Lie ApS

Blegdamsvej 124, DK-2100 Copenhagen Ø

Annual Report for 2024

CVR No. 36 99 68 62

The Annual Report was presented and adopted at the Annual General Meeting of the company on 27th of June 2025

Anne Marie Lie Norvig
Chairman of the
general meeting

Contents

Management's statement

The Executive Board has today considered and adopted the Annual Report of Lie ApS for the financial year 1 January - 31 December 2024.

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

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position on 31 December 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 27th of June 2025

Executive Board

Anne Marie Lie Norvig
CEO

Independent Auditor's Report

To the shareholder of Lie ApS

Opinion

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

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Lie ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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 Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.
Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the Financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and the Parent Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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 Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial statements, including the disclosures, and whether the Financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

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

Hellerup, 27th of June 2025
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ulrik Ræbild
State Authorised Public Accountant
mne33262

Company Information

The Company	Lie ApS Blegdamsvej 124 2100 Copenhagen Ø CVR No: 36 99 68 62 Financial period: 1 January - 31 December Municipality of reg. office: København
Executive Board	Anne Marie Lie Norvig
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 4-year period, the development of the Group is described by the following financial highlights:

	Group			
	2024	2023	2022	2021
	TDKK	TDKK	TDKK	TDKK
Key figures				
Profit/loss				
Gross profit	57,699	76,122	106,860	130,157
Profit/loss of primary operations	-20,486	-15,855	26,021	85,045
Profit/loss of financial income and expenses	-4,123	-7,260	-11,639	-2,808
Net profit/loss for the year	-21,123	-17,979	10,817	63,782
Balance sheet				
Balance sheet total	144,210	178,144	226,536	194,196
Investment in property, plant and equipment	2,642	2,860	12,398	5,469
Equity	55,325	71,627	89,854	90,777
Cash flows				
Cash flows from:				
- operating activities	8,145	23,661	6,422	3,286
- investing activities	-2,728	-8,245	-31,148	-11,641
- financing activities	3,180	-1,000	-10,450	6,674
Change in cash and cash equivalents for the year	8,597	14,416	-35,176	-1,681
Number of employees	87	108	105	64
Ratios				
Gross margin	19.4%	22.5%	27.7%	36.6%
Profit margin	-6.9%	-4.7%	6.8%	23.9%
Solvency ratio	38.3%	40.2%	39.7%	46.7%
Return on equity	-33.3%	-22.3%	12.0%	89.5%

The key figures and ratios have been calculated as described in the Accounting Policies.

Management's review

LIEWOOD is a modern lifestyle brand designing a universe of products made for children and loved by parents.

Blending aesthetics, functionality, and sustainability, we offer timeless pieces across toys, interiors, nursery essentials, mealtime products, apparel, accessories, and footwear. Rooted in Nordic design traditions, every product is thoughtfully crafted from durable materials under ethical conditions. With a focus on quality and conscious living, LIEWOOD inspires families to make mindful choices - creating products made to be cherished, passed down, and enjoyed as part of everyday life. We bring affordable luxury to modern childhood, supporting families with beautifully designed solutions for all stages of growing up.

A strong position in a challenging market

At the Group, we have experienced a remarkable growth in the years following its launch and established a strong market presence. A development we are very thankful and proud of. Unfortunately, the Group has over the last couple of years experienced a challenging market, which has had a significant impact on the sales and result. Despite these challenges, we made substantial progress in several key areas, which we believe will position us for future stability and growth.

2024 has like in 2023 been both a developing and challenging year. While we expected to stabilize and growth our business, further, our customer segment experienced a challenging market environment, resulting in a decline in both sales and profitability compared to our expectations. This trend was influenced by a combination of macroeconomic pressures, shifting consumer behavior, and intensified competition across key markets. Throughout 2024, we have initiated several strategic measures aimed at streamlining operations and reducing costs. These included organizational restructuring, process improvements, and targeted efficiency programs. While these initiatives have laid a strong foundation for long-term improvements, the full financial and operational impact has not yet been realized within 2024. Therefore, the financial result for 2024 is not satisfactory to the management.

While 2024 presented headwinds, the actions taken have laid the groundwork for a more agile and resilient strategy. We remain committed to adapting to market dynamics and capturing growth opportunities in especially our wholesale channels. This underlines the continued high level of trust that consumers place in LIEWOOD and our brand. It reflects the enduring appeal and reputation we have built highlighting the strong connection and loyalty that end-consumers have towards our products and values.

Gross profit for the period declined, primarily driven by increased cost prices and elevated freight rates, which have put pressure on margins. In addition to these structural cost challenges, gross profit was further impacted by the strategic clearance of aged inventory at discounted prices. This inventory clean-up, while affecting short-term profitability, was necessary to optimize stock levels and improve operational efficiency going forward.

The Group's cash position is currently at very strong level, reflecting the positive impact of several strategic initiatives undertaken during the year. These include the successful clearance of aged inventory and a thorough clean-up of customer balances. As part of this process, a prudent and relatively high provision for doubtful debts was recognized in 2024, ensuring a more accurate and conservative representation of receivables.
These actions have not only strengthened the balance sheet but also enhanced financial transparency and resilience, positioning the group well for future growth.

In 2024, we successfully completed the strategic relocation of our warehouse and fulfillment operations from Denmark to Poland. This transition marks a significant milestone in our ongoing efforts to optimize logistics, enhance service delivery, and support long-term growth. We are now well-positioned to scale our operations more efficiently and respond more dynamically to market demands. The Poland facility will serve as a central hub for future growth initiatives and continued service excellence.

The financial results for 2024 were significantly affected by several one-time items, which account for a substantial portion of the loss. These include refinement of our customer portfolio and a strategic withdrawal from non-profitable markets. However, resolving these issues lays a solid and sustainable foundation for growth in 2025 and beyond. The income statement of the group shows a profit of -21.2 million DKK, and as of December 31, 2024, the balance sheet shows a positive equity of 55.2 million DKK.

Management's review

Sticking to the course by strengthening the financial position
As a response to the current challenges, we have recalibrated our strategy and financial objectives for LIEWOOD towards 2028. We expect a greater gross profit in 2025 and a continuously improvement of the Group's net working capital. These initiatives have positioned the Group for more stable and sustainable growth in 2025 and beyond.

With a focus on continuing to strengthen our market presence, the past year has been prioritized to stabilize and invest in our core business, building a solid platform for the years to come.

We are proud of our vision and our values, and we remain in a strong position across markets, and we aim for growth in our key markets in the time to come.

Making thoughtful choices on behalf of the future
At LIEWOOD, we dedicate ourselves to creating high-quality products for families and children across the world. We believe in being thoughtful and making informed decisions when creating safe and long-lasting products to the consumer.
Therefore, we are very mindful in our choice of materials like organic cotton, recycled polyester, recycled nylon and recycled plastic, as well as preferring mono materials for a large part of textile production, for easier recycling. The focus is continuously on sourcing better materials and experienced suppliers.

To ensure that all materials used in the supply chain meet the REACH standards and EU regulation, LIEWOOD has a Code of Conduct and Supplier Manual which is updated once a year, which ensures suppliers follows the updated requirements. At LIEWOOD, we take pride in our commitment to sustainability and quality. We strategically narrow down our supply chain to partner with the right stakeholders, ensuring that we deliver high-quality, long-lasting, and fully traceable products. Each year, we undergo rigorous audits for both the Global Organic Textile Standard (GOTS) and the Global Recycled Standard (GRS). In 2025, we are proud to announce that LIEWOOD once again achieved flawless results with zero non-conformities.

In addition, LIEWOOD has an Internal Compliance Team dedicated to ensuring that all products are tested in accordance with the safety regulations of the markets in which we operate. We utilize QARMA for our quality control (QC) processes, ensuring that all production orders undergo rigorous inspections. Furthermore, we use Claimlane to manage after-sales claims efficiently, providing our customers with reliable and responsive service.

Global standards as a driving force in production
At LIEWOOD, we are committed to contributing to the United Nations' 17 Sustainable Development Goals (SDGs), which aim to address global challenges. As part of our efforts to reduce fossil fuel consumption, most of our plastic products are partially made from recycled post-consumer plastic. In 2024, we updated some of our key steel products to 80% recycled steel, reducing CO_2 emissions. We continuously strive to increase the proportion of recycled materials in our products, aligning our practices with the SDGs to create a better future for the new generation of consumers.

Our value chain—from raw material sourcing through production, transportation, and final product delivery—comprises multiple stages, each with potential impacts on people and the environment. We recognize our responsibility to deepen our understanding of these processes and to continually enhance transparency and accountability throughout.

Looking ahead, our goals include fully mapping our raw material suppliers, increasing the number of products made from recycled and certified materials, innovate on packaging methods and overall, we aim to enhance our design processes with greater creativity and efficiency. While we are proud of our progress, we acknowledge that there is still much work to be done.

Engaged employees as a core value

At LIEWOOD, our employees are our most valuable asset and central to the continued success of our group. We rely on their knowledge, expertise, and dedication to drive innovation and growth. To support this, LIEWOOD established its Working Committee in 2022 to help maintain a safe, healthy, and inclusive working environment. In 2024, we were pleased to receive a visit from the Danish Working Environment Authority, which resulted in no remarks or issues—an outcome that reflects our strong commitment to employee well-being. Additionally, our annual employee satisfaction survey showed positive and stable results, reinforcing our focus on engagement and workplace quality.

We believe in the power of responsible business practices to create positive change across our stakeholder network. This includes a deep commitment to upholding fundamental human rights throughout our operations—from our headquarters in Copenhagen to every part of our global value chain. We fully endorse the International Bill of Human Rights, and the labor standards set by the International Labor Organization (ILO). Our approach is guided by the UN Guiding Principles on Business and Human Rights, particularly the "protect, respect, and remedy" framework.

Moreover, we uphold a strict zero-tolerance policy on corruption and bribery, reinforcing our commitment to integrity and ethical conduct in all areas of our business.

Financial Risks
Productions and procurement take place outside of Denmark, and a considerable part of the revenue is earned outside Denmark and settled in currencies other than DKK. This exposes LIEWOOD to continued fluctuations in exchange rates that affect both earnings and cash flows. To minimize risks, the company conducts ongoing hedging. However, the USD had a positive impact on the annual result. LIEWOOD only hedges cash flows and not speculative transactions.

Future Expectation
Looking ahead LIEWOOD is cautiously optimistic about the outlook for 2025. The restructuring efforts undertaken in 2024 have laid a solid foundation for future growth. LIEWOOD aims to continue its positive development, offering a core range of products to customers, strengthening the cooperation with existing customers, acquire new customers and grow within it’s own direct-to- consumer channel. Based on the current economic outlook and consumer behavior trends, we project that 2025 will mirror the challenges experienced in 2024. We will continue emphasis on operational efficiency and cost management to improve profitability. The first five months have been positive, with higher growth in sales than expected, and we are maintaining our expectations for the year. Consequently, we expect our EBITDA for 2025 to be between 10 – 20 million DKK.

Subsequent events
No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2024	2023	2024	2023
		DKK	DKK	DKK	DKK
Gross profit		**57,699,485**	**76,122,387**	**-247,505**	**-55,816**
Staff expenses	1	-66,778,144	-76,994,570	0	0
Amortization, depreciation and impairment losses of intangible assets and property, plant and equipment		-11,407,487	-14,982,631	-553,533	-553,533
Profit/loss before financial income and expenses		**-20,486,146**	**-15,854,814**	**-801,038**	**-609,349**
Income from investments in subsidiaries		0	0	-14,914,825	-12,834,855
Financial income	2	497,824	10,016	815,175	875,896
Financial expenses		-4,620,681	-7,269,958	-16,451	-2,069
Profit/loss before tax		**-24,609,003**	**-23,114,756**	**-14,917,139**	**-12,570,377**
Tax on profit/loss for the year	3	3,485,816	5,136,159	-114,075	-165,814
Net profit/loss for the year	4	**-21,123,187**	**-17,978,597**	**-15,031,214**	**-12,736,191**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2024	2023	2024	2023
		DKK	DKK	DKK	DKK
Completed development projects		12,832,483	16,203,788	0	0
Acquired trademarks		845,149	979,277	0	0
Goodwill		1,671,497	2,160,718	0	0
Intangible assets	5	**15,349,129**	**19,343,783**	**0**	**0**
Other fixtures and fittings, tools and equipment		7,389,013	11,783,752	27,914	92,225
Leasehold improvements		592,536	968,844	0	0
Property, plant and equipment	6	**7,981,549**	**12,752,596**	**27,914**	**92,225**
Investments in subsidiaries	7	0	0	30,870,001	33,038,767
Deposits	8	450,386	364,173	0	0
Fixed asset investments		**450,386**	**364,173**	**30,870,001**	**33,038,767**
Fixed assets		**23,781,064**	**32,460,552**	**30,897,915**	**33,130,992**
Finished goods and goods for resale		35,114,892	63,626,249	0	0
Prepayments for goods		27,692,604	27,159,924	0	0
Inventories		**62,807,496**	**90,786,173**	**0**	**0**
Trade receivables		33,618,218	31,255,894	0	0
Receivables from group enterprises		0	0	6,516,031	21,513,804
Other receivables		10,664,679	4,293,142	0	0
Deferred tax asset	9	3,700,001	807,816	11,765	3,586
Corporation tax		2,408,000	2,000,000	2,408,000	2,000,000
Prepayments	10	1,352,163	2,061,716	0	0
Receivables		**51,743,061**	**40,418,568**	**8,935,796**	**23,517,390**
Cash at bank and in hand		**5,878,513**	**14,478,395**	**3,897,222**	**3,568,293**
Current assets		**120,429,070**	**145,683,136**	**12,833,018**	**27,085,683**
Assets		**144,210,134**	**178,143,688**	**43,730,933**	**60,216,675**

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		DKK	DKK	DKK	DKK
Share capital		50,000	50,000	50,000	50,000
Reserve for net revaluation under the equity method		0	0	11,291,888	25,530,663
Reserve for development costs		10,009,335	12,638,953	0	0
Reserve for hedging transactions		1,378,875	-115,456	0	0
Retained earnings		31,960,460	46,441,116	32,056,782	33,433,950
Equity attributable to shareholders of the Parent Company		**43,398,670**	**59,014,613**	**43,398,670**	**59,014,613**
Minority interests		11,926,193	12,612,160	0	0
Equity		**55,324,864**	**71,626,773**	**43,398,670**	**59,014,613**
Other payables	13	1,411,715	1,539,339	0	0
Long-term debt		**1,411,715**	**1,539,339**	**0**	**0**
Credit institutions		53,611,503	70,808,859	0	0
Trade payables		22,884,314	21,601,859	178,750	52,000
Payables to owners and Management		0	586	0	586
Payables to group enterprises relating to corporation tax		0	0	122,254	1,149,476
Corporate income tax		315,931	0	0	0
Other payables		10,661,807	12,566,272	31,259	0
Short-term debt		**87,473,555**	**104,977,576**	**332,263**	**1,202,062**
Debt		**87,473,555**	**104,977,576**	**332,263**	**1,202,062**
Liabilities and equity		**144,210,134**	**178,143,688**	**43,730,933**	**60,216,675**

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Statement of changes in equity

Group

	Share capital	Reserve for development costs	Reserve for hedging transactions	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	50,000	12,638,953	-115,456	46,441,116	**59,014,613**	12,612,160	**71,626,773**
Exchange adjustments	0	0	0	-39,987	**-39,987**	-16,333	**-56,320**
Other changes	0	0	0	-289,036	**-289,036**	-118,057	**-407,093**
Extraordinary dividend paid	0	0	0	-1,750,000	**-1,750,000**	0	**-1,750,000**
Fair value adjustment of hedging instruments, end of year	0	0	1,915,809	0	**1,915,809**	782,513	**2,698,322**
Tax on adjustment of hedging instruments for the year	0	0	-421,478	0	**-421,478**	-172,153	**-593,631**
Development costs for the year	0	732,699	0	-732,699	**0**	0	**0**
Depreciation, amortization, and impairment for the year	0	-3,362,317	0	3,362,317	**0**	0	**0**
Other equity movements	0	0	0	0	**0**	4,930,000	**4,930,000**
Net profit/loss for the year	0	0	0	-15,031,250	**-15,031,250**	-6,091,937	**-21,123,187**
Equity at 31 December	**50,000**	**10,009,335**	**1,378,875**	**31,960,460**	**43,398,670**	**11,926,193**	**55,324,864**

Statement of changes in equity

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity on 1 January	50,000	25,530,663	33,433,950	**59,014,613**
Exchange adjustments	0	-40,015	28	**-39,987**
Other changes	0	-289,037	0	**-289,037**
Extraordinary dividend paid	0	0	-1,750,000	**-1,750,000**
Fair value adjustment of hedging instruments, end of year	0	1,915,809	0	**1,915,809**
Tax on adjustment of hedging instruments for the year	0	-421,478	0	**-421,478**
Net profit/loss for the year	0	-15,404,046	372,796	**-15,031,250**
Equity on 31 December	**50,000**	**11,291,897**	**32,056,777**	**43,398,670**

Cash flow statement 1 January - 31 December

	Note	Group 2024	Group 2023
		DKK	DKK
Result of the year		-21,123,187	-17,978,597
Adjustments	11	11,581,115	17,142,277
Change in working capital	12	21,902,464	31,253,460
Cash flow from operations before financial items		**12,360,392**	**30,417,140**
Financial income		497,824	10,024
Financial expenses		-4,620,681	-7,269,958
Cash flows from ordinary activities		**8,237,535**	**23,157,206**
Corporation tax paid		-92,063	504,000
Cash flows from operating activities		**8,145,472**	**23,661,206**
Purchase of intangible assets		-939,358	-5,423,154
Purchase of property, plant and equipment		-1,702,428	-2,860,251
Fixed asset investments made etc		-94,461	-40,418
Sale of fixed asset investments made etc		8,249	79,285
Cash flows from investing activities		**-2,727,998**	**-8,244,538**
Equity contribution		4,930,000	0
Dividend paid		-1,750,000	-1,000,000
Cash flows from financing activities		**3,180,000**	**-1,000,000**
Change in cash and cash equivalents		**8,597,474**	**14,416,668**
Cash and cash equivalents at 1 January		-56,330,464	-70,747,132
Cash and cash equivalents at 31 December		**-47,732,990**	**-56,330,464**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		5,878,513	14,478,395
Overdraft facility		-53,611,503	-70,808,859
Cash and cash equivalents at 31 December		**-47,732,990**	**-56,330,464**

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
1. Staff Expenses				
Wages and salaries	59,861,506	68,404,337	0	0
Pensions	6,088,571	7,665,944	0	0
Other social security expenses	305,668	237,886	0	0
Other staff expenses	522,399	686,403	0	0
	66,778,144	**76,994,570**	**0**	**0**
Average number of employees	**87**	**108**	**0**	**0**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Liewood A/S has introduced a warrant program which has been developed as part of the company's overall incentive strategy, with the aim of encouraging selected key individuals to actively contribute to the company's long-term value creation. The program is structured as an equity-based scheme, under which participants, subject to certain conditions, are granted the right to acquire shares in the company.

The warrants program for the Board of Directors, Executive Management, and key employees of Liewood A/S provides the opportunity to acquire subscription rights to shares in the company. Shares may be subscribed at a price of DKK 100 per share, fixed at the time of agreement.

Subscription of shares may take place until the latest of December 31, 2026. In case of EXIT such as sale of 50% or more of the company's shares to a third party, the completion of a stock exchange listing, the liquidation of the company or fusion eg. can the member decide to acquire subscription rights of shares in the company in relation to the EXIT.

During the 2024 financial year, Liewood A/S issued a total of 41,989 warrants to board of directors, executives and key employees. As of 31 December 2024, the covered executives and key employees had acquired a total of 0 warrants.

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
2. Financial income				
Interest received from group enterprises	0	0	734,137	865,880
Other financial income	497,824	10,016	81,038	10,016
	497,824	**10,016**	**815,175**	**875,896**

Notes to the Financial Statements

		Group		Parent company	
		2024	2023	2024	2023
		DKK	DKK	DKK	DKK
3.	**Income tax expense**				
	Current tax for the year	0	0	122,254	149,476
	Deferred tax for the year	-2,892,186	-4,934,233	-8,179	16,338
		-2,892,186	**-4,934,233**	**114,075**	**165,814**
	thus distributed:				
	Income tax expense	-3,485,816	-5,136,159	114,075	165,814
	Tax on equity movements	593,630	201,926	0	0
		-2,892,186	**-4,934,233**	**114,075**	**165,814**

		Group		Parent company	
		2024	2023	2024	2023
		DKK	DKK	DKK	DKK
4.	**Profit allocation**				
	Extraordinary dividend paid	1,750,000	1,000,000	1,750,000	1,000,000
	Reserve for net revaluation under the equity method	0	0	-15,404,046	-13,323,803
	Minority interests' share of net profit/loss of subsidiaries	-6,091,937	-5,242,406	0	0
	Retained earnings	-16,781,250	-13,736,191	-1,377,204	-412,388
		-21,123,187	**-17,978,597**	**-15,031,250**	**-12,736,191**
	Extraordinary dividend after year end	0	1,750,000	0	1,750,000

Notes to the Financial Statements

5. Intangible fixed assets

	Group			Parent company
	Completed development projects	Acquired trademarks	Goodwill	Goodwill
	DKK	DKK	DKK	DKK
Cost at 1 January	25,588,114	1,198,420	5,092,196	200,000
Additions for the year	939,358	0	0	0
Cost at 31 December	26,527,472	1,198,420	5,092,196	200,000
Impairment losses and amortization at 1 January	9,384,326	219,143	2,931,478	200,000
Amortization for the year	4,310,663	134,128	489,221	0
Impairment losses and amortization at 31 December	13,694,989	353,271	3,420,699	200,000
Carrying amount at 31 December	**12,832,483**	**845,149**	**1,671,497**	**0**

Liewood's development projects consist of development, improvement and upgrading of the Company's Webshop for the B2B-segment, logistics and Enterprise Resource Planning system. The development, improvements and upgrading are completed on an ongoing basis and are ready for use upon completion. The software platforms form the basis of a large part of the Company's existing business. The improvements and upgrading are expected to have lives of three years which are considered to reflect the useful lives. The projects are progressing according to plan through the use of the resources allocated by Management to the development.

6. Property, plant and equipment

	Group		Parent company
	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Other fixtures and fittings, tools and equipment
	DKK	DKK	DKK
Cost at 1 January	24,528,690	2,789,717	90,865
Additions for the year	1,623,210	79,217	0
Cost at 31 December	26,151,901	2,868,934	90,865
Impairment losses and depreciation at 1 January	12,744,938	1,820,873	-1,360
Depreciation for the year	6,017,950	455,525	64,312
Impairment losses and depreciation at 31 December	18,762,888	2,276,398	62,952
Carrying amount at 31 December	**7,389,013**	**592,536**	**27,914**

Notes to the Financial Statements

	Parent company	
	2024	2023
	DKK	DKK

7. Investments in subsidiaries

	2024 DKK	2023 DKK
Cost at 1 January	7,508,104	7,508,104
Addition for the year	12,070,000	0
Cost at 31 December	19,578,104	7,508,104
Value adjustments at 1 January	25,530,663	38,320,969
Exchange adjustment	-39,987	25,463
Other changes	-289,063	190
Net profit/loss for the year	-14,914,825	-12,834,855
Other equity movements, net	1,494,331	508,307
Amortization of goodwill	-489,221	-489,221
Value adjustments at 31 December	11,291,897	25,530,663
Carrying amount at 31 December	**30,870,001**	**33,038,767**
Positive differences arising on initial measurement of subsidiaries at net asset value	4,892,196	4,892,196
Remaining positive difference included in the above carrying amount at	1,671,497	2,160,718

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Liewood A/S	Copenhagen	71%
Liewood GmbH	Germany	71%
Liewood UK Limited	United Kingdom	71%

8. Other fixed asset investments
Group

	Deposits
	DKK
Cost at 1 January	364,173
Additions for the year	94,461
Disposals for the year	-8,249
Cost at 31 December	450,385
Carrying amount at 31 December	**450,385**

9. Deferred tax asset

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
Deferred tax asset at 1 January	807,816	-4,126,417	3,586	19,924
Amounts recognized in the income statement for the year	3,485,816	5,136,159	8,179	-16,338
Amounts recognized in equity for the year	-593,630	-201,926	0	0
Deferred tax asset at 31 December	**3,700,002**	**807,816**	**11,765**	**3,586**

The deferred tax asset arises from tax losses carried forward from previous financial years for Liewood A/S. Following a comprehensive restructuring process, LIEWOOD has implemented measures aimed at eliminating future losses. Based on the approved budgets and actual results realized subsequent to the balance sheet date, management has assessed the tax losses will be utilized within a period of 3 to 5 years.

10. Prepayments

Prepayments under assets are made up of prepaid costs relating to rent, insurance premiums and subscriptions.

Notes to the Financial Statements

	Group	
	2024	2023
	DKK	DKK

11. Cash flow statement - Adjustments

Financial income	-497,824	-10,016
Financial expenses	4,620,681	7,269,958
Depreciation, amortization and impairment losses, including losses and gains on sales	11,407,487	14,982,631
Tax on profit/loss for the year	-3,485,816	-5,136,159
Other changes in equity	-407,093	0
Exchange rate adjustments	-56,320	35,863
	11,581,115	**17,142,277**

12. Cash flow statement - Change in working capital

Change in inventories	27,978,677	37,647,967
Change in receivables	-8,024,308	10,475,319
Change in trade payables, etc.	-750,227	-17,787,678
Fair value adjustments of hedging instruments	2,698,322	917,852
	21,902,464	**31,253,460**

13. Long-term debt

Payment due within 1 years are recognized in short-term debt. Other debt is recognized in long-term debt.

The debt falls due for payment as specified below:

Other payables		
After 5 years	1,411,715	1,539,339
Long-term part	1,411,715	1,539,339
Other short-term payables	10,661,807	12,566,272
	12,073,522	**14,105,611**

14. Contingent assets, liabilities and other financial obligations

	Group		Parent company	
	2024	2023	2024	2023
	DKK	DKK	DKK	DKK
Charges and security				
The following assets have been placed as security with bankers:				
Inventories	62,807,496	86,628,136	0	0
Trade receivables	30,348,771	22,852,648	0	0
Other fixtures and fittings, tools and equipment	7,361,099	11,691,527	0	0
Leasehold improvements	592,536	968,844	0	0
Completed development projects and acquired trademarks	13,677,632	17,183,065	0	0

The security with bankers comprises of a business mortgage registered to Liewood A/S totaling t.DKK 70,000, providing security for bank loans in Liewood A/S of t.DKK 53.611.

Rental and lease obligations

The company has entered operational leases. The leases have up to 11 months to maturity and total outstanding lease payments total t.DKK 91.

The company has entered a lease on premises. These contracts are non-cancellable until 1 June 2028. The annual rent amounts to t.DKK 11,227. The total outstanding lease payments is t.DKK 41.141.

Other contingent liabilities

Liewood A/S has issued a letter of financial support to the subsidiaries Liewood GmbH and Liewood UK Limited to cover negative equity balances.

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Lie ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

15. Related parties

Controlling interest	Basis
Lie ApS, Blegdamsvej 124, 2100 Copenhagen Ø	Majority shareholder

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

16. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

17. Accounting policies

The Annual Report of Lie ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024 are presented in DKK.

Adjustment of comparative figures

Certain reclassifications have been made in the balance sheet for the Company. Comparative and key figures have been adjusted accordingly.

Change in accounting estimate

The company has revised the amortization periods for certain software systems to better reflect their expected useful lives. B2B portal and ERP system has been changed from 3 years to 7 years and PLM/PIM system from 3 years to 5 years. The change is based on extended economic lifespans and ongoing minor updates that do not significantly alter system functionality. Existing assets will be amortized over the revised remaining life, and new assets from 2024 onward will follow the new periods.

The impact in 2024 has been a reduction in depreciation expenses of DKK 5.4 million, resulting in a corresponding increase in the carrying amount of assets by the same amount.

Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Lie ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realized and unrealized profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognized based on a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognized in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalized and recognized in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognized directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognized in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognized directly in equity.

Derivative financial instruments

Derivative financial instruments are initially recognized in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognized in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognized asset or a recognized liability are recognized in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognized in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognized in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognized in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognized. The amount is recognized in the same item as the hedged transaction.

Notes to the Financial Statements

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognized directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognized in the income statement.

Income statement

Revenue

Revenue from the sale of goods is recognized when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably, and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognized exclusive of VAT and net of discounts relating to sales.

Cost of goods sold

Cost of goods sold comprise the purchase price etc. for goods sold in the year.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, cost of goods sold and other external expenses.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses comprise amortization, depreciation and impairment of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, realized and unrealized exchange adjustments as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity.

Any changes in deferred tax due to changes to tax rates are recognized in the income statement.

The Company is jointly taxed with. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortized on a straight-line basis over the estimated useful life of 10 years, determined based on Management's experience with the individual business areas.

Development projects

Costs of development projects comprise salaries, amortization and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognized as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognized as expenses in the income statement as incurred.

Capitalized development costs are measured at cost less accumulated amortization and impairment losses or at a lower recoverable amount. An amount corresponding to the recognized development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognized in financial years beginning on or after 1 January 2016. The reserve is reduced by amortization of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalized development costs are amortized on a straight-line basis over the period of the expected economic benefit from the development work. The amortization period is 3-7 year.

Other intangible fixed assets

Rights are measured at cost less accumulated amortization and less any accumulated impairment losses or at a lower value in use.

Rights are amortized over the period of the agreements, which is 10 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-8 years
Leasehold improvements	3-8 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries are recognized and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealized intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method "under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognized at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognized in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realizable value.

The net realizable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realizable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of finished goods and goods for resale equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions.

Notes to the Financial Statements

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred tax is recognized in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognized in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured based on the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallize as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured based on the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognized in the balance sheet at the amount calculated based on the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans, such as loans from credit institutions, are recognized initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortized cost; the difference between the proceeds and the nominal value is recognized as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortized cost, which for cash loans corresponds to the remaining loan. Amortized cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortized cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group’s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group’s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortization and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Notes to the Financial Statements

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise" Cash at bank and in hand" and" Overdraft facilities".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Solvency ratio	Equity at year end x 100 / Total assets at year-end
Return on equity	Net profit for the year x 100 / Average equity