Kvadrat A/S
Lundbergsvej 10
8400 Ebeltoft
CVR No. 45998517



Annual Report 2024

The Annual General Meeting adopted the annual report on 29.03.2025

Lars Monrad-Gylling
Chairman of the General Meeting

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Entity details

Entity

Kvadrat A/S
Lundbergsvej 10
8400 Ebeltoft

Business Registration No.: 45998517
Registered office: Syddjurs
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Lars Monrad-Gylling, Chairman
Anders Byriel
Mette Rønn Bendix
Torsten Leif Moe
Claire Midwood
Christian Madsbjerg

Executive Board

Anders Byriel, CEO
Mette Rønn Bendix, Product Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Kvadrat A/S for the financial year 01.01.2024 - 31.12.2024.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

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

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

Ebeltoft, 28.03.2025

Executive Board

Anders Byriel
CEO

Mette Rønn Bendix
Product Director

Board of Directors

Lars Monrad-Gylling
Chairman

Anders Byriel

Mette Rønn Bendix

Torsten Leif Moe

Claire Midwood

Christian Madsbjerg

Independent auditor's report

To the shareholder of Kvadrat A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Kvadrat A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

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

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

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

Aarhus, 28.03.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Michael Bach
State Authorised Public Accountant
Identification No (MNE) mne19691

Jens Lauridsen
State Authorised Public Accountant
Identification No (MNE) mne34323

Management commentary

Financial highlights

	2024 DKK'000	2023 DKK'000	2022 DKK'000	2021 DKK'000	2020 DKK'000
Key figures					
Revenue	1,644,726	1,757,765	1,868,163	1,596,057	1,452,993
Gross profit/loss	697,335	679,158	661,063	604,923	522,182
Operating profit/loss	72,648	(11,521)	35,417	44,415	14,384
Net financials	(58,707)	(56,356)	(11,464)	(16,868)	(9,429)
Profit/loss for the year	10,913	(74,801)	16,576	27,190	6,495
Profit for the year excl. minority interests	4,280	(74,173)	20,285	18,909	363
Balance sheet total	1,356,083	1,366,017	1,549,524	1,527,213	1,245,420
Investments in property, plant and equipment	6,977	39,246	43,494	152,026	40,992
Equity	333,942	327,076	411,644	433,386	375,940
Equity excl. minority interests	311,450	306,480	378,604	396,927	364,380
Average number of employees	967	1,022	1,057	986	898
Ratios					
Gross margin (%)	42.40	38.64	35.39	37.90	35.94
Return on equity (%)	1.39	(21.65)	5.23	4.97	0.09
Equity ratio (%)	22.97	22.44	24.43	25.99	29.26

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

Gross margin (%):
Gross profit/loss * 100
Revenue

Return on equity (%):
Profit/loss for the year excl. minority interests * 100
Average equity excl. minority interests

Equity ratio (%):
Equity excl. minority interests * 100
Balance sheet total

Primary activities

Kvadrat has become a global leader in textile innovation and design.

We develop, produce and sell contemporary high-quality textiles and textile-related products for architects, designers and private consumers to specify in public spaces and domestic interiors.

Development in activities and finances

The revenue for the Group for 2024 amounted to DKK 1.645m compared to DKK 1.758m in 2023. Operating profit/loss amounted to DKK 73m compared to DKK -12m in 2023 and profit before tax amounted to DKK 14m compared to DKK -60m in 2023.

The revenue for the Parent company for 2024 amounted to DKK 721m compared to DKK 734m in 2023. Operating profit/loss amounted to DKK -1m compared to DKK -55m in 2023 and profit before tax amounted to DKK -9m compared to DKK -73m in 2023.

The result for both the Group and the Parent company has in FY 2024 been significantly affected primarily by the following circumstances.

Unstable marketplaces

Firstly, the marketplaces in which we operate were challenged in both activity levels and short-term outlooks during 2024 resulting in a decrease in consolidated revenue of 113m DKK or roughly 6 % compared to 2023. This is – in our perspective – attributable to an array of different factors and variables but contributing factors are without any doubts increases in inflation in the markets we operate in, high cost of capital and a slowdown in the construction and real-estate industries.

Cost of capital

Secondly, the cost of capital resulted in net financial costs of 59m DKK in 2024 to service the net interest-bearing debts of the Group consisting primarily of short-term credit facilities, long-term credit facilities, lease liabilities as well as mortgage debts. The net financial costs in 2023 amounted to 57m DKK resulting in an increase from 2023 to 2024 of 2m DKK.

Strategic projects

Thirdly, Kvadrat Group is still in the process of developing and growing the sale to the North American markets which is managed via Kvadrat Inc. Previously, Kvadrat Group had a long-standing and successful partnership with a local partner ensuring the distribution and sale of Kvadrat products in North America. This partnership was terminated with effect from 1 January 2021 and Kvadrat has since been building, developing, and improving the direct sale of Kvadrat products via Kvadrat Inc. This is a strategic project for Kvadrat Group which has required a significant number of resources and investments to make profitable within a relatively short time in the future – as was predicted when the strategic project was started.

Organisational adjustments

Fourthly and final, we have in 2024 worked to optimize and adjust our organisation and processes towards increased competitiveness. Increasing our competitiveness has resulted in a gross margin of 42.4% compared to 38.6% in 2024 and staff costs of 556m DKK compared to 608m DKK in 2023.

Profit/loss for the year in relation to expected developments

The development in Group and Parent company revenue and profits must be compared to the primarily positive expectations for 2024 in the annual report for Kvadrat A/S for 2023.

The Executive Board and Board of Directors consider the results for 2024 to be unsatisfactory, even though profitability is significantly improved by cost savings and organisation adjustments.

Uncertainty relating to recognition and measurement

Recognition and measurement in the consolidated financial statements and Parent company financial statement are not subject to any material uncertainties.

Unusual circumstances affecting recognition and measurement

No circumstances exert material influence on the consolidated financial statements and parent company financial statements.

Neither the Group nor the Parent company is exposed to risks apart from those generally occurring in our line of business.

Outlook

We continue expecting a general uncertainty in the markets – in which we operate – in 2025 at least partially. We will continue our optimisation work and expect to see 7-9% revenue growth & 20% operating profit growth in 2025 compared to 2024.

Knowledge resources

Despite a difficult 2024, we continue to work systematically in developing all employees in the organization to be able to best execute our Group strategy. Via our two annual Performance & Learning Conversations between all employees and their direct manager, we ensure that we are aligned on what learnings need to be applied on an individual-, team- and company-level.

We have more than 140 managers across our production-, sales-, development companies as well as our headquarters in Ebeltoft. We have continued our work with our senior management team as well as a larger group of managers with our People Partner set up, where we internally support managers in people and performance-related topics. Instead of delegating leadership development to external consultants we train and support our managers from our People Development and utilize their knowledge of context and more direct availability. In 2024, we continue insourcing most training activities of our managers facilitated by our People Development department in collaboration with relevant external experts. This creates strong social and professional ties across the organization when leaders from different parts of the company are trained and educated together.

We continue to work on the quality of our leadership and work more proactively and formalized with our People and organizational reviews. We have our own New Manager Academy and a High Potential Academy for employees that we believe could assume more responsibility in a managerial role going forward. 52 high potentials have participated, and it has generated 20 new managers during the last 6 years. Finally, we are proceeding to build the necessary competencies through our Kvadrat Academy which serves as a training forum for all our employees. All training and competence development is organized as blended, a mix of digital and on-site learning.

In our employee surveys, the employees are interviewed about their general satisfaction and specific matters related to their everyday working life. In 2024 we achieved a score of 69 compared to 72 in 2023. We will continue to work systematically to improve the score. In the 2024 Employee Survey we were happy to see a positive trend in the number of Sterling Managers (a balanced leader with both a high professional and leadership score).

Our strategic direction in Kvadrat
The aspiration in Kvadrat is to "Push the boundaries of high-quality textiles through design and innovation". This is based on Kvadrat being a dynamic, forward-looking design company that continuously seeks to push the boundaries of aesthetics and sustainable textile design globally. Kvadrat collaborates with architects to shape spaces, designers, and furniture manufacturers to craft furniture, and encourages consumers to bring their personality and identity with tactility and colour into their homes.

Success in Kvadrat is defined by four KPIs: Employee Temperature, Customer Pulse, Brand Reputation and Financial Health. These four KPIs are the ultimate objectives for both our short- and long-term success, and therefore, all activities must strive to maximize value across these dimensions. The four KPIs are included in Kvadrat' s global incentive program.

The 2025/26 Kvadrat Group strategy
The formalized group strategy covers a two-year period with the ambition to be able to become more competitive and profitable. The overall ambition of the 2025/26 Kvadrat Group strategy is to grow in a healthy way and to support the three selected strategic themes:

- Extreme focus
- We are Kvadrat
- Transformation

Extreme focus
We will grow our volume, revenue and improve profitability in main categories through segments and sub-segments. We will win marked shares by having extreme focus on our core products, upholstery and curtains.

We are Kvadrat
In 2025/26 our focus is also to continue strengthen our company culture and values. At Kvadrat, we push our boundaries of high-quality textiles through design and innovation.

Transformation
We want to strengthen our organisation and business performance though category management and more end -to-end collaboration. This will be supported through different initiatives such as implementing global supply chain, further digitalization and learning & development.

Above themes are for us healthy growth in accordance with our next two-year strategy.

Environmental performance

Kvadrat is a member of the Science Based Target initiative and aims to reach net zero greenhouse gas emissions by 2040. On this journey we build upon our long-term commitment to quality design, work with our production partners to reduce our impact on resources and the environment and continuously aim to innovate materials, our products and business models to rethink the way we operate in this world.

Communicating our impact transparently to our clients through quality data is key and in FY 2023 we therefore launched our first 10 Environmental Product Declarations (EPDs) for 120 of our textile products.

More detailed information regarding our overall sustainability performance and targets can be found in our sustainability report (see link below).

Research and development activities

The development of our products happens in close collaboration between external affiliated designers and our internal product development teams.

The costs related to research activities are expensed in the income statement. The costs related to development activities are either expensed in the income statement or capitalized in the balance sheet depending on the viability and economic return of the specific development project and whether the criteria for recognition in the balance sheet has been fulfilled.

Statutory report on corporate social responsibility

Our attitudes and initiatives regarding environmental issues, social responsibility and gender equality in management are described in our sustainability report under "Sustainability Statement" which can be found on our website at:

https://www.kvadrat.dk/en/about/sustainability-applied/sustainability-report

Our sustainability report outlines policies, performance and objectives for Kvadrat as a company and Group. It addresses the requirements outlined by the Danish Financial Statements Act § 99a on the reporting of corporate social responsibility (CSR).

We strive for full compliance with the Corporate Sustainability Reporting Directive (CSRD) and, thereby, the European Sustainability Reporting Standards (ESRS). Short-, medium- and long-term time horizons applied in the sustainability statement align with those suggested in section 6.4 of ESRS 1 and secure Kvadrat pursues short-term benefits while accounting for long-term impacts, risks and opportunities. Where reasonable, we complement the ESRS disclosure requirements with performance measurements of the Global Reporting Initiative (GRI) standards and guiding frameworks such as the Greenhouse Gas Protocol. Kvadrat is a member of the UN Global Compact and submits its communication on progress (COP) annually, detailing information about our activities and developments according to the Ten Principles of the UN Global Compact and the 17 UN Sustainable Development Goals (SDGs),

The report is structured into three main sections – General information, Environment, Social, Governance.

Statutory report on the underrepresented gender

	2024	2023	2022	2021
Supreme management body				
Total number of members	6	5	6	5
Underrepresented gender (%)	33.00	40.00	33.00	20.00
Target figures (%)	40.00	40.00	40.00	40.00

Within our highest management level (Kvadrat A/S Board), we follow the recommendations of the Danish Business Authority to pursue a 40/60% distribution of either men or women employees. This 10% allowance ensures higher levels of flexibility in response to the labour market

During 2024, a change of composition in our Kvadrat A/S Board led to 7 % points decrease in the representation of women in our A/S board, from 40% (2023) to 33% (2024). Our short- and long-term goal for 2024 is return at least to a 40/60 gender distribution.

	2024	2023	2022	2021
Other management levels				
Total number of members	34	30	28	30
Underrepresented gender (%)	47.00	40.00	43.00	50.00
Target figures (%)	40.00	40.00	40.00	40.00

Other management levels in Kvadrat A/S include two levels; (1) Kvadrat´s executive management, and (2) management within A/S with personnel responsibilities and with direct report to Kvadrat´s executive management.

Statutory report on data ethics policy

Kvadrat has since 2021 a Data Ethics Policy, in alignment with section 99d of the Danish Financial Statements Act. Our Data Ethics Policy sets a moral framework for collecting, processing, and protecting personal and non-personal data at Kvadrat.

Our Data Ethics policy builds upon four principles: Transparency, Integrity, Privacy, and Inclusion. Our policy is about protecting people and defining a balance between the vast possibilities of the digital world and the ethical framework in which Kvadrat can navigate. The policy provides transparency around Kvadrat's ethical views, compliance, and governance regarding the collection and processing of data that we are responsible for. During 2024, we developed Kvadrat´s Guidelines for Artificial intelligence (AI). During 2025, we aim to strengthen the link between those guidelines and our Data Ethics Policy. The ownership of the policy will need to be further determined to secure stronger governance and continuous implementation of the policy.

https://www.kvadrat.dk/en/legal

Events after the balance sheet date

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

Consolidated income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Revenue	1	1,644,726	1,757,765
Own work capitalised		596	0
Other operating income	2	3,985	3,506
Cost of sales		(666,515)	(737,645)
Other external expenses	3	(285,457)	(344,468)
Gross profit/loss		**697,335**	**679,158**
Staff costs	4	(556,124)	(608,149)
Depreciation, amortisation and impairment losses	5	(68,559)	(82,150)
Other operating expenses		(4)	(380)
Operating profit/loss		**72,648**	**(11,521)**
Income from investments in associates		(355)	8,017
Other financial income		726	880
Other financial expenses		(59,433)	(57,236)
Profit/loss before tax		**13,586**	**(59,860)**
Tax on profit/loss for the year	6	(2,673)	(14,941)
Profit/loss for the year	7	**10,913**	**(74,801)**

Consolidated balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Completed development projects	9	62,783	74,401
Acquired trademarks		3,519	5,148
Goodwill		77,259	82,612
Development projects in progress	9	1,115	1,234
Intangible assets	8	**144,676**	**163,395**
Land and buildings		176,131	181,828
Plant and machinery		9,231	10,981
Other fixtures and fittings, tools and equipment		53,151	63,881
Leasehold improvements		55,498	66,362
Property, plant and equipment	10	**294,011**	**323,052**
Investments in associates		48,991	47,673
Receivables from associates		17,835	16,595
Deposits		10,583	11,693
Financial assets	11	**77,409**	**75,961**
Fixed assets		**516,096**	**562,408**

Work in progress		4,407	2,785
Manufactured goods and goods for resale		385,972	410,412
Prepayments for goods		1,224	1,350
Inventories		**391,603**	**414,547**
Trade receivables		225,784	209,034
Contract work in progress	12	4,308	4,087
Receivables from group enterprises		684	235
Receivables from associates		3,157	807
Deferred tax	13	55,064	39,950
Other receivables		9,711	18,084
Tax receivable		380	54
Prepayments	14	15,191	19,383
Receivables		**314,279**	**291,634**
Cash		**134,105**	**97,428**
Current assets		**839,987**	**803,609**
Assets		**1,356,083**	**1,366,017**

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital	15	100,000	100,000
Translation reserve		(3,782)	(2,490)
Reserve for fair value adjustments of hedging instruments		8,077	7,938
Reserve for net revaluation according to equity method		2,779	1,461
Retained earnings		204,376	199,571
Equity belonging to Parent's shareholders		**311,450**	**306,480**
Equity belonging to minority interests		**22,492**	**20,596**
Equity		**333,942**	**327,076**
Deferred tax	13	2,412	2,590
Other provisions	16	17,359	19,048
Provisions		**19,771**	**21,638**
Mortgage debt		24,742	27,587
Bank loans		56,192	82,481
Lease liabilities		7,577	13,534
Other payables	17	13,856	13,654
Non-current liabilities other than provisions	18	**102,367**	**137,256**

Current portion of non-current liabilities other than provisions	18	31,685	40,489
Bank loans		568,938	576,821
Prepayments received from customers		53,851	26,174
Trade payables		100,988	100,391
Payables to group enterprises		2,499	254
Payables to associates		33,265	26,373
Other payables	19	107,697	108,084
Deferred income	20	1,080	1,461
Current liabilities other than provisions		**900,003**	**880,047**
Liabilities other than provisions		**1,002,370**	**1,017,303**
Equity and liabilities		**1,356,083**	**1,366,017**

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Consolidated statement of changes in equity for 2024

	Contributed capital DKK'000	Translation reserve DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Reserve for net revaluation according to equity method DKK'000	Retained earnings DKK'000	Equity belonging to Parent's shareholders DKK'000	Equity belonging to minority interests DKK'000	Total DKK'000
Equity beginning of year	100,000	(2,490)	7,938	1,461	199,571	306,480	20,596	327,076
Ordinary dividend paid	0	0	0	0	0	0	(3,365)	(3,365)
Exchange rate adjustments	0	(1,292)	0	1,673	170	551	0	551
Fair value adjustments of hedging instruments	0	0	178	0	0	178	0	178
Other entries on equity	0	0	0	0	0	0	(1,372)	(1,372)
Tax of entries on equity	0	0	(39)	0	0	(39)	0	(39)
Profit/loss for the year	0	0	0	(355)	4,635	4,280	6,633	10,913
Equity end of year	**100,000**	**(3,782)**	**8,077**	**2,779**	**204,376**	**311,450**	**22,492**	**333,942**

Consolidated cash flow statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Operating profit/loss		72,648	(11,521)
Amortisation, depreciation and impairment losses		68,324	82,532
Working capital changes	21	42,750	21,500
Changes in intercompany activities		5,336	(22,526)
Cash flow from ordinary operating activities		**189,058**	**69,985**
Financial income received		726	880
Financial expenses paid		(59,433)	(57,234)
Taxes refunded/(paid)		(18,291)	(22,226)
Other cash flows from operating activities		(4,635)	1,652
Cash flows from operating activities		**107,425**	**(6,943)**
Acquisition etc. of intangible assets		(10,716)	(14,222)
Sale of intangible assets		0	(39)
Acquisition etc. of property, plant and equipment		(6,977)	(37,878)
Sale of property, plant and equipment		1,885	10,893
Dividends received from associates		0	8,627
Cash flows from investing activities		**(15,808)**	**(32,619)**
Free cash flows generated from operations and investments before financing		**91,617**	**(39,562)**
Repayments of loans etc.		(43,692)	(43,996)
Dividend paid		(3,365)	(5,816)
Other cash flows from financing activities		(7,883)	52,304
Cash flows from financing activities		**(54,940)**	**2,492**
Increase/decrease in cash and cash equivalents		**36,677**	**(37,070)**

Cash and cash equivalents beginning of year	97,428	134,498
Cash and cash equivalents end of year	**134,105**	**97,428**

Cash and cash equivalents at year-end are composed of:		
Cash	134,105	97,428
Cash and cash equivalents end of year	**134,105**	**97,428**

Notes to consolidated financial statements

1 Revenue

	2024 DKK'000	2023 DKK'000
Other EU countries	1,161,888	1,283,088
Other countries	482,838	474,677
Total revenue by geographical market	**1,644,726**	**1,757,765**

The Group's business is divided into business segments and geographical markets.

The Group's primary segment comprises development and sale of design textiles and textile-related products. Secondary business areas are irrelevant. Referring to S. 96 of the Danish Financial Statements Act, Management does not want to provide additional information on the geographical distribution of revenue since a detailed distribution of revenue by geographical market will be highly detrimental to the Group's competitive situation.

2 Other operating income

	2024 DKK'000	2023 DKK'000
Compensation	0	73
Salary reimbursement	3,058	2,152
Profit from sale of shares	0	5
Public grants	606	1,270
Other income	321	6
	3,985	**3,506**

3 Fees to the auditor appointed by the Annual General Meeting

	2024 DKK'000	2023 DKK'000
Statutory audit services	1,403	1,474
Other assurance engagements	215	20
Tax services	187	228
Other services	1,639	734
	3,444	**2,456**

4 Staff costs

	2024 DKK'000	2023 DKK'000
Wages and salaries	475,468	526,321
Pension costs	40,700	41,700
Other social security costs	39,956	40,128
	556,124	**608,149**

Average number of full-time employees	**967**	**1,022**

	Remuneration of management 2024 DKK'000	Remuneration of management 2023 DKK'000
Executive Board	6,947	7,372
Board of Directors	917	1,132
	7,864	**8,504**

5 Depreciation, amortisation and impairment losses

	2024 DKK'000	2023 DKK'000
Amortisation of intangible assets	34,184	45,287
Depreciation on property, plant and equipment	34,375	36,863
	68,559	**82,150**

6 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Current tax	18,004	15,949
Change in deferred tax	(15,331)	(1,008)
	2,673	**14,941**

7 Proposed distribution of profit/loss

	2024 DKK'000	2023 DKK'000
Retained earnings	4,280	(74,173)
Minority interests' share of profit/loss	6,633	(628)
	10,913	**(74,801)**

8 Intangible assets

	Completed development projects DKK'000	Acquired trademarks DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	131,015	18,830	180,459	1,234
Addition through business combinations etc	4,736	0	0	0
Exchange rate adjustments	0	0	(46)	0
Transfers	1,255	0	0	(1,255)
Additions	335	0	9,245	1,136
Cost end of year	**137,341**	**18,830**	**189,658**	**1,115**
Amortisation and impairment losses beginning of year	(56,614)	(13,682)	(97,847)	0
Exchange rate adjustments	(4)	0	63	0
Amortisation for the year	(17,940)	(1,629)	(14,615)	0
Amortisation and impairment losses end of year	**(74,558)**	**(15,311)**	**(112,399)**	**0**
Carrying amount end of year	**62,783**	**3,519**	**77,259**	**1,115**

9 Development projects

The completed development projects and development projects in progress primarily consists of a new ERP-system as well as a digital trading platform as part of a substantial digital strategic plan onwards. Management expects a significant potential from the optimization and digitalization of the business, as future cash flows will ensure repayment of investments in the development projects, and Management does not see any indication of impairment to exist.

10 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	232,151	13,238	202,667	138,154
Exchange rate adjustments	51	(115)	219	(3,456)
Additions	122	179	4,905	1,771
Disposals	0	(8)	(5,226)	(1,440)
Cost end of year	**232,324**	**13,294**	**202,565**	**135,029**
Depreciation and impairment losses beginning of year	(50,323)	(2,257)	(138,786)	(71,792)
Exchange rate adjustments	(14)	12	(125)	3,670
Depreciation for the year	(5,856)	(1,826)	(13,844)	(12,849)
Reversal regarding disposals	0	8	3,341	1,440
Depreciation and impairment losses end of year	**(56,193)**	**(4,063)**	**(149,414)**	**(79,531)**
Carrying amount end of year	**176,131**	**9,231**	**53,151**	**55,498**
Recognised assets not owned by Entity	0	0	4,280	0

11 Financial assets

	Investments in associates DKK'000	Receivables from associates DKK'000	Deposits DKK'000
Cost beginning of year	46,212	16,595	11,693
Additions	0	1,240	0
Disposals	0	0	(1,110)
Cost end of year	**46,212**	**17,835**	**10,583**
Revaluations beginning of year	1,461	0	0
Exchange rate adjustments	1,673	0	0
Amortisation of goodwill	(371)	0	0
Share of profit/loss for the year	(855)	0	0
Adjustment of intra-group profits	871	0	0
Revaluations end of year	**2,779**	**0**	**0**
Carrying amount end of year	**48,991**	**17,835**	**10,583**

Investments in associates comprise unamortised goodwill of DKK 371k at 31.12.2024.

Associates	Registered in	Ownership %
Wooltex UK Ltd.	England	46.00
3 Days of Design ApS	Denmark	20.00
Innvik AS	Norway	30.00
Convert A/S	Denmark	48.67

12 Contract work in progress

	2024 DKK'000	2023 DKK'000
Contract work in progress	22,293	22,293
Progress billings	(17,985)	(18,206)
	4,308	**4,087**

13 Deferred tax

	2024 DKK'000	2023 DKK'000
Intangible assets	(10,087)	(13,684)
Property, plant and equipment	(982)	(2,732)
Inventories	5,768	5,449
Receivables	(1,180)	(1,180)
Provisions	457	70
Liabilities other than provisions	2,849	1,522
Tax losses carried forward	55,827	47,915
Deferred tax	**52,652**	**37,360**

Changes during the year	2024 DKK'000	2023 DKK'000
Beginning of year	37,360	36,126
Recognised in the income statement	15,331	1,008
Recognised directly in equity	(39)	226
End of year	**52,652**	**37,360**

Deferred tax has been recognised in the balance sheet as follows	2024 DKK'000	2023 DKK'000
Deferred tax assets	55,064	39,950
Deferred tax liabilities	(2,412)	(2,590)
	52,652	**37,360**

Deferred tax assets

Deferred tax assets consist primarily of timing differences on depreciation of fixed assets as well as tax loss carryforwards from foreign subsidiaries and parent company, which are expected to use the losses within 1-5 years as a result of future positive operations.

14 Prepayments

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

15 Contributed capital

	Number	Nominal value DKK'000
The shares are not divided into classes	1,000	100,000
	1,000	**100,000**

16 Other provisions

Other provisions comprise primarily costs from other contractual obligations expected to be incurred by the Group.

17 Other payables

	2024 DKK'000	2023 DKK'000
Holiday pay obligation	13,856	13,654
	13,856	**13,654**

18 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK'000	Due within 12 months 2023 DKK'000	Due after more than 12 months 2024 DKK'000	Outstanding after 5 years 2024 DKK'000
Mortgage debt	2,930	2,827	24,742	13,094
Bank loans	26,745	35,023	56,192	17,630
Lease liabilities	2,010	2,639	7,577	0
Other payables	0	0	13,856	13,856
	31,685	**40,489**	**102,367**	**44,580**

19 Other payables

	2024 DKK'000	2023 DKK'000
VAT and duties	6,557	0
Wages and salaries, personal income taxes, social security costs, etc. payable	18,349	25,048
Holiday pay obligation	20,977	19,856
Derivative financial instruments	5,353	5,372
Other costs payable	56,461	57,808
	107,697	**108,084**

Derivative financial instruments are described in note 24.

20 Deferred income

Deferred income includes grants for DKK 1,9m related to development projects in progress, of which DKK 0,8m has been recognized in line with the depreciation of the associated development project. Deferred income is recognized as other income in the income statement and in note 2.

21 Changes in working capital

	2024 DKK'000	2023 DKK'000
Increase/decrease in inventories	22,944	291
Increase/decrease in receivables	(3,296)	71,480
Increase/decrease in trade payables etc.	23,102	(50,271)
	42,750	**21,500**

22 Derivative financial instruments

The Company have no hedged currencies at the balance date 31 December 2024.

Other payables include the negative fair value of an interest rate swap of DKK 5,4m. The interest swap was made to hedge a fixed interest rate on the Company's floating-rate mortgage loan. The interest swap has a principal amount of DKK 20,0m and ensures a fixed interest rate of 4,82% in the remaining term of 14 years.

23 Unrecognised rental and lease commitments

	2024 DKK'000	2023 DKK'000
Total liabilities under rental or lease agreements until maturity	**200,440**	**243,036**

24 Assets charged and collateral

Mortgage debt (Kvadrat A/S) is secured by way of mortgage on properties. The carrying amount of mortgaged buildings is DKK 139.8m recognised under land and buildings. A owners mortgage of DKK 8m in properties has been pledged as security for outstanding balances with banks.

Kvadrat A/S has pledged its assets with a corporate mortgage as security for outstanding balances with banks. The nominal amount of the corporate mortgage is DKK 200m. The corporate mortgage includes acquired trademarks, plants and machinery, other fixtures and fittings, tools and equipment, inventories and trade receivables owned by Kvadrat A/S.

The carrying amount of acquired trademarks is DKK 13m.

The carrying amount of plants and machinery is DKK 2.9m.

The carrying amount of other fixtures and fittings, tools and equipment (leased not included) is DKK 18.2m.

The carrying amount of inventories is DKK 224m.

The carrying amount of trade receivables is DKK 25.2m.

25 Transactions with related parties

The annual report only dislose transactions with related parties that have not been completed on market terms.

No such transactions have been completed during the financial year.

26 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Kvadrat Holding A/S, CVR-nr. 15 12 00 02, Ebeltoft, Denmark.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Kvadrat Holding A/S, CVR-nr. 15 12 00 02, Ebeltoft, Denmark.

27 Pro-rata consolidated companies

	Registered in	Ownership %
Kvadrat Maharam Pty. Ltd.	Australia	50.00

28 Subsidiaries

	Registered in	Ownership %
Febrik BV	Netherlands	83.90
Kvadrat Weaving BV	Netherlands	99.94
Kinnasand GmbH	Germany	100.00
Kvadrat AB	Sweden	100.00
Kvadrat AG	Switzerland	97.00
Kvadrat Asia Investment Ltd.	Hong Kong	50.50
Kvadrat China Co. Ltd.	China	50.50
Kvadrat Singapore Pte. Ltd.	Singapore	50.50
Kvadrat Austria GmbH	Austria	97.00
Kvadrat BV	Netherlands	95.00
Kvadrat Finland Oy	Finland	100.00
Kvadrat GmbH	Germany	98.00
Kvadrat Iberia S.L.	Spain	95.00
Kvadrat Inc.	USA	100.00
Kvadrat Japan Co. Ltd.	Japan	80.00
Kvadrat Korea Co. Ltd.	South Korea	100.00
Kvadrat Ltd.	UK	100.00
Kvadrat Middle East DMCC	UAE	100.00
Kvadrat Norge AS	Norway	100.00
Kvadrat SA	France	95.00
Kvadrat Acoustics A/S	Denmark	85.00
Fabric Systems Ltd.	UK	85.00
Kvadrat Acoustics Inc.	USA	85.00
Kvadrat Soft Cells Hong Kong Ltd.	Hong Kong	85.00
Kvadrat Acoustics Sp. Z.o.o.	Poland	85.00
Kvadrat Acoustics Pty. Ltd.	Australia	85.00

	Registered in	Ownership %
Kvadrat SpA	Italy	100.00
Personal Design SrL	Italy	100.00
Kvadrat REALLY ApS	Denmark	100.00
Sahco GmbH	Germany	100.00
Kvadrat Czech Republic s.r.o.	Czech Republic	100.00
Kvadrat Shade Holding BV	Netherlands	100.00
Kvadrat Shade Services BV	Netherlands	100.00
Kvadrat High Performance Textiles BV	Netherlands	100.00
Kvadrat Shade Assembly BV	Netherlands	100.00
Kvadrat Shade Properties BV	Netherlands	100.00
Verosol Australia Pty Ltd.	Australia	80.00
Verosol Ibérica SAU	Spain	100.00
Tecnologia de Control Solar Mexicana, SA de CV	Mexico	100.00
Tecnologia de Control Solar Mexicana de Servicios, SA de CV	Mexico	100.00
VW Solarflex SA de CV	Mexico	100.00
Magniberg Design AB	Sweden	67.45
Kvadrat Middle East Textiles LLC	UAE	100.00
Hemp Bio ApS	Denmark	70.00

Parent income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Revenue	1	721,149	733,793
Other operating income	2	26,655	25,600
Cost of sales		(458,157)	(491,021)
Other external expenses		(106,232)	(115,500)
Gross profit/loss		**183,415**	**152,872**
Staff costs	3	(155,698)	(176,650)
Depreciation, amortisation and impairment losses	4	(28,950)	(31,358)
Other operating expenses		0	(216)
Operating profit/loss		**(1,233)**	**(55,352)**
Income from investments in group enterprises		31,046	14,135
Income from investments in associates		1,596	9,190
Other financial income	5	3,824	2,511
Other financial expenses	6	(44,226)	(43,702)
Profit/loss before tax		**(8,993)**	**(73,218)**
Tax on profit/loss for the year	7	13,276	(955)
Profit/loss for the year	8	**4,283**	**(74,173)**

Parent balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Completed development projects	10	53,098	68,183
Acquired trademarks		12,980	15,728
Intangible assets	9	**66,078**	**83,911**
Land and buildings		139,754	143,420
Plant and machinery		2,854	3,317
Other fixtures and fittings, tools and equipment		22,455	27,872
Leasehold improvements		640	2,176
Property, plant and equipment	11	**165,703**	**176,785**
Investments in group enterprises		327,437	290,740
Investments in associates		53,945	52,534
Receivables from associates		17,835	16,595
Deposits		997	1,774
Financial assets	12	**400,214**	**361,643**
Fixed assets		**631,995**	**622,339**

Work in progress		994	2,785
Manufactured goods and goods for resale		222,049	236,549
Prepayments for goods		1,224	1,350
Inventories		**224,267**	**240,684**
Trade receivables		25,284	17,388
Receivables from group enterprises		47,533	67,335
Receivables from associates		3,144	807
Deferred tax	13	32,231	19,527
Other receivables		3,901	8,407
Prepayments	14	8,657	11,799
Receivables		**120,750**	**125,263**
Cash		**2,455**	**9,228**
Current assets		**347,472**	**375,175**
Assets		**979,467**	**997,514**

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital		100,000	100,000
Reserve for fair value adjustments and hedging instruments		8,077	7,938
Reserve for net revaluation according to equity method		30,075	21,354
Reserve for development costs		41,414	56,966
Retained earnings		131,837	120,222
Equity		**311,403**	**306,480**
Provisions for investments in group enterprises	15	10,274	5,921
Provisions		**10,274**	**5,921**
Mortgage debt		24,742	27,587
Bank loans		51,591	73,281
Lease liabilities		4,440	6,266
Other payables	16	13,856	13,654
Non-current liabilities other than provisions	17	**94,629**	**120,788**

Current portion of non-current liabilities other than provisions	17	26,396	35,854
Bank loans		400,188	389,592
Prepayments received from customers		1,869	1,161
Trade payables		53,884	52,909
Payables to group enterprises		27,052	34,653
Payables to associates		34,170	25,837
Other payables	18	19,602	24,319
Current liabilities other than provisions		**563,161**	**564,325**
Liabilities other than provisions		**657,790**	**685,113**
Equity and liabilities		**979,467**	**997,514**

Financial instruments	19
Unrecognised rental and lease commitments	20
Contingent liabilities	21
Assets charged and collateral	22
Related parties with controlling interest	23
Transactions with related parties	24

Parent statement of changes in equity for 2024

	Contributed capital DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Reserve for net revaluation according to the equity method DKK'000	Reserve for development costs DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	100,000	7,938	21,354	56,966	120,222	306,480
Exchange rate adjustments	0	0	381	0	120	501
Fair value adjustments of hedging instruments	0	178	0	0	0	178
Other entries on equity	0	0	3,807	0	(3,807)	0
Tax of entries on equity	0	(39)	0	0	0	(39)
Dividends from group enterprises	0	0	(26,403)	0	26,403	0
Dividends from associates	0	0	(1,706)	0	1,706	0
Transfer to reserves	0	0	0	(15,552)	15,552	0
Profit/loss for the year	0	0	32,642	0	(28,359)	4,283
Equity end of year	**100,000**	**8,077**	**30,075**	**41,414**	**131,837**	**311,403**

Notes to parent financial statements

1 Revenue

	2024 DKK'000	2023 DKK'000
Other EU countries	600,068	611,145
Other countries	121,081	122,648
Total revenue by geographical market	**721,149**	**733,793**

The Company's business is divided into business segments and geographical markets.

The Company's primary segment comprises development and sale of design textiles and textile-related products. Secondary business areas are irrelevant. Referring to S. 96 of the Danish Financial Statements Act, Management does not want to provide additional information on the geographical distribution of revenue since a detailed distribution of revenue by geographical market will be highly detrimental to the Company's competitive situation.

2 Other operating income

	2024 DKK'000	2023 DKK'000
Salary reimbursement	2,375	1,654
Other income	626	224
Group service agreements	23,654	23,722
	26,655	**25,600**

3 Staff costs

	2024 DKK'000	2023 DKK'000
Wages and salaries	142,424	163,036
Pension costs	10,795	11,508
Other social security costs	2,479	2,106
	155,698	**176,650**

Average number of full-time employees	**200**	**218**

	Remuneration of Management 2024 DKK'000	Remuneration of Management 2023 DKK'000
Executive Board	6,947	7,372
Board of Directors	917	1,132
	7,864	**8,504**

4 Depreciation, amortisation and impairment losses

	2024 DKK'000	2023 DKK'000
Amortisation of intangible assets	17,995	19,337
Depreciation on property, plant and equipment	10,955	12,021
	28,950	**31,358**

5 Other financial income

	2024 DKK'000	2023 DKK'000
Financial income from group enterprises	1,786	1,382
Other financial income	2,038	1,129
	3,824	**2,511**

6 Other financial expenses

	2024 DKK'000	2023 DKK'000
Financial expenses from group enterprises	0	665
Other financial expenses	44,226	43,037
	44,226	**43,702**

7 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Current tax	269	955
Change in deferred tax	(13,545)	0
	(13,276)	**955**

8 Proposed distribution of profit and loss

	2024 DKK'000	2023 DKK'000
Retained earnings	4,283	(74,173)
	4,283	**(74,173)**

9 Intangible assets

	Completed development projects DKK'000	Acquired trademarks DKK'000
Cost beginning of year	121,838	27,479
Additions	162	0
Cost end of year	**122,000**	**27,479**
Amortisation and impairment losses beginning of year	(53,655)	(11,751)
Amortisation for the year	(15,247)	(2,748)
Amortisation and impairment losses end of year	**(68,902)**	**(14,499)**
Carrying amount end of year	**53,098**	**12,980**

10 Development projects

The completed development projects primarily consists of a new ERP-system as well as a digital trading platform as part of a substantial digital strategic plan towards 2023 and onwards. The ERP-system was successfully launched in 2020 while the first phases of the digital trading platform has been launched at the end of 2021. Management expects a significant potential from the optimization and digitalization of the business, as future cash flows will ensure repayment of investments in the development projects, and Management does not see any indication of impairment to exist.

11 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	187,584	4,116	89,997	15,340
Additions	68	0	0	0
Disposals	0	0	(429)	(1,048)
Cost end of year	**187,652**	**4,116**	**89,568**	**14,292**
Depreciation and impairment losses beginning of year	(44,164)	(799)	(62,125)	(13,164)
Depreciation for the year	(3,734)	(463)	(5,222)	(1,536)
Reversal regarding disposals	0	0	234	1,048
Depreciation and impairment losses end of year	**(47,898)**	**(1,262)**	**(67,113)**	**(13,652)**
Carrying amount end of year	**139,754**	**2,854**	**22,455**	**640**
Recognised assets not owned by entity	0	0	4,280	0

12 Financial assets

	Investments in group enterprises DKK'000	Investments in associates DKK'000	Receivables from associates DKK'000	Deposits DKK'000
Cost beginning of year	275,709	46,211	16,595	1,774
Additions	29,387	0	1,240	12
Disposals	0	0	0	(789)
Cost end of year	**305,096**	**46,211**	**17,835**	**997**
Revaluations beginning of year	15,031	6,323	0	0
Exchange rate adjustments	(1,140)	1,521	0	0
Amortisation of goodwill	(6,118)	(371)	0	0
Share of profit/loss for the year	35,459	1,096	0	0
Adjustment of intra-group profits	1,705	871	0	0
Dividend	(26,403)	(1,706)	0	0
Investments with negative equity value depreciated over receivables	(911)	0	0	0
Investments with negative equity value transferred to provisions	4,354	0	0	0
Other adjustments	364	0	0	0
Revaluations end of year	**22,341**	**7,734**	**0**	**0**
Carrying amount end of year	**327,437**	**53,945**	**17,835**	**997**

Investments in group enterprises comprise unamortised goodwill of DKK 37,9m at 31.12.2024.

Investments in associates comprise unamortised goodwill of DKK 371k at 31.12.2023.

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

Investments in associates	Registered in	Ownership %
Wooltex UK Ltd.	England	46.00
3 Days of Design ApS	Denmark	20.00
Innvik AS	Norway	30.00
Kvadrat Maharam Pty. Ltd.	Australia	50.00
Convert A/S	Denmark	48.67

13 Deferred tax

	2024 DKK'000	2023 DKK'000
Intangible assets	(9,443)	(13,367)
Property, plant and equipment	(1,037)	(2,798)
Inventories	4,663	4,778
Provisions	35	70
Liabilities other than provisions	660	148
Tax losses carried forward	37,353	30,696
Deferred tax	**32,231**	**19,527**

Changes during the year	2024 DKK'000	2023 DKK'000
Beginning of year	19,527	19,844
Recognised in the income statement	13,545	0
Recognised directly in equity	(39)	226
Tax losses used by group enterprises	(802)	(543)
End of year	**32,231**	**19,527**

Deferred tax assets
Deferred tax assets consists primarily of timing differences on depreciation of fixed assets as well as tax-loss carryforwards, which the company expects to use within 1-5 years as a result of future positive operations.

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

15 Provisions for investments in group enterprises
Provisions for investments in group enterprises is a result of investment in group enterprises with negative equity.

16 Other payables

	2024 DKK'000	2023 DKK'000
Holiday pay obligation	13,856	13,654
	13,856	**13,654**

17 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK'000	Due within 12 months 2023 DKK'000	Due after more than 12 months 2024 DKK'000	Outstanding after 5 years 2024 DKK'000
Mortgage debt	2,930	2,827	24,742	13,094
Bank loans	21,456	30,388	51,591	17,630
Lease liabilities	2,010	2,639	4,440	0
Other payables	0	0	13,856	13,856
	26,396	**35,854**	**94,629**	**44,580**

18 Other payables

	2024 DKK'000	2023 DKK'000
VAT and duties	0	1
Wages and salaries, personal income taxes, social security costs, etc. payable	3,715	7,795
Holiday pay obligation	7,100	7,417
Derivative financial instruments	5,353	5,372
Other costs payable	3,434	3,734
	19,602	**24,319**

Derivative financial instruments are described in note 19.

19 Derivative financial instruments

The Company have no hedges currencies at the balance sheet date 31 December 2024.

Other payables include the negative fair value of an interest rate swap of DKK 5.4m. The interest rate swap was made to hedge a fixed interest rate on the Company's floating-rate mortgage loan. The interest swap has a principal amount of DKK 20m and ensures a fixed interest rate of 4,82% in the remaining term of 13 years.

20 Unrecognised rental and lease commitments

	2024 DKK'000	2023 DKK'000
Total liabilities under rental or lease agreements until maturity	**9,871**	**10,072**

21 Contingent liabilities

	2024 DKK'000	2023 DKK'000
Recourse and non-recourse guarantee commitments	457,336	505,287
Contingent liabilities to group enterprises	**457,336**	**505,287**
Recourse and non-recourse guarantee commitments	7,733	6,527
Contingent liabilities to associates	**7,733**	**6,527**

The Company has provided a guarantee for the bank debt of subsidiaries and Kvadrat Holding A/S. The secured bank debt amounts to DKK 465m at 31.12.2024, which consists of the subsidiaries drawing on the credit facilities at their bank.

The Company has provided performance guarantees for DKK 38.2m at 31.12.2024.

The Company participates in a Danish joint taxation arrangement with Kvadrat Holding A/S serving 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 companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed companies. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

22 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties. The carrying amount of mortgaged buildings is DKK 139.8m recognised under land and buildings. A owners mortgage of DKK 8m in properties has been pledged as security for outstanding balances with banks.

The Company has pledged its assets with a corporate mortgage as security for outstanding balances with banks. The nominal amount of the corporate mortgage is DKK 200m. The corporate mortgage includes acquired trademarks, plants and machinery, other fixtures and fittings, tools and equipment, inventories and trade receivables.

The carrying amount of acquired trademarks is DKK 13m.

The carrying amount of plants and machinery is DKK 2.9m.

The carrying amount of other fixtures and fittings, tools and equipment (leased not included) is DKK 18.2m.

The carrying amount of inventories is DKK 224m.

The carrying amount of trade receivables is DKK 25.2m.

23 Related parties with controlling interest

The Parent Kvadrat Holding A/S, Central Business Reg. No: 15 12 00 02, Ebeltoft holds all shares in the Company and thus has a controlling interest in the Company.

24 Transactions with related parties

The annual report only dislose transactions with related parties that have not been completed on market terms. No such transactions have been completed during the financial year.

Accounting policies

Reporting class

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

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

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

Basis of consolidation

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

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

Profit or loss from divestment of enterprises

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

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

Derivative financial instruments

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

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Public grants

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset.

Income statement

Revenue

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

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Own work capitalised

Own work capitalised comprises #staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds .

Cost of sales

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

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as revenue recognition of grants recieved related to the intagible fixed assets and gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other operating expenses
Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

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

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

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

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

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

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

Balance sheet

Goodwill
Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

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

Intellectual property rights etc.
Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights and acquired intellectual property rights.

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

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

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

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights.

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

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

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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

	Useful life
Buildings	30-40 years
Plant and machinery	3-5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	contract period

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

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

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

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

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

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

Investments in associates
Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity values plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in associates.

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

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

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

Investments in associates fall within the definitions of both participating interests and associates, yet in these consolidated financial statements they have been presented as investments in associates because this designation reflects more accurately the Group's involvement in the relevant entities.

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

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

Cost consists of purchase price, design fee's plus delivery costs.

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

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary

differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

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

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

Cash
Cash comprises cash in hand and bank deposits.

Minority interests
On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

Other provisions
Other provisions comprise anticipated costs of decided and published restructuring, etc.

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.

Mortgage debt
At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Lease liabilities
Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

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

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

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income include grants received for development projects according to the Danish Financial Statements Act's requirement for gross presentation cannot be offset in the development cost in the balance sheet, but must presented separately under liabilities. Prepayment are measured at cost less a straight line income recognition in line with the linear depreciation of the associated activated project.

Cash flow statement

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

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

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities 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.

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, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less shortterm bank loans.