

COMPANY ANNOUNCEMENT

Gabriel Holding A/S

Financial reporting and general meeting for 2023/24 are postponed. Expectations for the continuing operations in the 2024/25 financial year are published.

Publication of the annual report for 2023/24 for Gabriel Holding A/S and the date of the Group's general meeting are postponed due to financial reporting challenges in the Gabriel Group's Mexican subsidiary, which is a production unit in the FurnMaster business unit.

The financial reporting in the Mexican subsidiary has not been completed as planned. The management of the subsidiary's accounting department resigned shortly before the end of the financial year, which resulted in a time-consuming process of analysing and stating reliable financial figures. During this process, uncertainty arose about the statement of financial position, including the subsidiary's inventories.

Management has therefore decided to carry out a structured and detailed review of the basis for the Mexican subsidiary's financial reporting as management wants to be certain that the financial reporting is reliable and can form the basis for recognition in the consolidated financial statements for Gabriel Holding A/S.

As a result, the publication of the Gabriel Group's annual report for 2023/24 planned for 20 November 2024 is postponed to a date expected to be announced by 8 January 2025. The annual general meeting will be held on 29 January 2025. The company's financial calendar has been updated accordingly on the company's website.

As part of a new growth strategy for the Gabriel Group, management announced in August 2024 that the global development of the Gabriel Fabrics and SampleMaster business units will be intensified and that the process of divesting the FurnMaster business unit had been initiated.

This process is proceeding as planned and management expects to complete the divestment during the 2024/25 financial year. In the consolidated financial statements and parent company financial statements for 2023/24, the FurnMaster business units will consequently be treated as discontinuing operations in the income statement, and assets and liabilities held for sale will be shown on a separate line in the statement of financial position. Activities that are not sold during the process will in future be treated as continuing operations in the Group.

In the annual report covering the 2022/23 financial year, management stated that it expected revenue of the order of DKK 850 – 900 million and operating profit (EBIT) of DKK 0 – 10 million for all business activities including discontinuing operations. After four months of the 2023/24 financial year, these expectations were upwardly adjusted to revenue of DKK 880 – 930 million and operating profit (EBIT) of DKK 8 – 15 million. Based on the information available, these expectations are maintained.

The Group's continuing operations and expectations for the 2024/25 financial year

The unaudited results for the Gabriel Group for 2023/24 show that Gabriel's continuing operations deliver solid growth. According to unaudited figures for 2023/24, the continuing operations delivered revenue of DKK 483 million (DKK 454 million), equivalent to 6% growth, and operating profit (EBIT) of DKK 19.7 million (DKK 13.1 million).

Management expects that the challenging market conditions affecting the furniture industry will continue in the 2024/25 financial year, primarily as a result of continued geopolitical risks and uncertainty about inflation, currencies and interest rate trends.

However, the continuing operations delivered growth in revenue and profit for the 2023/24 financial year and management expects that this trend will continue.

On this basis, revenue of DKK 485 – 530 million (0 – 10% growth) and operating profit (EBIT) of DKK 20 – 30 million are expected from continuing operations (the unaudited profit for 2023/24 is DKK 19.7 million).

A high level of uncertainty surrounds the expectations for the 2024/25 financial year, primarily as a result of the above-mentioned market risks.