	5,413	9,632
Deferred tax (liability)	-	-
Deferred tax at 30 April	5,413	9,632

10. Taxation including current and deferred tax (continued)

Deferred tax concerns

DKK'000	2023/24	2022/23
Intangible assets	399	1,434
Property, plant and equipment	838	474
Provisions	1	32
Liabilities other than provisions	-	218
Tax loss carry forwards	4,175	7,474
Deferred tax at 30 April	5,413	9,632

Deferred tax

Management has evaluated the measurement of deferred tax assets on the basis of budgets and forecasts and expected future income for the coming years. Deferred tax asset is expected to be utilised against future positive income within the next couple of years. Since the calculation of expected future taxable income for the coming years is subject to significant estimation and judgment, the valuation of the recognised deferred tax asset is inherently subject to uncertainty.

11. Total intangible assets

DKK'000	Goodwill	Acquired intangible assets	Completed development projects
30 April 2024			
Cost at 1 May	266,957	14,218	13,003
Additions	-	38	-
Disposals	-	-	(30)
Cost at 30 April	266,957	14,256	12,973
Amortisation at 1 May	-	(10,130)	(11,594)
Amortisation	-	(729)	(626)
Amortisation at 30 April 2024	-	(10,859)	(12,220)
Carrying amount at 30 April 2024	266,957	3,397	753
30 April 2023			
Cost at 1 May	266,957	14,218	12,528
Additions	-	-	732
Disposals	-	-	(257)
Cost at 30 April	266,957	14,218	13,003
Amortisation at 1 May	-	(9,376)	(10,410)
Amortisation	-	(754)	(1,184)
Amortisation at 30 April 2023	-	(10,130)	(11,594)
Carrying amount at 30 April 2023	266,957	4,088	1,409

11. Total intangible assets (continued)

Goodwill

At 30 April 2024, goodwill amounted to DKK 267 million (2022/23: DKK 267 million) for the parent. The Group has on 30 April in 2024 and 2023 performed impairment testing of the carrying amount of goodwill at the end of the financial year based on value in use. Impairment testing is performed each year based on the budgets or business plans approved by the Board of Directors.

The Parent Company has determined that the Parent Company itself represents the only identifiable CGU. As this is the case, then the carrying amount of goodwill and development projects in progress is allocated thereto. The impairment test for cash-generating units compares the recoverable amount, equivalent to the present value of the expected future free cash flow, with the carrying amount of the individual cash-generating units.

Budgets and projections for the 2025-2030 period are based on business plans and external market surveys, assessing risks associated with key parameters and incorporating these in expected future free cash flows. A ten-year period as opposed to a shorter period is used to make sure that assumptions are modelled as detailed as possible. The value for the period after 2030 takes into account the real growth and inflation expectations, which is described below.

When calculating the recoverable amount of goodwill, a discount rate of 12.29% (2022/23: 12.9%) after tax is assumed. The discount rate is based on a risk-free interest rate of 2.76% (2023: 2.5%). The discount rate has been determined based on the Cost of Capital model. The risk-free interest rate, the market risk premium and the beta factor are determined using external sources. The impairment tests performed at April 2024 indicate significantly higher value in use of the assets compared to the carrying amounts, and the impairment tests are therefore not sensitive to changes in the significant conditions and factors.

Key assumptions from the impairment testing of goodwill are as follows:

	Value drivers based on average for the period 2025-2030	Value drivers based on average for the terminal period
Net sales growth	5.6%	2.0%
EBITDA margin	10.6%	11.0%
EBITA margin	9.1%	9.5%

Acquired intangible assets, completed development projects and development projects in progress

The intangible assets comprising acquired intangible assets, completed development projects and development projects in progress have a total recoverable amount at 30 April 2024 of DKK 4,150 thousand (30 April 2023: DKK 5,497 thousand). No impairment loss are identified.

12. Total property, plant and equipment

DKK'000	Plant and machinery	Other fix- tures and fittings, tools and equip- ment	Leasehold improve- ments
30 April 2024			
Cost at 1 May	3,707	5,063	8,484
Additions	2,161	240	2,195
Disposals	-	(372)	(289)
Cost at 30 April	5,868	4,931	10,390
Depreciation at 1 May	(1,868)	(4,700)	(6,288)
Depreciation	(1,035)	(155)	(1,199)
Disposals	-	372	112
Depreciation at 30 April 2024	(2,903)	(4,483)	(7,375)
Carrying amount at 30 April 2024	2,965	448	3,015
30 April 2023			
Cost at 1 May	3,179	4,795	7,687
Additions	963	296	797
Disposals	(435)	(28)	-
Cost at 30 April	3,707	5,063	8,484
Depreciation at 1 May	(1,316)	(4,395)	(4,788)
Depreciation	(627)	(305)	(1,500)
Disposals	75	-	-
Depreciation at 30 April 2023	(1,868)	(4,700)	(6,288)
Carrying amount at 30 April 2023	1,839	363	2,196

13. Right-of-use assets

DKK'000	30 April 2024	30 April 2023
30 April 2024		
Cost at 1 May	132,161	100,203
Additions	11,496	32,782
Adjustments and revaluations	7,391	(824)
Cost at 30 April	151,048	132,161
Depreciation at 1 May	(91,828)	(79,281)
Depreciation	(16,143)	(12,547)
Depreciation at 30 April 2024	(107,971)	(91,828)
Carrying amount at 30 April 2024	43,077	40,333

Carrying amounts of lease liabilities and movements during the period:

DKK'000	30 April 2024	30 April 2023
At 1 May	41,554	21,795
Additions	11,496	32,782
Accrual of interest	2,491	813
Payments	(17,437)	(13,024)
Adjustments and revaluation	7,376	(812)
At 30 April	45,480	41,554
Current	15,447	14,360
Non-current	30,033	27,194

The maturity analysis of lease liabilities is disclosed in note 19 (Financial risk).

The following amounts have been recognised in profit or loss:

DKK'000	2023/24	2022/23
Depreciation expense of right-of-use assets	15,362	12,547
Interest expense on lease liabilities	2,389	813
Total amount recognised in profit or loss	17,751	13,360

The Company had total cash outflow for leases of DKK 17,437 thousand (2022/23: DKK 13,024 thousand).

The Company leases various properties, production equipment, equipment and cars. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

14. Fixed assets investments

DKK'000	Investment in subsidiaries	Deposits
2023/24		
Cost at 1 May	50,442	5,628
Transfers	10,848	-
Additions	14,310	343
Disposals	(10,100)	-
Cost at 30 April	65,500	5,628
2022/23		
Cost at 1 May	32,897	3,118
Additions	17,545	2,510
Disposals	-	-
Cost at 30 April	50,442	5,628

Investments in subsidiaries are being assessed on a recurring basis for any indication of the recoverable amount exceeding the carrying amount. There has not been any indication thereof during the years 2023/24 and 2022/23.

List of subsidiaries owned by the Parent Company:	Registered in:	Equity interest %
HB8 Production A/S	Silkeborg	100
HB8 Design Products A/S	Bjerringbro	100
Designbrokers Hospitality DK ApS	Copenhagen	100
Designbrokers Benelux B.V.	Netherlands	100
Holmrís Form/Funk AS	Norway	100

15. Investment in associates

DKK'000	Investment in associates
2023/24	
Cost at 1 May	11,280
Transfers	(10,846)
Disposals	(434)
Cost at 30 April	-
Value adjustments at start of year	1,300
Share of profit/(loss)	(662)
Exchange adjustment	(96)
Disposals	(542)
Value adjustments at 30 April	-
Carrying amount at 30 April	-

16. Inventories

DKK'000	30 April 2024	30 April 2023
Prepayments for goods	7,050	7,174
Manufactured goods and goods for resale	29,759	54,227
Total inventories	36,809	61,401

Included in the income statement

During 2023/24, DKK 853 million (2022/23: DKK 715 million) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

During 2023/24, DKK 0 million (2022/23: DKK 0 million) were recognised as write down of inventories carried at net realisable value. This is recognised in cost of sales.

17. Trade and other receivables

DKK'000	30 April 2024	30 April 2023
Trade receivables	35,068	78,057
Loss allowance	(114)	-
Other receivables	8,619	7,886
Total receivables	43,573	85,943

The average credit period for the sale of goods is 30 days.

The Parent Company holds a portfolio of trade receivables which meets the SPPI test. The trade receivables are either held to collect their cash flows whereas some receivables are subject to factoring arrangements. The factoring arrangement results in derecognition of the trade receivables and recognition of a separate asset representing the unpaid consideration from the factor.

Trade receivables

Trade receivables consist of trade receivables less considerations from the factoring agreements and are measured at amortised cost less provisions for expected credit losses. The Parent Company applies the simplified approach in order to measure lifetime expected credit losses.

Trade receivables have been grouped based on shared credit risk characteristics. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors. Set out below is the movement in the allowance for expected credit losses:

DKK'000	30 April 2024	30 April 2023
At 1 May	-	-
Provision for expected credit loss	114	-
At 30 April	114	-

17. Trade and other receivables (continued)

Receivables from group enterprises

For receivables from group enterprises the Company applies a simplified approach in calculating expected credit losses. Therefore, the Parent Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date.

18. Other provisions

DKK'000	30 April 2024	30 April 2023
Balance at 1 May	139	720
Reduction arising from payment	(86)	(581)
Other provisions at 30 April	53	139
Other provisions are expected to fall due as follows:		
0-1 year	53	139
1-5 years	-	-
Other provisions at 30 April	53	139

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns etc.

19. Financial risks

For a description of the Parent Company's financial risks, including a description of the risk management policy, credit risk, liquidity risks, interest rate risks and foreign currency risks, see note 18 to the consolidated financial statements.

The tables below summarise the maturity profile of the Entity's financial liabilities based on contractual undiscounted payments:

DKK'000	Carrying amount	< 1 year	1 to 5 years	> 5 years	Total
30 April 2024					
Bank loans	95,000	41,520	56,600	-	98,120
Trade payables	129,353	129,353	-	-	129,353
Payables to group enterprises	106,082	106,082	-	-	106,082
Subordinate loan capital	-	-	-	-	-
Other payables	31,918	31,918	-	-	31,918
Holiday allowances	15,430	-	-	15,430	15,430
Lease liabilities	45,480	15,447	30,033	-	45,480
Total	423,263	324,320	86,633	15,430	426,383

DKK'000	Carrying amount	< 1 year	1 to 5 years	> 5 years	Total
30 April 2023					
Bank loans	135,245	42,604	104,419	-	147,023
Trade payables	140,316	140,316	-	-	140,316
Payables to group enterprises	111,273	111,273	-	-	111,273
Subordinate loan capital	2,677	2,677	-	-	2,677
Other payables	31,085	31,085	-	-	31,085
Holiday allowances	15,779	-	-	15,779	15,779
Lease liabilities	41,554	14,360	27,194	-	41,554
Total	477,929	342,315	131,613	15,779	489,707

Financial assets and liabilities

DKK'000	30 April 2024	30 April 2023
Trade receivables	34,954	78,057
Receivables from group enterprises	259	30,539
Other receivables	8,619	7,886
Prepaid expenses	5,779	6,563
Cash	90,439	104,766
Financial assets measured at amortised cost	140,050	227,811
Bank loans	95,000	134,725
Trade payables	129,353	140,316
Payables to group enterprises	106,082	111,273
Other payables	47,348	50,061
Lease liabilities	45,480	41,551
Financial liabilities measured at amortised cost	423,263	477,926

Since the Group's financial instruments measured at amortised cost are either short-term and/or exposed to floating interest rates, Management has assessed that the carrying amount is a reasonable approximation of fair value.

20. Working capital changes

DKK'000	30 April 2024	30 April 2023
Increase (-)/decrease (+) in inventories	24,592	(9,823)
Increase (-)/decrease (+) in receivables etc.	73,410	(52,583)
Increase (+)/decrease (-) in current liabilities	(56,420)	142,037
Total	41,582	79,631

21. Reconciliation of liabilities arising from financing activities

DKK'000	Other Borrowings and revolving Credit Facili- tity	Subordinated loans	Lease liabilities	Total liabilities from financing activities
30 April 2024				
Liabilities at 1 May	134,725	2,677	41,554	178,956
Additions from acquisitions etc.	-	-	-	-
Loan raised	-	-	11,496	11,496
Repayments	(39,725)	(2,677)	(17,437)	(59,839)
Adjustments and revaluations	-	-	7,376	7,376
Other	-	-	2,491	2,491
Liabilities at 30 April	95,000	-	45,480	140,480

DKK'000	Other Borrowings and revolving Credit Facili- tity	Subordinated loans	Lease liabilities	Total liabilities from financing activities
30 April 2023				
Liabilities at 1 May	97,368	58,102	21,795	177,265
Additions from acquisitions etc.	-	-	180	180
Loan raised	59,850	-	32,782	92,632
Repayments	(22,493)	(55,425)	(12,319)	(90,237)
Adjustments and revaluations	-	-	(884)	(884)
Other	-	-	-	-
Liabilities at 30 April	134,725	2,677	41,554	178,956

22. Guarantees, contingent liabilities and collateral

The following assets are provided as collateral in favour of credit institutions in the Parent Company:

DKK'000	30 April 2024	30 April 2023
Acquired intangible assets	3,397	4,088
Property, plant and equipment	49,505	44,732
Receivables from group enterprises	259	30,539
Inventories	36,809	61,401
Trade receivables	34,954	78,057
Carrying amount of assets held as collateral	124,924	217,854

22. Guarantees, contingent liabilities and collateral (continued)

The Parent Company has guaranteed group enterprises' debt to Sydbank. The maximum limit of the guarantee is DKK 70,000 thousand (30 April 2023: DKK 70,000 thousand). Net bank loans of group enterprises amount to DKK 16,256 thousand (30 April 2023: DKK 16,256 thousand).

The company has issued a mortgage deed letter to the company's bank capped at DKK 101,800 thousand in investment in group enterprises, trade receivables, acquired intangible assets, inventories, plant and machinery and other fixtures, fittings and operating equipment.

The booked value of the assets is DKK 345,148 thousand.

Debt to the factoring company is secured on a receivables charge on unsecured claims relating to the sale of goods and services. Debt to the factoring company has been set off against the value of trade receivables.

Contingent liabilities

The Parent Company participates in a Danish joint taxation arrangement where HOLMRIS B8 A/S 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.

23. Fees to auditor appointed by the general meeting

DKK'000	2023/24	2022/23
Statutory audit	400	388
Other assurance engagements	-	-
Tax and VAT advisory services	106	476
Other services	121	316
Total	627	1,180

24. Related parties

BWB Partners I K/S, Kokkedal (Denmark) owns the majority of shares and votes in the Entity throughout most of the fiscal year until 15th of March 2024, thus exercising control to this date. From 15th of March 2024, MC HB8 A/S, Kokkedal (Denmark) is the majority shareholder, exercising control from this date.

24. Related parties (continued)

Related parties also comprise the members of the Board of Directors and the Executive Board as well as close family members of the members of the Board of Directors and the Executive Board as well as other senior executives.

Transactions with the Board of Directors and the Executive Board which comprise salaries, pension and other benefits are described in note 4.

Other transactions with group enterprises:

DKK'000	2023/24	2022/23
Sale of goods	964	-
Purchase of goods	(239,429)	(228,657)
Management fee	12,352	9,535
Financial income from subsidiaries	41	387
Financial cost from subsidiaries	(3,565)	(1,474)

25. Events after the balance sheet date

After the balance sheet date, the Company has acquired the Swedish company 'Lindelöf AB' cf. group note 24. No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

26. Adoption of new and amended Standards

The new and amended Standards and Interpretations that have been issued, but which are not yet effective, up to the date of issuance of the Group's Financial Statements have not been adopted by the Group. The Group intends to adopt these new and amended Standards and Interpretations, if applicable, when they become effective. The adoption of these is not expected to have significant impact on the financial reporting for future periods.