TCM Group

ANNUAL REPORT 2024

SVANE KØKKENET
nettoline
TVIS KØKKEN
AUBO

TCM Group A/S, Skautrupvej 16, 7500 Holstebro, Denmark, CVR No. 37291269

OUR PURPOSE

We create better kitchen environments for the heart of your home

Our overall purpose is to create a better home life for everyone. Regardless of family constellations, housing type and financial situation.

We want to be a contributor to our customers' everyday happiness, and we do so by working together across teams and organisations, always with the customers in focus.

TVIS KØKKEN
Frame, Keramik supermat

MANAGEMENT REVIEW

ESG STATEMENTS

FINANCIAL STATEMENTS

STATEMENTS

SVANE KØKKENET
ARC1
Notes Bronze

Front page photo

AT A GLANCE

At AUBO, we cater to clients who appreciate kitchens at a level beyond the ordinary. We build our kitchens with an insistent West Jutland thoroughness and an attention to detail, which means they will last in everyday use for generations to come.

AUBO

Sense, Truffel Brown

LETTER TO OUR SHAREHOLDERS

A YEAR OF CHALLENGES AS WELL AS NEW OPPORTUNITIES FOR TCM GROUP
2024 presented both challenges and new opportunities for TCM Group. Despite persistent headwinds in the Danish market for new housing projects, and in the Norwegian market as a whole, TCM Group is strongly positioned both now and for the future thanks to our increased focus on the consumer business (B2C*), our unwavering commitment to innovation and operational excellence, and our continued strategic investments.

NAVIGATING A DYNAMIC MARKET ENVIRONMENT
The macroeconomic environment in which TCM operates remained uncertain throughout 2024, although inflationary pressures eased and interest rates in Denmark were lowered. Activity in the Danish housing market increased compared with 2023, but remained below pre-pandemic levels. B2C demand showed signs of recovery, supported by improving consumer sentiment. However, the professional business-to-business (B2B) market segment, particularly sales to new housing projects, saw decreasing demand throughout the year.

In Norway, which accounts for approximately 19% of our business, market conditions remained challenging, with very low activity in the project sector and few new private houses being built, while the B2C area remained relatively subdued.

Against this backdrop, we delivered overall revenue growth of 11%, reaching revenue of DKK 1,204 million for the year. This reflects an underlying flat organic** sales development despite the significant downturn in the B2B project market. We reached an adjusted EBIT of DKK 90 million, up from DKK 56 million in 2023, corresponding to a margin of 7.5%, up from 5.1% in 2023. This improvement reflects disciplined cost management, prudent capacity adjustments and ongoing investments in our core business areas.

Considering TCM's strengthened financial position, the Board of Directors will propose to the Annual General Meeting the distribution of an ordinary dividend of DKK 3 per share for 2024. This corresponds to a total distribution of DKK 31 million, representing 54% of the net profit for 2024 and within the company’s dividend policy.

STRATEGIC INVESTMENTS AND INNOVATIONS
Our commitment to innovation in the kitchen business continued to drive progress. In 2024, TCM launched several new product ranges tailored to evolving consumer preferences. Notably, the Group introduced two new Svane Køkkenet designs, New Tradition and ARC1, with the latter redefining the application of ceramic materials in kitchen design.

In alignment with our digitalisation strategy, we began developing a new ERP platform. This milestone project, set to go live in 2025, will streamline operations, improve partner collaboration and enhance customer experiences across all touchpoints.

AUBO INTEGRATION PROGRESS
The integration of AUBO Production A/S, acquired in 2023, remained on track. In 2024, we realised significant synergies within sourcing and production, consolidating our leadership position in the Nordic market and creating a stronger foundation for future growth.

SUSTAINABILITY AT THE CORE
Sustainability remains a cornerstone of our strategy. Within TCM, in 2024 we achieved a 2% reduction in scope 1 and 2 CO_2 emissions compared with 2023, bringing our total reduction to over 53% compared with the 2021 baseline, significantly above the Science Based Targets

SVANE KØKKENET
Notes Bronze

initiative (SBTi) goal of 42% by 2030 for small and medium-sized enterprises.

In 2024, we also mapped our scope 3 emissions, establishing a baseline to ensure that we achieve our ambition of a 42% reduction by 2050, aligned with SBTi recommendations.

As part of our commitment to transparency regarding the environmental impact of our products, we released third-party-approved environmental product declarations (EPDs) for the AUBO brand. This means all TCM Group brands are now covered by EPDs.

LOOKING AHEAD

As we enter 2025, we remain cautiously optimistic about the market outlook in general. While some inflationary pressures are easing and the central banks have begun to lower short-term interest rates, the full impact of interest rate adjustments on consumer confidence and the level of activity in the housing market remains uncertain. Nevertheless, we are confident that our strategic priorities, combined with an agile operational framework, will enable us to navigate these uncertainties effectively.

Our financial outlook for 2025 reflects this cautious optimism, with anticipated revenue growth across our core markets in Denmark and Norway, driven by continued B2C recovery combined with a potential recovery in the B2B project market in the second half of the year. We expect to be able to convert the growth in sales into increased profitability through ongoing efficiency improvements and further integration synergies in AUBO. On the other hand, we expect continued input cost inflation, wages and logistics costs, which will put pressure on margins to the extent that we cannot pass on these increases through our sales prices.

We expect to take full control of Celebert ApS by acquiring the remaining 55% stake in the company during the second half of 2025. Celebert ApS has delivered impressive revenue and earnings growth in the online market in recent years. By acquiring the remaining stake, we will gain full control of this important sales channel, enabling further sales and cost synergies. In 2024, Celebert ApS generated revenue of approximately DKK 150 million, with an EBIT margin of around 11%.

For 2025, TCM expects full-year revenue in the range of DKK 1,250–1,400 million and adjusted EBIT of DKK 90–120 million. This assumes full ownership of Celebert ApS in the latter months of the year.

GRATITUDE AND COMMITMENT

We would like to extend our sincere gratitude to our employees and franchise partners for their continued support throughout 2024. Their dedication and hard work are key to our progress and inspire us to keep working diligently to develop the business and to prioritise innovation, customer satisfaction and sustainability.

Together, we create better kitchen environments for the heart of our customers' homes. Our goal remains to be the first choice for kitchen solutions, delivering value to all stakeholders while maintaining our commitment to quality and excellence.

ANDERS SKOLE-SØRENSEN
Chair

TORBEN PAULIN
CEO

* B2C comprises sales where the stores contract directly with the private end-customers, B2B comprises sales where the stores contract with professional customers, e.g. house builders and project developers.
** Organic is exclusive of the impact of the acquistion of AUBO Production A/S.

ABOUT TCM GROUP

TCM Group is Scandinavia's third-largest kitchen manufacturer, with headquarters in Denmark and selling through approximately 220 points of sale across Scandinavia. The majority of our business is concentrated in Denmark, with Norway the primary export market. The product offering includes kitchens, bathroom furniture and storage solutions.

Manufacturing is largely carried out in-house at four manufacturing sites located in Tvis and Aulum (in the western part of Denmark).

TCM Group pursues a multi-brand strategy in which the main brand is Svane Køkkenet and the other brands are Tvis køkken, Nettoline, AUBO and private label. Combined, the brands cover the entire price spectrum. Products are mainly marketed through a network of franchise stores and independent kitchen retailers. Furthermore, TCM Group is a supplier to the 45% owned e-commerce kitchen business Celebert, which operates under the brands kitchn.dk, billigskabe.dk, Celebert and Just Wood.

TCM Group is listed on Nasdaq Copenhagen.

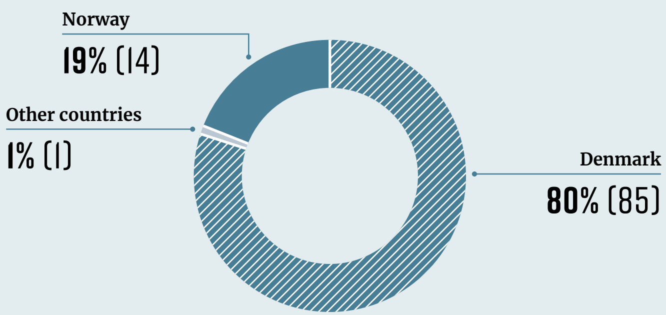
REVENUE*, DKK

1,204 m
(1,084)

ADJUSTED EBIT MARGIN*

7.5 %
(5.1)

REVENUE*



* AUBO Production A/S is included in the consolidated figures as of 3 July 2023.

ABOUT TCM GROUP

BRANDED STORES

As of 31 December 2024
(comprising Svane Køkkenet, Tvis Køkken, AUBO and Nettoline)

112

SVANE KØKKENET

29 Danish stores
9 Norwegian stores

TVIS KØKKEN

21 Danish stores
1 Norwegian store
1 Icelandic store

nettoline

27 Danish stores
Norwegian stores
Icelandic stores
Faroese stores

AUBO

24 Danish stores
Norwegian shop-in-shop stores
Icelandic stores
Faroese stores

CELEBERT

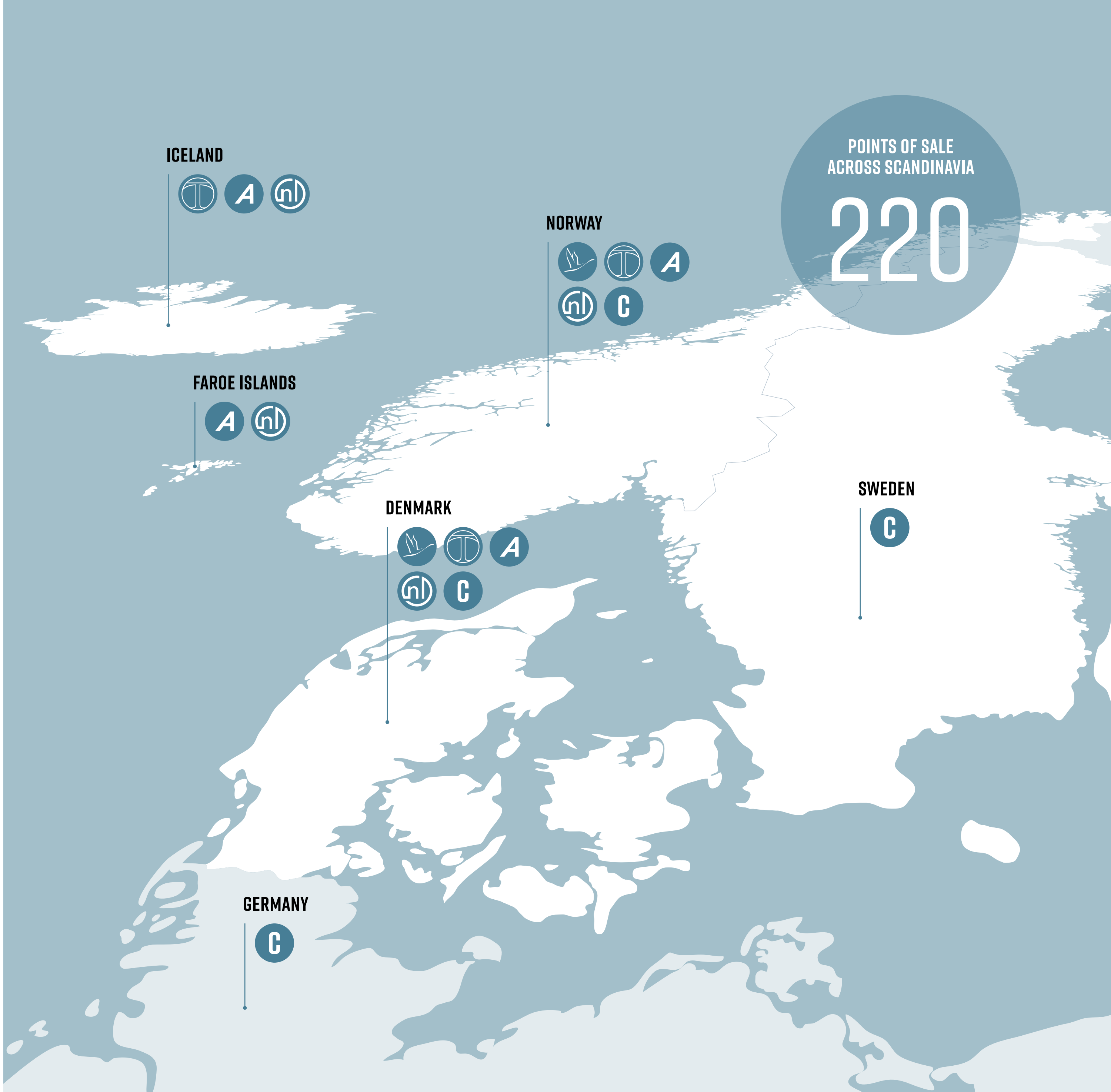
ONLINE SALES

Online sales in Denmark, Norway, Sweden and Germany

STORE OPENINGS 2024

Total store openings

3	4
Nettoline	AUBO



KEY FIGURES AND RATIOS

DKK'000	2024	2023*	2022	2021	2020
INCOME STATEMENT					
Revenue	**1,203,783**	**1,084,126**	**1,111,030**	**1,073,490**	**993,392**
Gross profit	255,406	215,800	228,615	248,241	268,191
Earnings before interest, tax, depreciation and amortisation (EBITDA)	125,895	77,367	114,864	155,365	156,058
Adjusted EBITDA	125,895	85,271	121,342	154,674	161,058
Earnings before interest, tax and amortisation (EBITA)	98,797	53,239	97,509	139,847	142,471
Operating profit before non-recurring items (Adjusted EBIT)	**90,308**	**55,610**	**103,391**	**137,756**	**139,717**
Operating profit (EBIT)	**90,308**	**45,795**	**96,913**	**138,447**	**134,717**
Financial items	-26,598	-20,897	-8,809	-3,262	-3,997
Profit before tax	69,443	27,092	89,401	135,738	130,720
Net profit for the year	57,675	21,522	70,492	110,709	102,243
BALANCE SHEET					
Total assets	1,206,544	1,200,873	970,227	907,321	929,451
Net working capital	-14,336	-13,160	-47,630	-81,649	-116,978
Net interest-bearing debt (NIBD)	316,229	349,312	288,112	199,461	-42,873
Equity	589,484	529,653	420,629	419,691	574,373
CASH FLOW					
Operating cash flow before acquisitions of operations	58,887	39,954	39,478	44,462	101,048
CapEx excl. acquisitions	20,983	21,621	22,696	29,168	30,993
Cash conversion, %	84.3	37.6	53.3	58.3	85.8

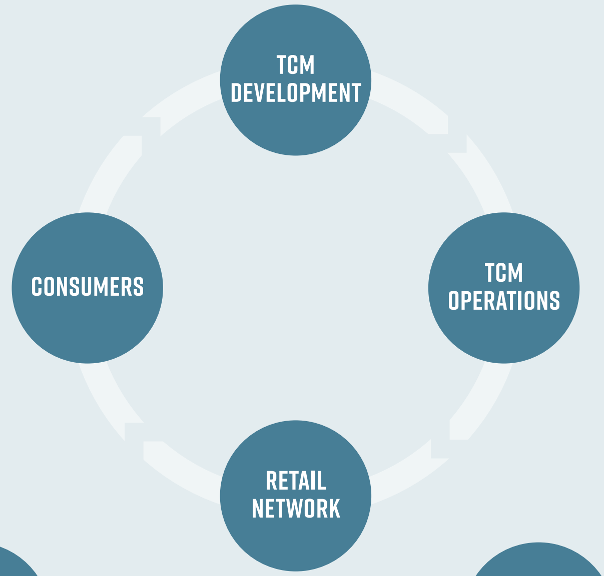
* AUBO Production A/S has been included in the consolidated figures as of 3 July 2023; see note 26.
See note 1 Accounting policies for further information.
See page 75 for definitions of key figures and ratios.

DKK'000	2024	2023*	2022	2021	2020
GROWTH RATIOS					
Revenue growth, %	11.0	-2,4	3.5	8.1	1.5
Gross profit growth, %	18.4	-5.6	-7.9	-7.4	-2.9
Adjusted EBIT growth, %	62.4	-46.2	-24.9	-1.4	-9.0
EBIT growth, %	97.2	-52.7	-30.0	2.8	-8.1
Net profit growth, %	168.0	-69.5	-36.3	8.3	-8.2
MARGINS					
Gross margin, %	21.2	19.9	20.6	23.1	27.0
Adjusted EBITDA margin, %	10.5	7.9	10.9	14.4	16.2
Adjusted EBIT margin, %	7.5	5.1	9.3	12.9	14.1
EBIT margin, %	7.5	4.2	8.7	12.9	13.6
OTHER RATIOS					
Solvency ratio, %	48.9	44.1	43.4	46.3	61.8
Leverage ratio	2.50	4.08	2.35	1.33	-0.23
NWC ratio, %	-1.2	-1.5	-4.3	-7.6	-11.8
CapEx ratio excl. acquisitions, %	1.7	2.0	2.0	2.7	3.1
SHARE INFORMATION					
Number of outstanding shares	10,440,587	10,438,638	9,067,294	9,174,073	10,000,000
Weighted average number of outstanding shares	10,440,012	9,767,408	9,074,847	9,584,933	10,000,000
Number of treasury shares	73,051	75,000	75,000	825,927	0
Earnings per share before dilution, DKK	5.52	2.20	7.77	11.55	10.22
Earnings per share after dilution, DKK	5.51	2.20	7.76	11.54	10.22

OUR BUSINESS MODEL

TCM Group is Scandinavia's third-largest kitchen manufacturer, with headquarters and four production sites in Denmark and selling through approximately 220 points of sale across Scandinavia, including 112 branded stores.

SVANE KØKKENET · TVIS KØKKEN · AUBO · nettoline · CELEBERT ONLINE SALES



TCM DEVELOPMENT

PRODUCT DEVELOPMENT
All products are Danish-designed, rooted in a proud tradition of good quality and good craftmanship. TCM Group has in-house architects and a research and development centre, and relies on strong partnerships with external partners, designers and subject matter experts.

SOURCING
Our focus is a local supply chain, and more than 90% of our direct materials are sourced in Europe.

TCM OPERATIONS

PRODUCTION
Manufacturing is largely carried out in-house at our four manufacturing sites located in Denmark.

RETAIL NETWORK

CUSTOMERS / SALES
We distribute most of our products to thousands of end-customers through a retail network comprising 220 points of sale across Scandinavia, including 112 branded stores. This network is owned and operated by independent retailers or large building material providers. Through close collaboration, we aim to deliver high-quality products and exceptional service to our end-customers.

Our retail network is a key pillar of our business, and the retailers act as the face of our brand, providing personalised advice, hands-on demonstrations and tailored solutions to meet diverse customer needs. Their expertise enables us to build long-lasting relationships with customers, making it easier to understand and respond to market demands.

LOGISTICS
We rely on local distributors to ensure focus on end-to-end deliveries to the end-customer.

CONSUMERS

CONSUMERS
We provide durable products that are built to last. It is our product strategy to ensure that the products that we offer contribute to a healthy indoor environment and can be upgraded and renewed to extend their life. We work with circular design principles to ensure that once our products can no longer be used in their current form, they can be recycled into new products.

HOW WE CREATE VALUE

TCM Group

	SVANE KØKKENET	TVIS KØKKEN	AUBO	nettoline	CELEBERT / PRIVATE LABEL ONLINE / SHOP-IN-SHOPS
WHAT WE DO	Kitchens Bathroom fixtures Utility room fixtures Sliding door cabinets	Kitchens Bathroom fixtures Utility room fixtures Sliding door cabinets	Kitchens Bathroom fixtures Utility room fixtures Sliding door cabinets	Kitchens Bathroom fixtures Utility room fixtures Sliding door cabinets	Kitchens Bathroom fixtures Utility room fixtures Sliding door cabinets
SPECIAL CAPABILITIES	Architect-designed kitchens Large assortment	Large assortment	Medium assortment	Flat pack Fast delivery	Flat pack Fast delivery
COMPETENCES	Made-to-order Customisation Very high flexibility	Made-to-order Customisation Very high flexibility	Made-to-order Customisation	Stock items	Stock items

OUR BUSINESS

A Tvis kitchen is a long-term choice of Danish quality for your home.

We know this because we have been making kitchens for more than 70 years.

TVIS KØKKEN

Plain, Fjordblå
Duet

STRATEGY AND FINANCIAL OUTLOOK

While investing in growth, our target is still to remain in the top tier of the kitchen industry with regard to profitability and cash flow.

STRATEGY

TCM Group's overall strategy is to aim for double-digit annual growth rates in the short to mid term. This means we are aiming for growth in all brands, markets and channels. While investing in growth, our target is still to remain in the top tier of the kitchen industry with regard to profitability and cash flow. This will be achieved through efficiencies of scale, optimisation in our production and supply chain set-up, and investment in modern production technology. In addition to organic growth, the Group monitors the market for acquisition opportunities, primarily in Scandinavia, which resulted in the acquisition of AUBO Production A/S in 2023. The acquisition supported our growth strategy in Norway, and has substantially improved our footprint in the country without creating a conflict with our distribution of Svane Køkkenet and Nettoline. In 2024, we focused on integrating AUBO, delivering tangible synergies within sales, supply chain and administration. The integration journey will continue in the coming years.

GROUP

To extend the different positionings of our brands and be our customers' first choice for the heart of their homes, we will continue to develop new, exciting and sustainable kitchen, bath and storage solutions, designs and functionalities.

To support our growth ambitions in all brands and markets, we are continuing to invest in flexibility at our four factories, while also supporting our long-term growth ambitions. We will invest in further digitalising processes in our supply chain, administration and retail network, and thereby continuously improve and strengthen the entire value chain of our business.

In all that we do, we are determined to act as responsibly as possible with regard to people, planet and products. Please see the separate ESG section for further elaboration of our strategic targets and initiatives.

TVIS KØKKEN
MG50

CASE: TVIS KØKKEN REBRANDING

The rebranding of Tvis Køkken has been a success. "With respect for your home", combined with new product variants inspired by classic designs, a broad product range, real home imagery, and a redesigned logo and store design, has clarified the brand message, aligning with the trend towards authenticity and responsibility. As Denmark's oldest kitchen brand, Tvis Køkken can credibly tell the story of timeless design and, with over 70 years of local production, document the enduring quality of its kitchens. This has set Tvis Køkken apart from other kitchen brands, and as a result Tvis Køkken has delivered double-digit sales growth two years in a row.

FINANCIAL OUTLOOK 2025

As we enter 2025, we remain cautiously optimistic about the market outlook in general. While some inflationary pressures are easing and the central banks have begun to lower short-term interest rates, the full impact of interest rate adjustments on consumer confidence and the level of activity in the housing market remains uncertain. Our financial outlook for 2025 reflects this cautious optimism, with anticipated revenue growth across our core markets in Denmark and Norway, driven by continued B2C recovery combined with a potential recovery in the B2B project market in the second half of the year. We expect to be able to convert the growth in sales into increased profitability through ongoing efficiency improvements and further integration synergies in AUBO. On the other hand, we expect continued input cost inflation, wages and logistics costs, which will put pressure on margins to the extent that we cannot pass on these increases through our sales prices.

We expect to take full control of Celebert ApS by acquiring the remaining 55% stake in the company during the second half of 2025. Celebert ApS has delivered impressive revenue and earnings growth on the online market in recent years. By acquiring the remaining stake, we will gain full control of this important sales channel, enabling further sales and cost synergies. Celebert ApS generated revenue of approximately DKK 150 million in 2024, with an EBIT margin of around 11%.

TCM Group estimates revenue for the financial year 2025 to be in the range
DKK 1,250-1,400 million
Adjusted EBIT* is estimated to be in the range
DKK 90-120 million

* EBIT excluding non-recurring items.

FORWARD LOOKING STATEMENTS

This annual report contains statements relating to the future, including statements regarding TCM Group's future operating results, financial position, cash flows, business strategy and plans. The statements are based on Management's reasonable expectations and forecasts at the time of publication of the report. Any such statements are subject to risks and uncertainties, and a number of different factors, many of which are beyond TCM Group's control, could mean that actual performance and results differ significantly from the expectations expressed in the report. Such factors include, but are not limited to, general economic and commercial factors, including market and competitive matters, supplier issues and financial issues.

STRATEGY

TCM Group

SVANE KØKKENET	TVIS KØKKEN	AUBO	nettoline	CELEBERT / PRIVATE LABEL ONLINE / SHOP-IN-SHOPS
Kitchens Bathroom fixtures Utility room fixtures Sliding door cabinets	Kitchens Bathroom fixtures Utility room fixtures Sliding door cabinets	Kitchens Bathroom fixtures Utility room fixtures Sliding door cabinets	Kitchens Bathroom fixtures Utility room fixtures Sliding door cabinets	Kitchens Bathroom fixtures Utility room fixtures Sliding door cabinets

SVANE KØKKENET

The Svane Køkkenet branded store network is fully established in Denmark, but there is still room to grow our market share within both the B2C and B2B segments. In recent years, we have focused on the B2B segment with the ambition to gain further market share as a contributor to growth in revenue and earnings. Furthermore, the B2B segment has a different cycle compared, for example, with the B2C segment, including a pipeline with a longer time horizon. In light of the expected downturn in B2B sales due to the macroeconomic situation, in the second half of 2023 we decided, in collaboration with our franchise partners, to increase our focus on B2C sales, supported by investment in showroom upgrades and training of sales staff. This shift in focus proved to be right, as we delivered double-digit growth in B2C sales in 2024.

For Svane Køkkenet in Norway, the mid- to long-term target is to open another 8-12 stores, giving us a network of 15-20 stores. However, store openings have been put on hold since 2023 due to the economic slowdown, and two stores closed in 2024. We are in the process of revisiting the growth plans for Svane Køkkenet in Norway in preparation for the expected recovery of the kitchen market in the near future.

TVIS KØKKEN

The Tvis Køkken brand has opened and relocated several stores in recent years, but there are still a few white spots in Denmark to be addressed. Market share and brand awareness are to be increased in line with the development of the store network. The rebranding and investments in the store network in recent years paid off in 2024, with Tvis delivering double-digit sales growth and B2C sales growing by more than 50%.

AUBO

The AUBO brand is selling through single-brand stores in Denmark and in Norway in the form of dedicated shop-in-shops operated by leading building materials distributor Optimera. In Denmark, four stores opened in 2024. In Norway, the focus is on increasing same-store sales within both B2B and B2C, as only a few white spots remain.

NETTOLINE

The Nettoline brand is selling through single-brand stores in Denmark and multi-brand stores in Norway. In both markets, there is room for additional stores, which will grow brand awareness and revenue. In 2024, we opened three Nettoline stores in Denmark. The cooperation with private-label clients will continue as in recent years.

E-COMMERCE

The online activity with the brands kitchn.dk, billigskabe.dk, Celebert and Just Wood is expected to continue, giving us a greater share of the kitchen market in Denmark and Norway.

DANISH DESIGN AND DANISH PRODUCTION

Tvis, site 1

Tvis, site 2

Aulum, site 4

Aulum, site 3

PRODUCTION SITES

TCM Group's production sites are located in Tvis and Aulum, with two factories in each town.

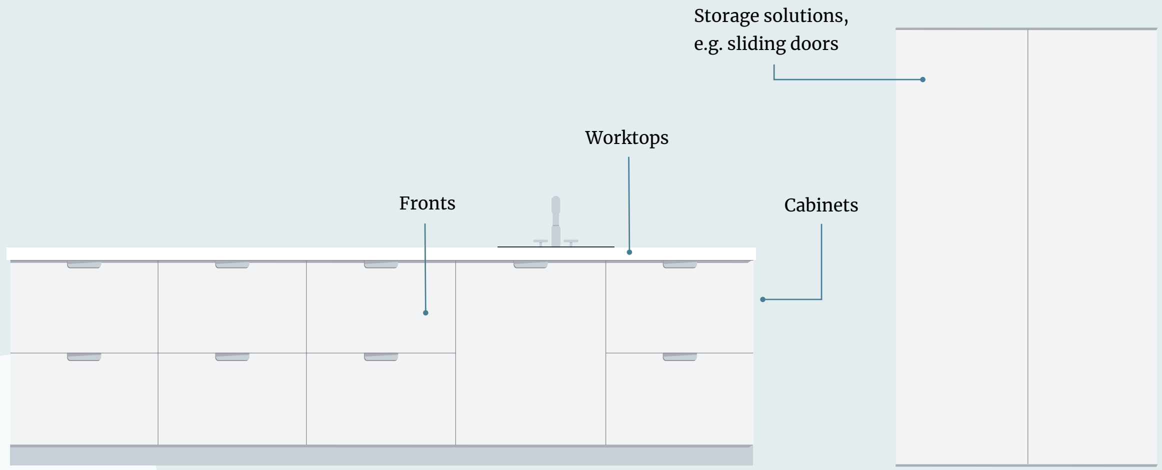
NUMBER OF EMPLOYEES* AS OF 31 DECEMBER 2024

481

* Headcount.

PRODUCTION AT OWN FACTORIES IN DENMARK

This ensures that we can offer customised kitchens with a wide selection of designs, colours and functions.



CO_2 INTENSITY PER PRODUCED UNIT*

2.11 kg

* Produced unit (no. of cabinets and metres of worktops) / scope 1 and 2.

RECYCLED CONTENT IN CHIPBOARDS USED IN PRODUCTION

8,494 tons

RISK MANAGEMENT

Risk management is an integral part of the management process at TCM Group. The objective is to limit uncertainties and risks with respect to the defined financial targets and strategic objectives for the Group.

Management performs a yearly assessment of business risks. A follow-up process has been established with the purpose of describing and evaluating a variety of business risks within the Group and implementing procedures to ensure risk mitigation. This assessment is discussed and evaluated by the Board of Directors once a year.

Besides this yearly assessment, the Board of Directors and the Executive Management have a continuous dialogue regarding significant risks with potential material impact on the Group.

The risk management, including internal controls in the financial reporting process, is designed to effectively minimise the risk of errors and omissions in the financial reporting.

The Executive Management is responsible for ensuring that risks are continuously identified, evaluated and mitigated in order to reduce the economic impact and/or likelihood of risks being realised.

In the following pages, we describe the main identified business and financial risks as well as the related actions taken within the individual risk areas.

CONTINUOUS PROCESS

IDENTIFICATION
Map or catalogue the risks
Classify the risk types

EVALUATION
Estimate the probability of occurrence
Assess the risk impact

PLANNING

RISK MANAGEMENT
Respond and report

AUBO
Unik, Rose Sand

BUSINESS RISKS

RISK AREA	DESCRIPTION	MANAGEMENT
MARKET RISKS	The Group is exposed to general macroeconomic trends and fluctuations. Specifically, developments in the Danish and Norwegian housing markets are an important factor for the Group's revenue and financial position.	The vast majority of the Group's products are made to order, which, combined with a high degree of flexibility in the workforce, means that the Group can respond quickly to changes in market demand.
REPUTATIONAL RISKS	The Group regards the Svane Køkkenet, Tvis Køkken, Nettoline and AUBO brands as some of its most valuable assets. The reputation of these brands plays a crucial role in their attractiveness and appeal to customers. Consequently, maintaining and enhancing the Group's brand reputation is essential for sustaining and growing revenue and profitability.	The Group monitors customer satisfaction at brand and store level, and takes appropriate action when the targeted levels are not met. This, combined with high standards for quality and delivery performance, is Management's proactive means to protect the brand reputation. Brands, trademarks and relevant design rights are registered in the main markets in which the Group's products are sold.
CUSTOMER RISKS	The Group is exposed to the risk of losing customers, for example due to financial difficulties or preference for other brands.	The Group's customer risks relate primarily to developments in sales at our 112 branded stores. The debtor risk related to the stores represents the main financial risk and is closely monitored to mitigate the risk of losses, primarily by requiring appropriate collateral for current trading balances.
RAW MATERIAL PURCHASING RISKS	Access to sustainable sources of raw materials is essential. The Group relies on raw materials such as wood, steel, aluminium and plastics. Fluctuations in the cost of components (e.g. drawer systems, handles, hinges and basins) and goods for resale (e.g. appliances) are primarily driven by changes in raw material prices and the competitive landscape. Disruptions in the supply of raw materials and components can lead to delays in the production and delivery of finished goods, potentially resulting in increased costs, lost revenue and dissatisfied customers.	The Group aims to maintain multiple suppliers for each raw material and component category to improve commercial terms and ensure reliable supplies. Measures such as efficiency improvements, revised product specifications and sales price adjustments help mitigate the impact of rising raw material and component costs.
PRODUCTION RISKS	The Group is exposed to the risk of not being able to fulfil customer orders, for example due to fire, machine failure or lack of personnel.	Fire prevention is a Management priority and is conducted in collaboration with our insurance company. Our maintenance department, in partnership with external experts, performs essential machine maintenance and repairs. In recent years, we have carried out extensive maintenance and upgrades on critical production lines, extending their useful life by several years. Additionally, we maintain a constructive relationship with our production employees, supported by multi-year collective wage negotiation agreements.
CYBER RISKS	The Group relies on IT systems in its day-to-day operations. Disruptions or faults in critical production systems have a direct negative impact. Errors in the handling of financial systems can affect the company's financial reporting.	The Group has its own ERP system, which is regularly maintained and updated. IT security is a top priority, and we work with external experts to achieve a level of security appropriate for the Group.
RISKS RELATED TO POLLUTION AND OCCUPATIONAL HEALTH	The Group's manufacturing activities at its four production sites expose employees to workplace hazards, and waste generated during production processes has the potential to harm the environment.	Optimising occupational health conditions and preventing both internal and external contamination are key focus areas at TCM Group's production sites. The Group has implemented a registration system for occupational accidents and near-miss incidents, emphasising the prevention of future occurrences. An occupational health organisation, comprising Management and employee representatives, has been established and operates effectively. The Group is insured against significant damage to property, plant and equipment, and maintains close dialogue with authorities and insurance providers to further enhance risk mitigation efforts related to fire, pollution and other hazards.

FINANCIAL RISKS

RISK AREA	DESCRIPTION	MANAGEMENT
LIQUIDITY RISKS	Liquidity risks pertain to the Group's ability to provide the necessary liquidity to secure a capital structure that supports long-term profitable growth.	The Board of Directors continuously assesses whether the Group’s capital structure is in line with the interests of the Group and its stakeholders. The Group’s financial risks are managed centrally, as is the Group’s liquidity management, including cash requirement and placement of excess liquidity. It is Management’s assessment that the current capital structure provides the necessary flexibility to accelerate and support the Group’s future strategy.
CREDIT RISKS	Credit risks refer to potential losses arising from the Group’s customers or counterparties in financial contracts failing to meet their payment obligations.	The Group’s customer base primarily consists of professional clients. Credit management and payment terms are carefully monitored for each customer segment. The Group extends credit to franchisees and dealers, its primary customers, who generally operate on short payment terms, thereby minimising overall exposure. Regular credit assessments are conducted for customers with recurring purchases. Additionally, the Group utilises bank guarantees, credit insurance and other forms of collateral tailored to different markets and customer categories.
CURRENCY RISKS	Transaction exposure occurs when sales and costs are in different currencies. Exchange rate fluctuations may have an impact on the Group’s earnings and valuation of assets.	The Group operates with a relatively low risk profile with regard to currency fluctuations. The Group does not purchase significant amounts of raw materials outside the eurozone. Invoicing of sales is charged in DKK and NOK. In terms of invoicing sales in NOK, the Group applies a hedging strategy to limit the impact of currency fluctuations for up to six months ahead.
INTEREST RATE RISKS	The Group is exposed to the risk of increases in the interest rate, which may have an impact on the Group's earnings.	The Group manages interest rate risks by applying a mix of bank loans and mortgage loans. It is Group policy to fully or partially hedge interest rate risks on loans if the risk is material. An interest rate increase of 1% will have a negative impact on the Group’s profit of around DKK 2.2 million.

PERFORMANCE HIGHLIGHTS

AUBO

Sembra Scala

FINANCIAL & NON-FINANCIAL HIGHLIGHTS

FINANCIAL

REVENUE, DKK

1,204 m

(1,084)

LEVERAGE RATIO (31 DECEMBER)

2.50

(4.08)

ADJUSTED EBIT, DKK

90 m

(56)

NWC RATIO (31 DECEMBER)

-1.2 %

(-1.2)

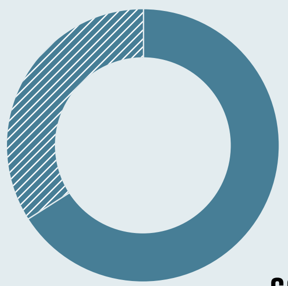
NON-FINANCIAL

AVERAGE NO. OF EMPLOYEES

460

(445)

Women 34% (34)



Men 66% (66)

CO_2 EMISSION REDUCTION 2024 (SCOPE 1 AND 2)

53 %

Compared with baseline year (2021)

COMMITTED TO SBTI

SCIENCE BASED TARGETS

ADDRESSABLE MARKET OVERVIEW

As a leading player in the Scandinavian kitchen industry, TCM Group is impacted by external market factors. In 2024, the kitchen industry faced significant headwinds from the declining level of residential construction activity in Denmark and Norway. Despite these headwinds, signs of stabilisation and expected growth in 2025, supported by the recovery in residential property sales, offer a promising outlook for the industry.

RESIDENTIAL CONSTRUCTION CONTINUED TO DECLINE IN 2024

Residential construction activity continued to decline in 2024 in both Denmark and Norway, with decreases of 3% and 7% respectively (see graph opposite). While this downturn negatively impacted kitchen sales, the annual declines were less severe than in 2023, which saw reductions of 12% in Denmark and 11% in Norway. Looking ahead, activity in both Denmark and Norway is expected to recover in 2025 with projected increases of 1-2% and 7-8% respectively.

The decline in residential construction activity in Denmark and Norway during 2024 reflected broader economic adjustments and cost pressures. In Denmark, the slowdown followed a period of high activity during the pandemic, with rising construction and wage costs. Similarly, Norway faced a contraction due to high interest rates and elevated construction costs, compounded by weak sales of new homes in 2023.

Despite the 2024 downturn, both markets are expected to recover, with improving economic conditions stimulating demand for kitchens.

RESIDENTIAL PROPERTY SALES ARE RECOVERING

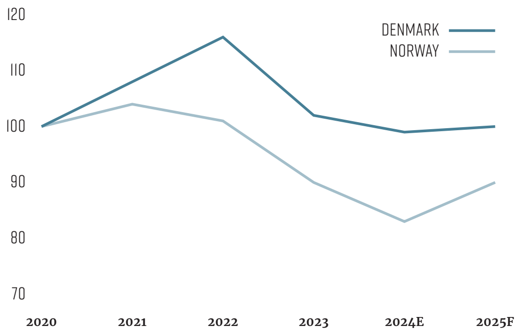
The Danish housing market has been showing signs of recovery, culminating in a strong performance in 2024 with total property sales rising by around 10% (see graph opposite). After posting a modest increase in 2021 compared with 2020, the market declined sharply in 2022, then rebounded with growth of nearly 7% in 2023, indicating a steady upward trend.

In 2024, the Danish housing market experienced a significant surge in transactions, with vacation homes and single-family homes leading the growth at 13% and 11% year-on-year, respectively. Apartment transactions also saw an increase, though at a more moderate 6%.

The Norwegian housing market also showed signs of recovery in 2024, with year-on-year sales increasing by approximately 9% after declines in the two preceding years. The recovery in both markets is expected to stimulate kitchen demand, as new homeowners often renovate to personalise their new spaces.

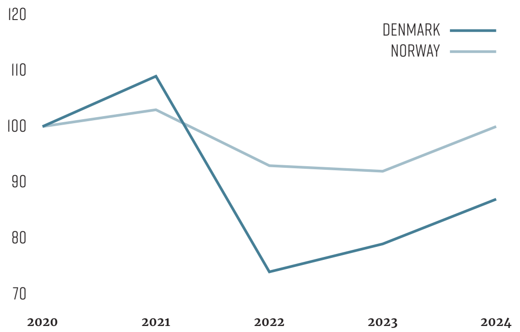
SVANE KØKKENET
Snedker Raw
Deco, Rosa

RESIDENTIAL CONSTRUCTION ACTIVITY 2020-2025F (INDEX 2020)



Source: Euroconstruct and internal analysis. Note: Residential construction activity includes both new residential builds and residential renovations.

RESIDENTIAL PROPERTY SALES 2020-2024 (INDEX 2020)



Source: Boligsiden and Eiendom Norge. Note: Residential property sales in Denmark and Norway do not include holiday homes.

BUSINESS REVIEW

Reported revenue increased by 11.0% in 2024 to DKK 1,204 million (2023: DKK 1,084 million). Organically, sales in the core business (excluding the impact of the acquisition of AUBO Production A/S) declined by 5.1% (revenue excluding third-party revenue).

Revenue in Denmark increased from DKK 915 million in 2023 to DKK 969 million, corresponding to an increase of 5.9%. Organic like-for-like growth in Denmark was 1.4%.

Revenue outside Denmark grew from DKK 169 million in 2023 to DKK 235 million, corresponding to an increase of 39.2%. This growth was driven by the full-year effect of the acquisition of AUBO Production A/S. However, sales in the existing TCM distribution in Norway declined by 9.5%.

The number of branded stores increased to 112 during 2024.

Reported revenue of DKK 1,204 million slightly exceeded the most recent financial outlook of DKK 1,150–1,200 million. The higher-than-expected revenue was attributed to stronger-than-anticipated demand in the Danish kitchen market in the latter half of Q4 2024. The initial revenue outlook for 2024, as stated in the Annual Report 2023, was DKK 1,000–1,150 million.

Within Svane Køkkenet in Denmark, the focus was on strengthening the retail network through changes in ownership structures. In Norway, the stores in Aalesund and Kristiansand closed during the year due to the continued downturn in the Norwegian kitchen market. Two small Tvis Køkkenet stores in Norway also closed.

Meanwhile, the Group opened three Nettoline stores in Denmark during 2024, and AUBO expanded its retail network in Denmark by opening four additional stores.

The slowdown in B2B sales, particularly project sales, was partially offset by strong growth in B2C sales. In the first half of the year, the company continued to benefit from the robust project sales pipeline built in recent years, allowing time to adjust production capacity to lower demand levels. The change in sales mix and the full-year effect of AUBO Production A/S lifted the gross margin from 19.9% in 2023 to 21.2%. In the second half of the year, production bottlenecks, caused by high demand for lacquered products, negatively impacted production costs and gross margin. These bottlenecks will be eliminated in 2025 through investment in a new lacquering facility at Factory 1 in Tvis.

Adjusted EBIT ended the year at DKK 90.3 million, compared to DKK 55.6 million in 2023 and the most recent financial outlook of DKK 75–90 million. The initial financial outlook for 2024, as stated in the Annual Report 2023, was DKK 55–85 million.

INNOVATION AND PRODUCT DEVELOPMENT

Innovation and the development of new, attractively designed products aligned with the latest trends and consumer preferences remain central to TCM Group's strategy. In 2024, TCM Group launched several new products, including New Tradition and ARC1 under the Svane Køkkenet brand.

WORKFORCE

The average number of employees in 2024 was 460, compared to 445 in 2023. The workforce in production functions was adjusted during the year to align with fluctuating demand. As of 31 December 2024, the total number of employees was 481.

TCM Group launched several new products, including New Tradition and ARC1 under the Svane Køkkenet brand.

SUSTAINABILITY AND ESG INITIATIVES

The focus on sustainability and ESG strategy continued in 2024. Key achievements included the mapping of scope 3 emissions to establish a baseline. In the coming years, we plan to collaborate with upstream and downstream partners to reduce emissions. Consistent with SBTi recommendations, our goal is to reduce scope 3 emissions by 42% by 2050.

Scope 1 and 2 emissions were reduced by 2% in 2024 , despite an increase in activity in the generally energy-intensive lacquering department, as this was offset by energy efficiency measures in other areas.

As part of our commitment to transparency regarding the environmental impact of our products, we released third-party-approved environmental product declarations (EPDs) for the AUBO brand. With this addition, all TCM Group brands are now covered by EPDs.

SVANE KØKKENET
New Tradition

FINANCIAL REVIEW

REVENUE

Revenue in 2024 increased by 11.0% to DKK 1,203.8 million (DKK 1,084.1 million in 2023)*, with a slightly negative organic decrease of 0.5% (excluding the impact of the acquisition of AUBO Production A/S in July 2023).

Revenue in the core business grew by 8.3%, with an organic decrease of 5.1%, primarily due to the downturn in the B2B project market. Revenue from the supply of third-party products (non-core business) increased by 20.0%, with organic growth of 14.2%. This was supported by growth in core B2C sales, which typically drive higher third-party sales, as well as increased third-party sales to e-commerce.

Revenue in Denmark reached DKK 969.0 million (DKK 915.4 million), reflecting absolute growth of 5.9%. Organic like-for-like growth was 1.4%, despite the significant downturn in the project market. Revenue in Norway was up 43.0% at DKK 222.9 million (DKK 155.8 million), driven by the full-year effect of the AUBO Production A/S acquisition. However, Norway experienced a 10.0% organic decline in revenue, attributed to the closure of two Svane stores in the first half of 2024. Revenue from other countries totalled DKK 11.8 million, compared to DKK 12.8 million in 2023.

GROSS PROFIT - GROSS MARGIN 21.2%

Gross profit in 2024 amounted to DKK 255.4 million (DKK 215.8 million), corresponding to a gross margin of 21.2% (19.9%). The improvement in gross margin was driven by the full-year effect of the inclusion of AUBO Production A/S, whose operating model provides a higher direct margin, though this is largely offset by higher operating expenses. Additionally, the gross margin benefited from a changed sales mix, with a higher share of generally higher-margin B2C sales.

In the second half of 2024, production costs were negatively impacted as high demand for products such as lacquered items led to increased overtime production costs and greater reliance on external sourcing.

OPERATING EXPENSES - COST RATIO 15.3%

Operating expenses in 2024 totalled DKK 184.5 million (DKK 166.6 million). The DKK 17.8 million increase was primarily caused by the full-year effect of the acquisition of AUBO Production A/S. However, underlying operating expenses decreased, mainly due to lower realised losses and reduced provisions for potential losses on trade receivables, which amounted to DKK 2.3 million (DKK 14.8 million). Operating expenses accounted for 15.3% of revenue in 2024, compared to 15.4% in 2023.

ADJUSTMENT OF CONTINGENT PAYMENT OBLIGATION

The contingent payment obligation related to the acquisition of AUBO Production A/S was adjusted in 2024 leading to an income of DKK 9.5 million (DKK 1.0 million). The remaining contingent payment obligation had been based on certain sales performance targets for the years 2024 to 2027.

OTHER INCOME

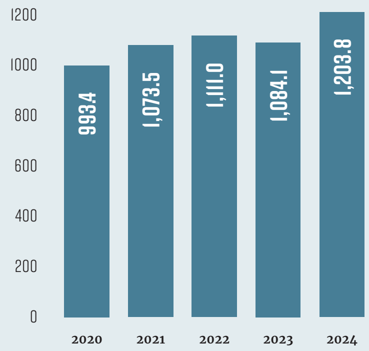
Other income amounted to DKK 9.5 million (DKK 5.4 million), and includes income from salary subsidies and reimbursements, as well as certain types of marketing subsidy.

ADJUSTED EBITDA - MARGIN 10.5%

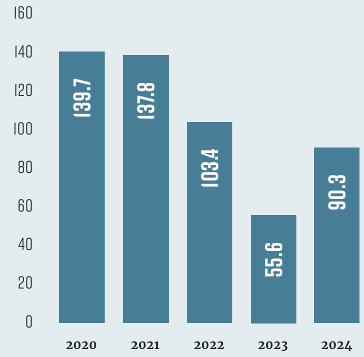
Adjusted EBITDA in 2024 was DKK 125.9 million (DKK 85.3 million), corresponding to an adjusted EBITDA margin of 10.5% (7.9%). The increase in adjusted EBITDA margin was driven by the higher gross margin and the increase in other income.

* Figures in brackets refer to the corresponding period in 2023.

REVENUE (DKKM)



ADJUSTED EBIT (DKKM)



REPORTED REVENUE GROWTH

11.0 %

ADJUSTED EBIT MARGIN

7.5 %

ADJUSTED EBIT – MARGIN 7.5%
Adjusted EBIT in 2024 was DKK 90.3 million (DKK 55.6 million), corresponding to an adjusted EBIT margin of 7.5% (5.1%). The increase in adjusted EBIT margin was driven by a higher gross margin and lower operating expenses ratio. Depreciation and amortisation amounted to DKK 35.6 million (DKK 29.7 million), with the increase being largely attributable to the full-year effect of the acquisition of AUBO Production A/S.

NON-RECURRING ITEMS
TCM Group presents non-recurring items separately to ensure comparability. Non-recurring items consist of income and expenses that are special and of a non-recurring nature. No non-recurring items were recorded in 2024.

NON-RECURRING ITEMS

Non-recurring items, DKKm	2024	2023
Transaction costs related to business combinations	0.0	2.8
Impairment of ERP project, AUBO Production A/S	0.0	1.9
Restructuring	0.0	5.1
Total	**0.0**	**9.8**

EBIT
EBIT for the financial year 2024 was DKK 90.3 million (DKK 45.8 million). The increase in EBIT compared with 2023 was driven by the same factors impacting the development in adjusted EBIT, further supported by the absence of non-recurring items.

NET PROFIT
Net profit for the financial year 2024 was DKK 57.7 million (DKK 21.5 million).

FREE CASH FLOW EXCL. ACQUISITIONS OF OPERATIONS
Free cash flow excl. acquisitions of operations in 2024 was DKK 58.9 million against DKK 40.0 million in 2023. Free cash flow was positively impacted by the higher operating profit, whereas the change in net working capital impacted the free cash flow negatively by DKK 0.4 million, compared to a positive impact of DKK 22.2 million in 2023.

Cash conversion in 2024 was 84.3% (34.2%).

NET WORKING CAPITAL – NWC RATIO -1.2%
Net working capital (NWC) at the end of 2024 was DKK -14.3 million (DKK -13.2 million). The NWC ratio at the end of 2024 stood at -1.2% (-1.2%).

Inventories decreased by 4% to DKK 89.1 million. Inventory levels had generally declined at all sites since the beginning of 2023, following the normalisation of the market supply situation. This process continued throughout 2024, although at a slower pace.

Trade receivables and other receivables decreased by DKK 19.4 million to DKK 86.2 million, as the timing of customer payments at year-end was favourable for the Group. Other receivables as at 31 December 2024 exclude DKK 6.7 million related to subleases accounted for under IFRS 16 (DKK 8.5 million). These sublease receivables are not considered part of net working capital.

SVANE KØKKENET
Infinity Sands

Operating liabilities decreased by DKK 24.6 million to DKK 197.9 million, driven by lower trade payables at year-end, due to lower purchasing volumes in the fourth quarter of 2024. Additionally, the government's inflation support package, which amounted to DKK 5 million as at 31 December 2023, was fully repaid during 2024, further reducing operating liabilities.

NET INTEREST-BEARING DEBT – LEVERAGE RATIO 2.50
Net interest-bearing debt totalled DKK 316.2 million at the end of 2024 (DKK 349.3 million), as the free cash flow was used for debt reduction. As a result of the higher adjusted EBITDA and reduced net interest-bearing debt, the leverage ratio decreased to 2.50 (4.08), remaining well within the covenants agreed upon in the financing agreements.

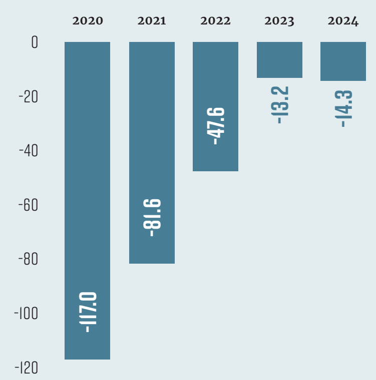
EQUITY – SOLVENCY RATIO 48.9%
Equity at the end of 2024 amounted to DKK 589.5 million (DKK 529.7 million). Equity increased by DKK 59.8 million during 2024, largely equal to the net result for the year.

The Board of Directors will propose to the Annual General Meeting to distribute an ordinary dividend of DKK 3 per share. Excluding treasury shares this corresponds to DKK 31 million.

The solvency ratio was 48.9% at the end of 2024 (44.1%).

EVENTS AFTER THE BALANCE SHEET DATE
No subsequent events have occurred that materially affect TCM Group's financial position.

NET WORKING CAPITAL (DKKM)



The Board of Directors recommends to distribute an ordinary dividend of DKK 3 per share.

NWC RATIO (%)	LEVERAGE RATIO
-1.2	2.50

ESG

READERS' GUIDE

NON-FINANCIAL DISCLOSURE REQUIREMENTS AS PER THE DANISH FINANCIAL STATEMENTS ACT*

* Covers TCM Group and all its subsidiaries

SVANE KØKKENET
Notes Gold

ESG STRATEGY AND APPROACH

Our ESG strategy sets the direction for embedding sustainability more deeply into every aspect of our business. Guided by the UN Sustainable Development Goals, the strategy builds on our core values and brands, integrating sustainability throughout our value chain – from raw materials to after-sales and service.

Our ESG strategy outlines transformative targets to guide decisions and actions within four priority areas:

- Sustainable Work
- We Take Responsibility
- New Ways Ahead
- Together We Improve

These priority areas represent where we believe our business activities can have the greatest impact on sustainable development.

By adopting a systematic approach to sustainability, we aim to strengthen our relationships with key stakeholders, support business growth and continuously mitigate negative impacts through ongoing learning and improvement.

TCM Group has been a signatory to the UN Global Compact for over a decade, adhering to its Ten Principles on human rights, labour, the environment and anti-corruption. TCM Group has used the Corporate Sustainability Reporting Directive (CSRD) and ESRS guidelines as preparation for when the Group expectedly falls within the scope of the CSRD in 2025.

E ENVIRONMENT		S SOCIAL	G GOVERNANCE
CLIMATE ACTION	NEW WAYS AHEAD PRODUCTS & RESOURCES	A SUSTAINABLE WORK LIFE	GOVERNANCE
APPROACH			
• Reduce carbon footprint of own production • Reduce carbon footprint of value chain following SBTi guidelines • Minimise production waste	• New designs to be based on circular design principles • 100% certified timber • Minimise/optimise resources with focus on packaging material	• A safe and secure work environment that enhances personal development • Flexibility to support a clear balance between work life and private life, and between individuals, teams and organisation • Diversity and social commitment	• Promote and enable responsible business conduct • Conduct proper due diligence of suppliers and partners
FOCUS			
• 42% reduction in scope 1, 2 and 3 emissions by 2050 • Reduction of waste in production	• Circluar design principles in product development • 100% certified timber • TCM packaging to be recyclable	• 0 accidents/1,000,000 working hours (LTIF) • Gender equality • 2% of employees employed as "flex workers"	• All suppliers to have signed TCM Code of Conduct • Supplier risk management to include ESG scorecard
REFERENCE / GUIDING PRINCIPLES			
• §99a • EU Taxonomy • ESRS E1 Climate change	• ESRS E5 Resource use and circular economy	• §99a • ESRS S1 Own workforce	• §99a, §99d, 8107d • ESRS G1 Business conduct

DOUBLE MATERIALITY ASSESSMENT

As a key element of our preparation to ensure compliance with the currently applicable EU Corporate Sustainability Reporting Directive (CSRD) in 2025, TCM Group has concluded our first double materiality assessment (DMA).

The DMA evaluates how environmental, social and governance (ESG) factors impact TCM's financial performance (outside-in) and how TCM's operations affect society and the environment (inside-out), aligning with CSRD and European Sustainability Reporting Standards (ESRS) guidelines. TCM Group's DMA aims to balance sustainability priorities with business objectives, and it is our goal to drive constant improvement and track progress as an integral part of our ESG management system. Our DMA applies to the entire TCM Group.

OUR PROCESS

The management team and the ESG Steering Committee formed the Internal Working Group, which is informed by external sustainability consultants on an ongoing basis.

1. Longlist of ESG topics

Initially, a longlist of sustainability topics was thoroughly assessed through desktop research, benchmark analysis, analysis of existing documentation and surveys, combined with reviews in the Internal Working Group.

2. Stakeholder involvement

Next, we gathered information and perspectives from key stakeholders. Through workshops, questionnaires and interviews, we engaged with a variety of stakeholders, including customers, employees, the Board of Directors, brands, investors, suppliers and subject matter experts. The stakeholder perspectives that we gathered provided us with insights that helped qualify the longlist of ESG topics with both positive and negative impacts as well as financial risks and opportunities.

3. Assessment of impact materiality and financial risks and opportunities

Each topic was assessed as "actual" or "potential" and rated based on positive and negative impacts as well as financial risks and opportunities. All topics were rated according to scale, scope and irremediability, and, in the event of potential impacts, likelihood. Each dimension was rated from 1 to 5 and an average score then calculated for each topic. With regard to both sustainability impact and financial impact, TCM has defined 3.5 as the threshold for when a sustainability topic in our DMA becomes significant enough to influence the decisions of stakeholders or have a substantial impact on the company, the environment or society. Hence, topics with a score equal to or higher than 3.5 are defined as material.

4. Review and approval

The assessment process involved the Board of Directors, which also approved the process. Going forward, approval of the DMA will be the responsibility of the Audit Committee.

PRELIMINARY ASSESSMENT OF TOPICS

The topics represent risks as well as opportunities for TCM Group. The impact of fluctuating energy prices is an obvious risk, as well as the use of materials/items that are hard to replace with better alternatives. Working with machinery, etc. always entails a risk of work-related accidents.

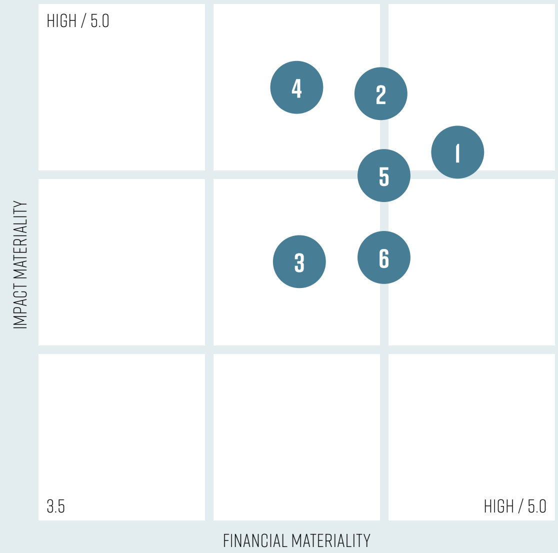
We see an opportunity in circularity, as we are already using materials with a high degree of recycled content. We also see an opportunity in continuing our work with diversity. There are no identified material sustainability-related risks besides those related to impacts.

Important topics such as waste, corruption, bribery and protection of whistleblowers do not feature as material topics in TCM's DMA due to the low likelihood of incidents occurring thanks to mitigating actions taken by TCM to address these topics. These topics are considered of ongoing importance by TCM and will be continuously monitored to ensure that the processes in place are working. Based on current knowledge and methodology, the topic of biodiversity and ecosystems is not considered material given our value chain, geographical presence and use of raw materials. The materiality of these topics will be re-evaluated each year.

The outcome of the DMA conducted in 2023/24 is preliminary and will serve as the basis for preparation of ESRS-compliant reporting, if applicable, in 2025.

OVERVIEW OF MATERIAL TOPICS

Overview of our material topics identified during our preliminary double materiality assessment



1 Climate impact
2 Health and safety
3 Diversity
4 Energy use and efficiency
5 Circularity
6 Corporate culture

WATCHLIST

Biodiversity and ecosystems

E ENVIRONMENT

We take pride in the fact that all our products are designed and manufactured in Denmark. Good craftsmanship is at the core of our production, complemented by a focus on quality and a high degree of innovation. We recognise that operations carry the risk of negatively impacting the environment and are committed to continuously reducing our climate impact, minimising production waste and increasing our waste recycling rate.

EMISSIONS

In 2023, TCM Group committed to the Science Based Targets initiative (SBTi). TCM has pledged to reduce its scope 1 and 2 emissions by 42% by 2030, using 2021 as the baseline year. By doing so, TCM is following a decarbonisation trajectory that limits the global temperature rise to 1.5°C above pre-industrial levels, aligning with the goals of the Paris Agreement.

Furthermore, we have committed to monitoring and reducing our scope 3 emissions.

In 2024, TCM Group mapped its scope 3 emissions using 2023 as the baseline year. Our focus has been on ensuring data validity.

Going forward, we will continue to monitor these emissions and establish reduction targets to be approved by the SBTi.

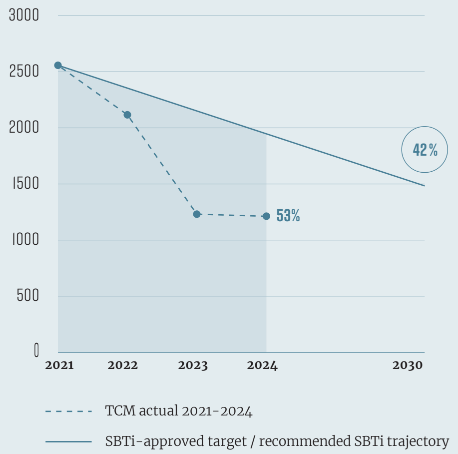
TCM's scope 1 and 2 emissions account for only 1% of the company's total greenhouse gas (GHG) emissions. These emissions primarily originate from manufacturing sites and from the company's vehicle fleet, which includes cars and service vans. Despite representing a small share of total GHG emissions, TCM considers scope 1 and 2 emissions material because they result from operational activities that TCM can directly influence.

ACTIONS PLANNED FOR 2024	ACTIONS UNDERTAKEN IN 2024	WHAT NEXT?
Reduce scope 1 and 2 emissions	Added more electric vehicles (EVs) to the car fleet. In 2024, 21% of the cars were EVs, compared to 6.9% in 2023.	Non-fossil fleet of company cars by 2028.
Map scope 3 emissions	Defined baseline of scope 3 for 2023 and tracked progress.	Improve data collection. Define reduction targets and projects for scope 3.
Expand product portfolio covered by environmental product declarations (EPDs)	Products in AUBO's product portfolio covered by EPDs.	Expand product portfolio covered by EPDs.

EMISSIONS

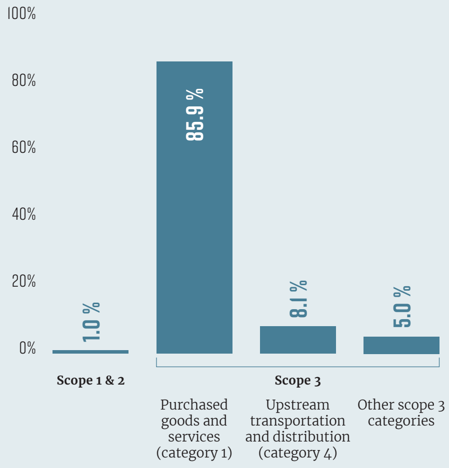
SCOPE 1 AND 2 EMISSIONS

TCM Group is committed to the Science Based Targets initative (SBTi) and to reducing our scope 1 and 2 emissions by 42%, compared with our 2021 baseline year, by 2030. In 2024, TCM reduced our scope 1 and 2 emissions by 53% compared with our baseline year.



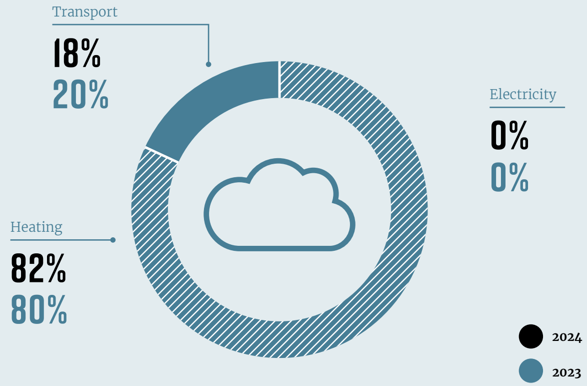
TOTAL SCOPE 1, 2 AND 3 EMISSIONS

Of TCM Group's total emissions, our value chain emissions (scope 3) account for 99%. Purchased goods and services (category 1) account for more than 85% of our total emissions. Category 1 emissions include emissions from direct raw materials, goods and services related to production as well as emissions related to third-party products such as white goods, worktops and mirrors.



DISTRIBUTION OF CO2 EMISSIONS (SCOPE 1 AND 2)

The shift in the distribution of TCM Group CO2 emissions in 2024 is a result of having added more electric vehicles to our car fleet.



SCOPE 1 AND 2 EMISSIONS

In 2024, TCM Group's absolute scope 1 and 2 GHG market-based emissions decreased by 53% compared with 2021.

Through transition to district heating and electric heat pumps, where possible in terms of infrastructure and economic feasibility, as well as having all electric consumption covered by renewable energy certificates from wind and solar power, TCM has already reached its target for scope 1 and 2.

We will continue to phase natural gas out of our operations as this becomes possible in terms of infrastructure and economic feasibility.

Going forward, our focus is on identifying further reductions potential, phasing out fossil-based energy and ensuring that emissions do not increase as a result of TCM's growth strategy.

ELECTRICITY CONSUMPTION

In 2024, TCM's electricity consumption increased by 3%. This increase resulted from the transition towards an electricity-based system as a means to reduce our direct emissions. All electricity consumption is covered by renewable electricity certificates.

We continue to promote awareness of how daily habits and behaviour can impact energy efficiency at our production facilities.

In 2025, we anticipate an increase in energy consumption due to investments aimed at expanding capacity for lacquering processes.

COMPANY CARS

TCM operates a fleet of company cars consisting of 28 passenger vehicles and commercial vans. To reduce our impact, we have updated our company car policy to ensure that we transition to electric cars as existing vehicles are replaced.

WASTE

At TCM Group, we maintain a constant focus on limiting waste. At our manufacturing sites, all waste is sorted into material fractions, enabling us to ensure that waste is utilised with the highest possible resource value. Our wood fraction is returned to our chipboard supplier and, together with wood from Danish recycling centres, used for production of chipboards, which TCM Group then uses in the production of new kitchens. Wood of useable size finds new use as serving trays or is delivered to wood workshops at local schools.

TCM Group will continue to prioritise waste management and reduction both internally and with suppliers, while actively engaging in external partnerships.

SCOPE 3 EMISSIONS

As part of our commitment to the Science Based Targets initiative (SBTi), TCM Group has mapped our scope 3 emissions with 2023 as the baseline year. Scope 3 emissions refer to sources that are not directly owned or controlled by TCM Group.

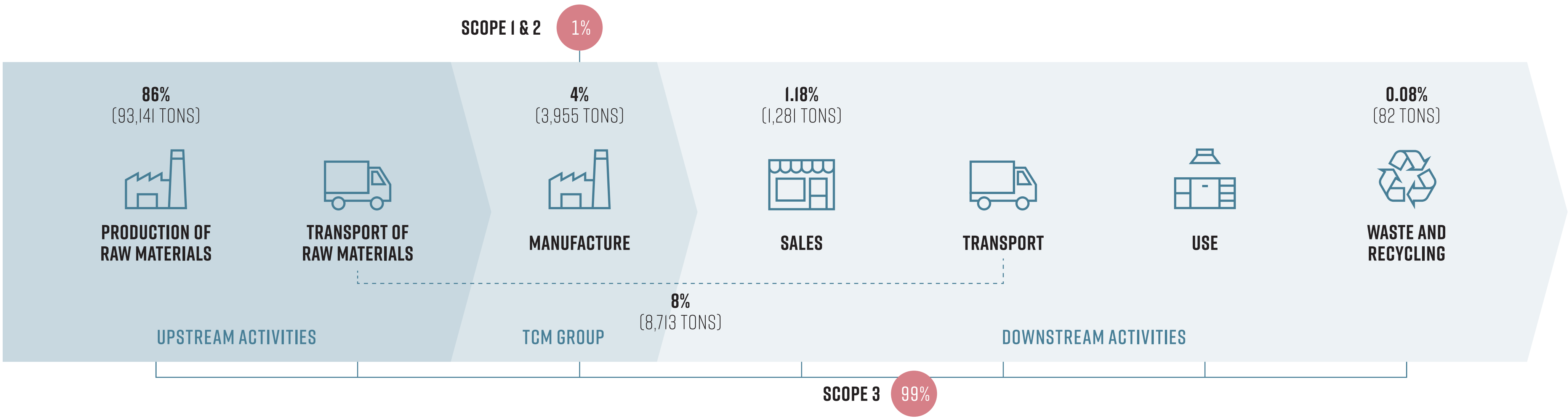
TCM Group's scope 3 emissions account for 99% of our total emissions.

Our value chain and the production of raw materials used for products produced by TCM Group are predominately based in Europe, where more than 90% of production occurs.

In 2024, our scope 3 emissions were 107,180 tons CO2e, which is 6.8% higher than our baseline year. The reason for this increase is the use of spend-based emission factors to define our scope 3 emissions where activity-based data has not been available. Due to higher purchasing costs, we observed higher emissions for the same, or even lower, volumes of purchased goods and services in 2024 compared with 2023. Additionally, investment in new processing equipment has directly contributed to an increase in our scope 3 emissions.

TCM has included third-party products, such as white goods, in our emissions calculations, and these account for more than 45% of our category 1 emissions. Changes in product mix and an increase in third-party products have a direct impact on our scope 3 emissions.

Going forward, we will work closely with our suppliers to reduce the reliance on spend-based emission factors, increase the use of activity-based factors and identify a catalogue of reduction opportunities. Reduction of our scope 3 emissions will to a large extent be dependent on our suppliers taking action on reducing their scope 1,2 and 3 emissions.



ENVIRONMENTAL DATA

CO2 EMISSIONS ACCOUNTING PRACTICES

To follow up on progress towards emissions reduction targets, greenhouse gas emissions (expressed as carbon dioxide equivalent, CO_2e) are reported annually. CO_2e is categorised into three scopes according to the methodology of the Greenhouse Gas Protocol Corporate Standard (GHG Protocol). CO_2 emissions are calculated with reference to GRI 305 Emissions. The tracking of CO_2e emissions is aligned with UNGC principles 7, 8 and 9.

TCM Group does not use carbon credits as a means to reduce CO_2e emissions.

SCOPE 1 – ALL DIRECT EMISSIONS

Scope 1 emissions are related to activities within TCM's control. This includes transport using TCM's vehicles (leased and owned cars) and direct emissions from TCM's production.

The CO_2e emissions are based on the invoiced energy consumption per source. The CO_2e factors applied are based on market statistics for petrol, diesel and LPG gas.

The CO_2e factors for natural gas are based on environmental declarations from the supplier.

SCOPE 2 – INDIRECT EMISSIONS

Scope 2 emissions relate to indirect emissions caused by TCM's energy purchases, i.e. electricity or heat.

The CO_2e emissions are based on the invoiced energy consumption per source. CO_2e factors for district heating are based on environmental declarations from the supplier. Electricity (prior to 2023) is based on market environmental declarations.

SCOPE 3 – OTHER EMISSIONS

Scope 3 emissions relate to sources that are not directly owned or controlled by TCM. These cover emissions from purchased goods and services (e.g. particleboards, edgeband, hinges, packaging and transport purchased from suppliers) as well as process waste from production sites, capital goods and emissions related to franchise stores. Our reported scope 3 inventory is based on the GHG Protocol, which is split into 15 subcategories (C1-C15):

C1 - Purchased goods and services: Primary raw materials for products are calculated based on GHG emissions provided by subsuppliers. Other purchased goods and services are calculated as categorised spend data multiplied by relevant spend-category-specific emission factors.

C2 - Capital goods: Categorised spend data multiplied by relevant spend-category-specific emission factors.

C3 - Fuel- and energy-related activities: Calculated based on actual fuel consumption multiplied by relevant emission factors.

C4 - Upstream transportation and distribution: Calculated based on A2 from TCM's verified environmental product declarations (MD-23121, MD-23122, MD-24065).

C5 - Waste generated in operations: Calculated based on actual waste data multiplied by relevant emission factors.

C6 - Business travel: Calculated based on milage allowances for employee travel in own cars and GHG emissions from plane travel provided by our travel agent.

C7 - Employee commuting: Calculated based on estimates of distance travelled and travel type. Estimated based on an internal employee survey.

C12 - End-of-life (EOL) treatment of sold products: Product use and EOL are based on TCM's verified environmental product declarations (MD-23121, MD-23122, MD-24065).

C14 - Franchises: Calculated based on activity data from franchise stores multiplied by relevant emission factors.

C15 - Investments: Calculated based on activity data from Celebert ApS - based on TCM's 55% ownership of Celebert ApS.

Subcategories C8, C9, C10, C11 and C13 are not relevant for TCM Group.

UNCERTAINTIES AND ESTIMATES

Where possible, activity-based data has been used as the basis for our scope 3 calculations. Where activity-based data has not been available, spend-based data has been used either on the basis of "Klimakompasset" or "Ecoinvent".

Products categorised as third-party products, such as white goods and mirrors, which are included in deliveries to customers, are accounted for as raw materials and transport. However, they are excluded from our scope 3 emissions calculations after delivery to the end-customer. This exclusion applies to the use of sold products and their end-of-life treatment, as these aspects are beyond our control and influence over their design and use.

Employee commuting is based on an employee survey to define means of transportation and distance travelled as well as average number of working days per year per employee. It is assumed that the average per employee that applied in our baseline year is the same for the 2024 calendar year.

	UNIT	2024	2023	2022	2021	2020*
CO2 EMISSIONS						
CO_2e, total scope 1	**tCO_2e**	**1,195**	**1,215**	**1,224**	**1,516**	**1,435**
Vehicles	tCO_2e	222	237	227	225	210
Natural gas	tCO_2e	974	989	984	1,243	1,191
Others	tCO_2e	0	5	12	47	34
CO_2, total scope 2	**tCO_2e**	**16**	**16**	**892**	**1,041**	**1,703**
Electric power	tCO_2e	0	0	888	1,035	1,698
District heating	tCO_2e	16	16	4	6	5
CO_2, total scope 1+2	**tCO_2e**	**1,212**	**1,231**	**2,116**	**2,557**	**3,138**
CO_2e intensity (revenue)	ratio	1.0	1.0	1.5	1.9	3.1
CO_2, total scope 3	**tCO_2e**	**107,181**	**99,826**	**-**	-	-

* Excl. AUBO Production A/S.

ENVIRONMENTAL DATA

ENERGY

In 2024 we increased our electricity consumption by 3% as a result of our ongoing transition away from fossil-based energy consumption.

Electricity consumption / revenue has been updated to include AUBO Production consumption and revenue for 2022.

ACCOUNTING PRACTICES

Energy consumption is based on invoiced consumption.

The renewable energy share from 2023 has been covered by renewable energy certificates from wind and solar power, which brings the renewable energy share to 100%.

Renewable energy share before 2023 is based on standard energy market mix in Denmark (Environmental declaration 2021).

Electricity consumption is calculated as: Electricity consumption [kWh] / net revenue [kDKK]

	UNIT	2024	2023	2022
ENERGY				
Energy consumption	MWh	6,621	6,483	7,850
Renewable electricity	%	100	100	82
Electricity consumption / revenue	Ratio	5.5	5.3	5.6

RESOURCES

WASTE

TCM Group continuously seeks to increase productivity, reduce waste throughout the production processes, and work with waste management and suppliers to reduce waste and improve waste handling.

During 2024, we continued our efforts to sort waste to retain the highest possible value of the materials.

The increase in waste volume is due to an increase in activity and a change in the product mix.

ACCOUNTING PRACTICES

Waste volumes and disposal methods are weighted and reported by waste sorting and handling companies.
Reference standard: GRI 306-5 Waste

WATER

TCM Group primarily uses water for sanitation and heating purposes, and we expect this to be relatively stable.

Very limited amounts are used in production to support our lacquering processes, and any resulting wastewater is carefully separated and disposed of in the right manner.

In 2024, water consumption decreased by 11% compared with the previous year.

ACCOUNTING PRACTICES

Water consumption covers all water purchased from external suppliers and is based on the invoiced volume.

	UNIT	2024	2023	2022*
RESOURCES				
Water consumption	m3	6,138	6,881	5,900
Waste	**ton**	**4,237**	**4,165**	**4,410**
Recycling	%	91.7	94.2	90.3
Energy recovery	%	6.5	4.1	9.6
Landfill	%	0.0	0.0	0.0
Hazardous waste	%	1.9	1.0	0.1

* Excl. waste from AUBO Production A/S.

S SOCIAL

TCM Group's continued success relies on employing the best-qualified people, and we are committed to ensuring a safe and healthy working environment characterised by mutual trust and respect. We work actively to create sustainable work in accordance with the following principles:

- A safe and secure working environment that also enhances personal development.
- Flexibility to support a clear balance between work and private life, and between individuals, teams and organisation.
- Diversity and social commitment.

HUMAN AND LABOUR RIGHTS

Our commitment to the UN Global Compact, established over a decade ago, demonstrates our long-standing dedication to upholding human and labour rights. The primary risks we face in respect of non-compliance with the Global Compact's principles include potential discrimination against employees and cases where specific conditions at our suppliers fail to meet the required standards.

Our Employee Handbook and our Code of Conduct provide clear guidance to our employees and suppliers regarding human and labour rights. Our focus is on implementing effective mechanisms, systems and programmes to prevent violations and promote accountability. We adhere to Danish and international standards on human rights and comply with laws related to equality, offering fair and equitable employment and working conditions regardless of gender, ethnic origin, religion or other personal circumstances.

Key instruments for identifying and addressing potential violations include our whistleblower hotline and internal controls, which allow employees and third parties to report concerns. Additionally, we conduct random supplier audits to ensure compliance with human and labour rights standards.

For further details on our whistleblower hotline, please refer to page 38.

SAFE WORKING ENVIRONMENT

At TCM Group, we are committed to providing the best possible working environment. Safety is our top priority, and we focus heavily on building and maintaining a strong safety culture to ensure the well-being of our employees. This involves minimising risks and creating the best conditions for a healthy and safe workplace. Work safety significantly impacts not only our employees but also their families, communities and the business as a whole.

In 2024, we continued our efforts to secure safe working conditions with a strong focus on knowledge sharing across locations and a reinforced emphasis on behaviour and safety culture based on a zero-accidents vision.

We monitor the occupational health and safety of our employees by collecting and analysing data on accidents, near-miss work accidents and sickness absence. In 2024, we had a total of 12 reported accidents. Seven of those accidents resulted in a total of 33 days of absence. The remaining five accidents did not result in any absence but in some cases required the affected employees to undertake less strenuous tasks during their recovery. We have observed that most accidents are behaviour-related, stemming from employees' eagerness to perform their tasks well but sometimes at the expense of adhering to

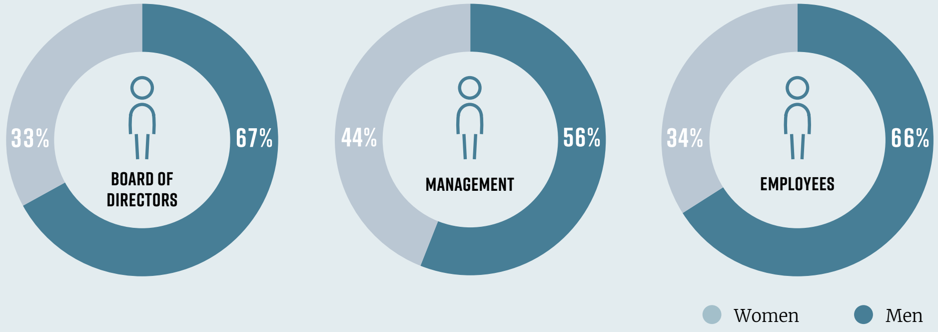
SOCIAL PERFORMANCE AND PROGRESS

GENDER EQUALITY

TCM Group's target for representation of the underrepresented gender on the Board of Directors is to be in line with the Danish Business Authority's definition of equal gender distribution. As of 31 December 2024 this target is achieved.

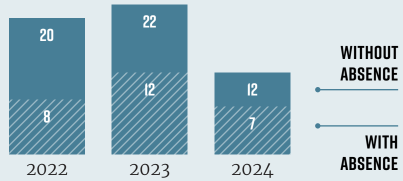
DIVERSITY

Our aim is to ensure gender balance at all levels of our organisation, with the underrepresented gender making up at least 40%.



TOWARDS ZERO ACCIDENTS

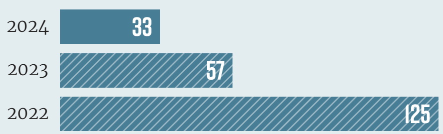
Our safety vision is zero accidents.
Number of accidents:



ZERO ACCIDENTS 2025 TARGET

SICK DAYS AND ABSENCE

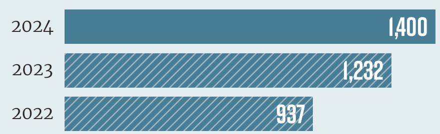
No. of sick days caused by work accidents



0.0003% Absence ratio related to work accidents in 2024

REPORTED NEAR-MISS WORK ACCIDENTS

No. of reported near-miss work accidents at TCM Group



3.7% Absence ratio related to sickness in 2024 safety instructions. To address this, all employees have undergone training to strengthen their focus on safety and cultivate a safety-conscious culture. Our management team leads by example, conducting regular safety walks and organising "safe starts" after vacations.

We use near-miss work accident reports to ensure continued awareness of incidents that could lead to an accident, to share learnings and as a means of taking preventive actions. The number of near-miss reports increased considerably in 2024, and we take this as an indication that our efforts are having a positive effect.

Although we have not yet achieved our goal of zero accidents, we have successfully reduced the severity of accidents. We remain determined to eliminate work-related accidents entirely. Moving forward, we will intensify our focus on safety-related behaviours and reinforce the message that personal safety always takes precedence over everything else. Safety will continue to be a top priority in the coming year.

FOCUS ON ONGOING LEARNING

We strive to continuously upskill our employees, enhancing their individual value and ensuring that their skills remain relevant both within and beyond TCM Group. We achieve this through on-the-job training and by developing personalised plans during annual reviews in collaboration with each employee. We believe that training is most effective when it is available at the time it is most relevant to the individual and can be immediately applied in practice. In addition to internal learning and development initiatives, our TCM Learning platform also supports the training of sales staff for our brands and kitchen installers.

TOLERANT WORKPLACE

We take responsibility for training the next generation of qualified employees by providing opportunities to develop relevant skills and gain valuable work experience. Throughout the year, TCM Group supports many individuals who, for various reasons, need assistance with establishing themselves in the job market.

We work consistently with apprentices across TCM Group, and in 2024 we had 12 apprentices within the organisation. We have become more focused on hiring individuals from diverse backgrounds to foster the benefits of diversity in our workplace.

Additionally, we are committed to creating positions with reduced working hours wherever feasible, and we continue to collaborate closely with municipalities to offer citizens job clarification processes. As an example, we have been actively involved in creating the Aulum Mile (see case).

A TALENTED AND DIVERSE WORKFORCE

At TCM Group, we firmly believe that a diverse and inclusive working environment benefits both our business and society as a whole. We recognise and value the differences among our employees, as diverse teams, including management groups, foster better and more innovative collaboration. This leads to improved decision-making and promotes inclusiveness and tolerance throughout our organisation.

We are committed to being a responsible workplace that recruits, promotes and develops employees based on individual competences while supporting diversity. Our recruitment, contracting, promotions and dismissals are conducted without consideration for gender, age, nationality, sexual orientation, physical ability, disability, political opinion, ethnicity, family status and religious or other beliefs. We strive for equitable representation of men and women in managerial positions, and promote diversity and inclusion through our policy, which is available on the TCM Group website.

We continuously work to ensure equal opportunities for every employee, regardless of gender. As part of this effort, we emphasise equal terms and actively identify candidates of different genders when hiring new managers. We also aim for a workforce that balances younger and more experienced employees.

Our focus extends to achieving sensible gender diversity within the Board of Directors, Executive Management and other management levels. TCM Group aims for a gender composition across Management and the total workforce where the underrepresented gender constitutes at least 40%.

Currently, our Executive Management consists of the CEO and the CFO, both of whom are male. However, at the second management level, the underrepresented gender comprises 44%, while in the overall management group it makes up 31%. This composition reflects traditional gender distributions in manufacturing companies, with a predominance of male forepersons in production and a slight predominance of female employees in administrative roles.

In 2024, new competences were added to the second management level. Progress towards a more equal gender distribution at other management levels will occur gradually as the organisation develops and recruitment efforts continue. We are committed to meeting our target by 2028.

CASE: COCUURA

At TCM, we recognise that training and learning do not only occur in the workplace. Life events can also have a significant impact on the working environment. To support our employees holistically, TCM Group offers all employees membership of Cocuura.

Cocuura is a digital platform designed to assist managers, teams, colleagues and employees' families by providing tools to navigate challenging and potentially life-changing dilemmas.

CASE: THE AULUM MILE

With the ambition of securing jobs for young people who, for various reasons, are struggling to establish a foothold in their working lives, the Aulum Mile was created as a collaboration between numerous companies in Aulum and Youth Guidance Herning (Herning Municipality). The initiative aims to provide young people with the opportunity to test their work abilities while ensuring their well-being, security and proper support, facilitating their successful integration into the workplace.

In 2024, TCM hosted six young people on work probation, several of whom are on track to secure permanent employment.

SOCIAL DATA

EMPLOYEES

The total number of employees, measured as headcount, decreased by 1% compared with the previous year. The decrease can be attributed to a decrease in market demands and restructuring of the organisation.

ACCOUNTING PRACTICES

FTEs and the shares of blue- and white-collar workers are calculated excluding temporary and short-term employment.

The number of employees who are on flex-job contracts or similar and trainee contracts are counted at the end of the year.

GENDER DIVERSITY FOR ALL EMPLOYEES

Gender diversity refers to the proportion of women in relation to the total number of headcounts. The measurement of gender diversity, both for all employees and for Management, is based on headcounts as of 31 December 2024 and all historical years, and encompasses both white-collar and blue-collar employees.

GENDER DIVERSITY IN MANAGEMENT

The measurement provides insight into the representation of women in management positions within the organisation.

The Executive Management comprises the CEO and the CFO, as they have a direct reporting line to the Board of Directors.

The second management level comprises managers who report directly to the Executive Management.

Other management levels comprise the overall management group at TCM, including the Executive Management and the second management level.

Gender diversity is measured with reference to GRI 405 Diversity and Equal Opportunity, and includes all TCM Group employees. Our work with diversity aligns with UNGC principles 3, 4, 5 and 6.

GENDER PAY RATIO

At TCM Group, it is our policy that equal jobs are rewarded with equal pay. Any difference in pay is solely based on qualifications and experience.

The pay gap between genders is measured for white-collar employees minus the Executive Management.

	UNIT	2024	2023	2022	2021	2020
DIVERSITY						
Number of employees, as of 31 December	#	481	486	482	504	483
Blue-collar workers	%	68	70	77	-	-
White-collar workers	%	32	30	23	-	-
Flex jobs, etc.	#	15	21	5	-	-
Trainees, interns and apprentices	#	12	12	6	13	16
Employee turnover	%	16.9	-	-	-	-
Gender diversity overall, female/male	%	34 / 66	34 /66	36 / 64	32 /68	-
Gender diversity, 1st-level management as per §99b	%	0 (0 of 2)	0 (0 of 2)	-	-	-
Gender diversity, 2nd-level management as per §99b	%	44 (4 of 9)	44 (4 of 9)	-	-	-
Gender diversity, other management levels, including 1st and 2nd levels	%	28 (5 of 18)	31 (5 of 16)	28 (4 of 14)	21 (3 of 14)	26 (4 of 15)
Pay gap between genders, white-collar	Ratio m/f	1.18	1.28	1.18	-	-
Distribution of employees by age group, under 30 years old	%	10	-	-	-	-
Distribution of employees by age group, 30-50 years old	%	41	-	-	-	-
Distribution of employees by age group, over 50 years old	%	49	-	-	-	-

SOCIAL DATA

OCCUPATIONAL HEALTH AND SAFETY ACCOUNTING PRACTICES

SICKNESS-RELATED ABSENCE

Sickness-related absence does not include absence due to sick children or maternity/paternity leave.

ACCIDENTS

Sick days resulting from work-related accidents include all days (24 hours) during which an employee is absent due to such accidents. The absence ratio is calculated as the number of absent working hours divided by the total number of working hours.

The lost-time injury frequency measures the number of work-related incidents with absence per million working hours.

The accident severity ratio serves as an indication of the type of injuries that we experienced.

The number of near-miss work accidents registered during the financial year is also tracked. This registration serves as a measure to prevent accidents.

EMPLOYEE ENGAGEMENT

TCM Group measures employee engagement every two years through a voluntary engagement survey. The engagement score, based on a 5-point scale, is used to monitor employee engagement through several categories. The engagement participation percentage reflects the proportion of employees who completed the survey compared to the total number of employees.

Although the survey is usually conducted every two years, it was postponed from 2023 to 2024 due to the acquisition of AUBO Production A/S in July 2023. The 2024 survey included all employees within TCM Group.

Our work with occupational health and safety aligns with UNGC principles 3, 4, 5 and 6.

	UNIT	2024	2023	2022
OCCUPATIONAL HEALTH AND SAFETY				
Absence ratio related to sickness	%	3.7	3.2	4.4
Number of work accidents	#	19	34	28
Sick days caused by work accidents	#	33	57	937
Lost-time injury frequency (LTIF)		9.3	11.5	-
Absence ratio related to work accidents	%	0.0003	0.09	0.10
Near-miss work accident registrations	#	1,400	1,232	937
Employee engagement score	(5-point scale)	4.2	-	-
Engagement survey participation	%	78	-	-

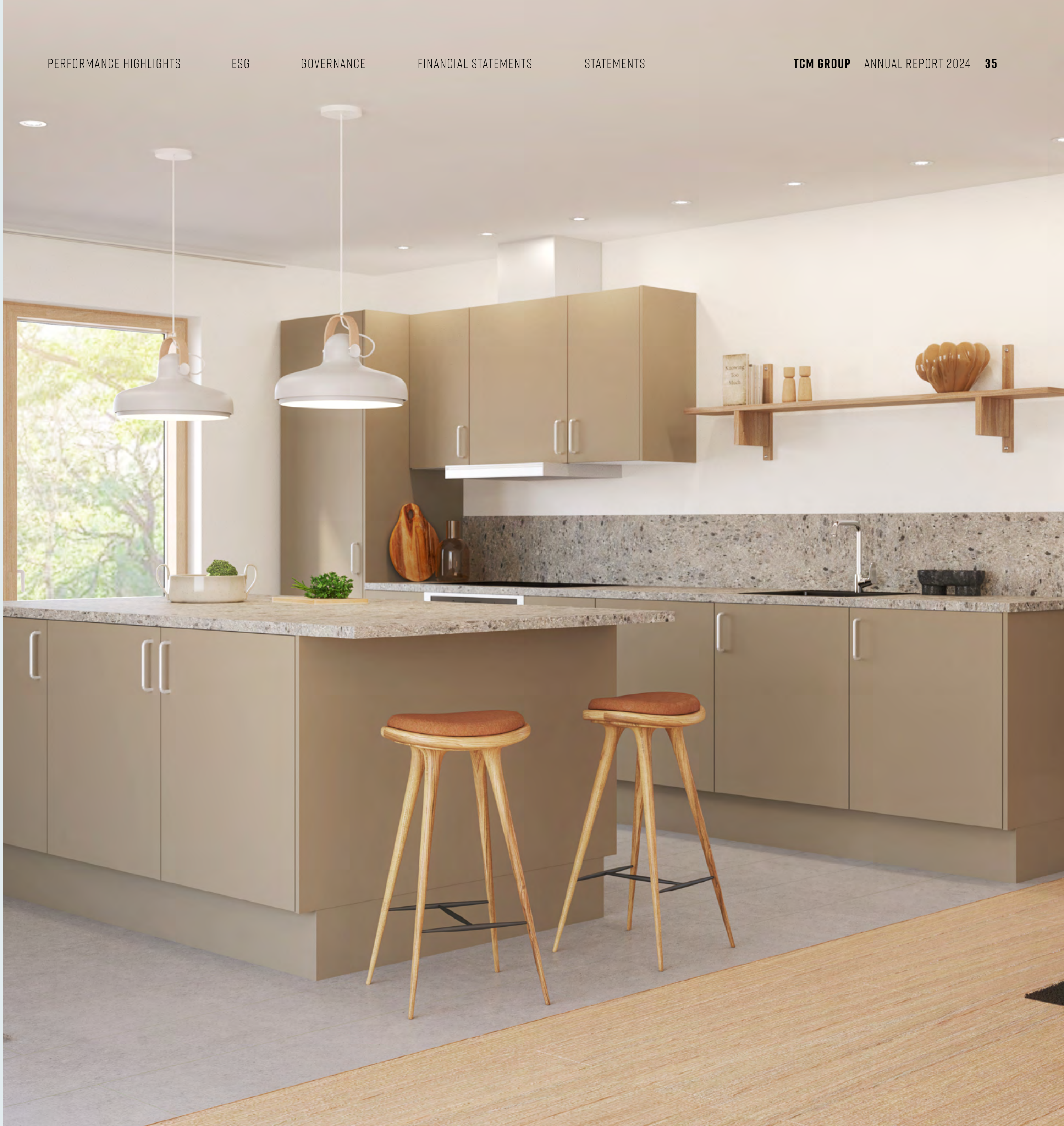
GOVERNANCE

Nettoline kitchens are made for everyday life. Our kitchens are created for the user – not the other way around.

Our kitchens are born out of the idea that functionality, design and price are not mutually exclusive.

nettoline

TREND, SAND



G GOVERNANCE

TCM Group is committed to exercising good corporate governance, and the Board of Directors therefore evaluates the Group's management systems at least once a year to ensure that the structure is appropriate relative to the Group's shareholders and other stakeholders.

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

At TCM Group, management duties and responsibilities are divided between the company's Board of Directors and the Executive Management. No one person is a member of both bodies, and no member of the Board of Directors has previously been a member of the Executive Management. TCM Group has laid down rules of procedure for the Board of Directors, which are reviewed annually. The Board of Directors holds nine ordinary meetings each year and convenes further meetings as needed. In the financial year 2024, 11 board meetings were held.

The Executive Management is in charge of day-to-day management, while the Board of Directors supervises the work of the Executive Management and is responsible for overall management and strategic direction. In this regard, the Board of Directors considers the Group's overall strategy every year to ensure continuous value creation. The requirements concerning the Executive Management's timely, accurate and adequate reporting to the Board of Directors and the communication between these two corporate bodies are laid down in the Executive Management's rules of procedure, which are reviewed annually and approved by the Board of Directors.

COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors currently consists of six members elected by the Annual General Meeting and elects a Chair and a Deputy Chair. The board members are professionally experienced businesspeople who have the diversity, international experience and skills considered relevant to TCM Group. All but one of the board members elected by the shareholders are regarded as independent.

The Board of Directors determines once a year the qualifications, experience and skills that it must possess in order to best perform its tasks taking into account the Group's current needs. The Board of Directors evaluates its work on an annual basis. All board members are up for election at each Annual General Meeting.

AUDIT COMMITTEE

The Board of Directors appoints an Audit Committee. The Chair of the Audit Committee is skilled in accounting and finance. The purpose of the Audit Committee is to monitor the financial reporting process, the company's internal control and risk management systems, including ESG, and the collaboration with the independent auditor. The Audit Committee currently consists of three members – Anders Skole-Sørensen, Jan Amtoft and Erika Hummel – and is chaired by Erika Hummel. The Audit Committee held five meetings in the financial year 2024.

NOMINATION COMMITTEE

The Board of Directors appoints a Nomination Committee comprising at least two members of the Board of Directors, of whom at least one is also a member of the Remuneration Committee. The Chair of the Board of Directors is also the Chair of the Nomination Committee. The overall purpose of the Nomination Committee is to help the Board of Directors ensure that appropriate plans and processes are in place for the nomination of candidates for the Board of Directors and Executive Management. The Nomination Committee currently consists of three members – Anders Skole-Sørensen, Søren Mygind Eskildsen and Pernille Wendel Mehl – and is chaired by Anders Skole-Sørensen. The Nomination Committee held one meeting in the financial year 2024.

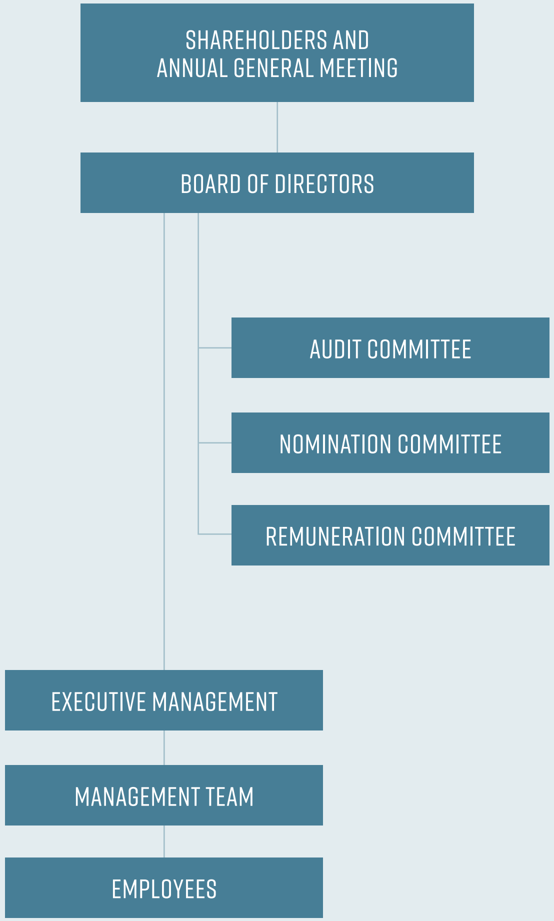
REMUNERATION COMMITTEE

The Board of Directors appoints a Remuneration Committee comprising at least two members of the Board of Directors. The purpose of the Remuneration Committee is to ensure that the Group maintains a Remuneration Policy for members of the Board of Directors and Executive Management as well as general guidelines for incentive pay for the Executive Management. The Remuneration Committee currently consists of three members – Anders Skole-Sørensen, Søren Mygind Eskildsen and Pernille Wendel Mehl – and is chaired by Anders Skole-Sørensen. The Remuneration Committee held one meeting in the financial year 2024.

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

The Board of Directors has adopted a Remuneration Policy and general guidelines on incentive pay, which have been approved by the Annual General Meeting. The policy and guidelines are available at governance-en.tcmgroup.dk. The Remuneration Policy supports the goal of attracting, motivating and retaining qualified members of the Board of Directors and Executive Management. The remuneration is designed to align the interests of the Board of Directors, the Executive Management and the company's shareholders, to support the achievement of TCM Group's short-term and long-term strategic targets, and to stimulate value creation. Please see note 5 to the consolidated financial statements for a

GOVERNANCE STRUCTURE



specification of the remuneration paid to the Board of Directors and Executive Management.

DESCRIPTION OF INTERNAL CONTROL AND PROCEDURES IN RELATION TO THE FINANCIAL REPORTING PROCESS

The Board of Directors and the Executive Management are ultimately responsible for the Group's risk management and internal control in relation to its financial reporting, and approve the Group's general policies in this regard. The Audit Committee assists the Board of Directors in overseeing the reporting process and the most important risks. The Executive Management is responsible for the effectiveness of the internal control and risk management, and for the implementation of such control aimed at mitigating the risks associated with the financial reporting.

Management believes that the Group's reporting and internal control systems enable it to be compliant with disclosure requirements applying to issuers whose shares are admitted to trading and official listing on Nasdaq Copenhagen.

As part of the overall risk management, the Group has set up internal control systems that are deemed appropriate and sufficient in relation to the Group's activities and operations. The internal control systems are evaluated on an ongoing basis.

The Group's internal control and procedures are planned and executed to ensure a reasonable level of comfort that the financial reporting is reliable and in compliance with internal policies, and gives a true and fair view of the Group's financial performance, financial position and material risks. The procedures and control are furthermore planned with a view to supporting the quality and efficiency of the Group's business processes and the safeguarding of the Group's assets. The evaluation of the risks includes an assessment of the likelihood that an error will occur and whether the financial impact of such an error would be material.

In addition to the above, the Group has developed internal control and procedures in relation to the financial reporting process aimed at enabling the Group to monitor its performance, operations, funding, risk and internal control. The Group continues to improve the internal control and procedures in relation to the financial reporting process and believes that the current control and procedures in place enable the Group to be compliant with the disclosure requirements applying to issuers of shares on Nasdaq Copenhagen. The internal control and procedures in relation to the financial reporting process include:

- Weekly reports of incoming orders and gross and net revenue by month
- Monthly reports, on a per store basis, of the Group's sales to stores
- Consolidated monthly reports summarising results for legal entities, including balance sheet and cash flow results compared to budgeted performance and the previous year's performance, explanations of deviations and key performance indicators
- A four-eye principle within the finance department to ensure the quality of accounting records
- A standardised authorisation process for most of the invoices received. In addition, a detailed review of cost at account level is carried out in connection with the monthly reports.

ORGANISING ESG

To ensure steady progress on our ambitions and targets, and to maintain and develop ESG as an integrated part of our way of doing business, TCM Group has an ESG Steering Committee that is organised around our strategic focus areas and with the involvement of the relevant stakeholders. The committee consists of the CEO, the CFO, the Head of Product Management and the Head of Supply Chain. It convenes every second month and addresses issues including sustainability risks and opportunities as well as recommendations for further improvements.

The ESG Manager is responsible for strategy deployment as well as identifying and pursuing further strategic opportunities. Cross-functional teams from the line of business support the daily operations and ensure progress in each of the strategic focus areas.

Oversight of ESG performance is among the responsibilities of the Audit Committee.

DIVERSITY POLICY

TCM Group has formulated a Diversity and Inclusion Policy. Our Policy is available on our website, tcmgroup.dk.

Please see page 32 for more details of the policy.

GENDER DIVERSITY ON THE BOARD OF DIRECTORS AND AMONG OTHER EXECUTIVES

In respect of members elected by the Annual General Meeting, TCM Group focuses on diversity, skills and experience. We aim for an equal gender composition that also reflects essential competences within TCM Group's focus areas. To ensure that the Group's Board of Directors is composed of the right profiles and skills, TCM Group has defined targets with regard to gender and independence. The Group wants a Board of Directors where both genders are represented. We believe this can create the basis for the best debates and add different perspectives and input on how we run and develop the business and approach challenges.

For the Board of Directors elected by the Annual General Meeting, TCM Group aims for representation of the underrepresented gender in line with the Danish Business Authority's definition of equal gender distribution. In 2024, the Board of Directors elected by the Annual General Meeting comprised two women and four men, giving TCM Group an equal gender distribution according to the Danish Business Authority's definition.

INCENTIVE PLAN

The long-term incentive (LTI) programme for TCM Group's Executive Management includes ESG performance-related criteria accounting for up to 20% of the programme.

BUSINESS CONDUCT

Our business conduct is governed by our Code of Conduct, which applies to every aspect of our operations and underpins every decision made daily at all levels across TCM Group.

The Code of Conduct outlines our stance on, among other things, anti-corruption and bribery, human rights, fraud, relationships with business partners, suppliers, authorities and other stakeholders, and the social impacts of our activities throughout the value chain. Where detailed implementation is necessary, it is addressed through specific instructions and staff handbooks.

CORPORATE GOVERNANCE RECOMMENDATIONS

Nasdaq Copenhagen has incorporated the recommendations of the Danish Committee on Corporate Governance in its Rules for Issuers of Shares.

These recommendations are available on the website of the Committee on Corporate Governance, www.corporategovernance.dk.

TCM Group complies with all these recommendations.

The Group's corporate governance statements are available on our website at

investor-en.tcmgroup.dk/CorporateGovernance

SUPPLIER MANAGEMENT

Our responsible sourcing practices are focused on environmental, social and governance issues across our value chain. TCM Group is committed to respecting human rights as outlined in the United Nations Universal Declaration of Human Rights and the UN Global Compact. The backbone of our work with suppliers on ESG matters is our Code of Conduct, which is mandatory for all suppliers to TCM Group.

These suppliers are primarily located in Europe, in most cases relatively close to our production sites in Tvis and Aulum, Denmark. In 2024, 92% of materials directly used in our production were made in Europe, of which 54% originated in Denmark or our neighbouring countries (Germany and Sweden).

In 2024, we developed a framework to rate our suppliers on their fit with and contribution towards our ESG-related targets. This will be integrated into our supplier management and due diligence processes.

ANTI-CORRUPTION

TCM Group is committed to compliance with anti-corruption rules and regulations, and recognises the risks of non-compliance, such as obtaining advantages through illegal means via our employees, suppliers, franchisees or dealers. At TCM Group, we maintain a zero-tolerance approach to corruption and bribery. Our policy is to fully comply with all applicable regulations and to actively promote anti-corruption practices in all our business relationships.

Our Code of Conduct clearly outlines this zero-tolerance approach for employees, suppliers, franchisees and dealers. In addition to fostering firm values and a strong organisational culture, we conduct internal control and provide a whistleblower hotline to detect potential breaches.

We are pleased to report that in 2024 there were no instances of policy violations related to anti-corruption. In 2025, we will continue our efforts to promote anti-corruption practices across all our business relationships.

WHISTLEBLOWER SYSTEM

TCM Group's whistleblower system is available for internal and external reporting of any witnessed activities or reasonable suspicion of serious and reprehensible conditions or illegalities within the Group. All internal and external stakeholders can access the whistleblower system through an externally hosted website. The system is anonymous and all communication is encrypted, which means that TCM Group is not able to trace any specific whistleblower report back to the reporting individual. TCM Group has a non-retaliation policy regarding any concerns reported.

The system is available in a number of local languages to ensure that anyone who may have concerns can report in their local language. The reporting platform has been promoted internally to make sure that employees at TCM Group know that there is an anonymous platform available.

TAX RESIDENCE

TCM Group operates in Denmark and Norway, is listed on the Copenhagen Stock Exchange (Nasdaq OMX Copenhagen Small Cap) and pays taxes locally in Denmark and Norway. In 2024, TCM Group's corporate tax amounted to DKK 13.4 million, 99.6% in Denmark and 0.4% in Norway. Our Tax Policy is available on our website, tcmgroup.dk.

DATA PROTECTION POLICY

TCM Group collects data to facilitate delivery of products and services within kitchen, bathroom and storage, and to best service customers in the event of quality complaints or enquiries regarding information on specific orders. TCM Group primarily uses the collected data in connection with order processing, i.e. order confirmation and delivery, and in any follow-up complaints or enquiries. Day-to-day processing and storage of data are operationalised and systematised via internal procedures and policies across TCM Group. The overall responsibility for decision-making, application and implementation of new technologies, and use of data, both personally identifiable and non-personally identifiable, is anchored in TCM Group's Executive Management.

EU CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD) AND THE EU TAXONOMY

The Corporate Sustainability Reporting Directive (2022/2464/EU), known as the CSRD, came into force on 15 January 2023. As TCM Group is a listed company with an average of fewer than 500 full-time employees, the company does not fall within the scope of the currently applicable CSRD until the financial year 2025.

In 2024, TCM Group has been preparing to ensure compliance with the CSRD. Following our double materiality assessment, we conducted a gap analysis and focused on identifying key performance indicators (KPIs) that must be reported annually. Unless currently applicable regulations are changed, the financial year 2025 will mark our first year of reporting under CSRD requirements, with a strong emphasis on ongoing data collection, data quality and data control.

Our goal is to drive continuous improvement and track progress as an integral part of our ESG management system. We are also preparing to undergo independent limited assurance to validate our efforts.

DATA PROTECTION POLICY

In connection with TCM Group's delivery of products and services within kitchen, bathroom and storage, TCM Group collects relevant data. Our policy regarding data protection and confidentiality is available on our website, tcmgroup.dk.

TVIS KØKKEN
Forest

WHISTLEBLOWER SYSTEM

TCM Group's whistleblower system can be accessed here.

0 In 2024, there were no reported cases

COMMUNICATION ON PROGRESS
UN GLOBAL COMPACT
This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.
We welcome feedback on its contents.

BOARD OF DIRECTORS

ANDERS SKOLE-SØRENSEN

Chair

Danish nationality.
Born in 1962.

Chair of the Nomination Committee and of the Remuneration Committee, and member of the Audit Committee.
Independent.
Member since: 2017.
Participated in 11 of 11 board meetings in 2024.
Number of shares end 2024: 10,153 (2023: 10,153).

Anders Skole-Sørensen holds an MSc in Economics from the University of Copenhagen.

Other positions:
Anders Skole-Sørensen is a member of the board of directors of F. Uhrenholt Holding A/S.

SØREN MYGIND ESKILDSEN

Deputy Chair

Danish nationality.
Born in 1972.

Member of the Nomination Committee and of the Remuneration Committee.
Independent.
Member since: 2018.
Participated in 11 of 11 board meetings in 2024.
Number of shares end 2024: 6,950 (2023: 6,950).

Søren Mygind Eskildsen holds a Bachelor of Engineering and MBA from the University of Southern Denmark.

Other positions:
Søren Mygind Eskildsen is CEO of Louis Poulsen A/S.

Søren Mygind Eskildsen is chair of the board of directors of Ege Carpets A/S and a member of the board of directors of Gabriel A/S.

ERIKA HUMMEL

Board member

Italian and German nationality.
Born in 1961.

Chair of the Audit Committee
Non-independent.
Member since: 2023.
Participated in 10 of 11 board meetings in 2024.
Number of shares end 2024: 0 (2023: 0).

Erika Hummel holds a BA in Economics and an MBA, both from the University of California, Los Angeles.

Other positions:
Erika Hummel is CEO of Sodulo Immobilien GmbH and chair of the board of directors of Hummel & Partner AG.

PERNILLE WENDEL MEHL

Board member

Danish nationality.
Born in 1972.

Member of the Nomination Committee and of the Remuneration Committee.
Independent.
Member since: 2023.
Participated in 10 of 11 board meetings in 2024.
Number of shares end 2024: 0 (2023: 0).

Pernille Wendel Mehl holds a Grad. Dip. BSc in Business Administration (HDA) and a Master of Management Development (MMD), and has completed the CBS/Børsen Executive Board Programme.

Other positions:
Pernille Wendel Mehl is CEO of Copenhagen Zoo and a member of the boards of directors of Foreningen DGI Byen and Nine A/S.

JAN AMTOFT

Board member

Danish nationality.
Born in 1964.

Member of the Audit Committee.
Independent.
Member since: 2022.
Participated in 11 of 11 board meetings in 2024.
Number of shares end 2024: 1,550 (2023: 1,550).

Jan Amtoft holds a Bachelor of Computer Science (Hons) from De Montfort University.

Other positions:
Jan Amtoft is CIO of Rockwool A/S.

BJÖRN OLSSON LISSNER

Board member

Swedish nationality.
Born in 1976.

Independent.
Member since: 2024.
Participated in 7 of 7 possible board meetings in 2024.
Number of shares end 2024: 0 (2023: 0).

Björn Olsson Lissner holds an MSc in Technology from Lund University.

Other positions:
Björn Olsson Lissner is CEO of Aktiebolaget Gyllsjö Träindustri and a member of the boards of directors of Aktiebolaget Gyllsjö Träindustri and Industrispik Linan Aktiebolag.

EXECUTIVE MANAGEMENT

TORBEN PAULIN

Chief Executive Officer

Danish nationality.
Born in 1965.

Since March 2020.
Number of shares end 2024: 57,825 (2023: 55,876).

Prior to joining TCM Group, Torben Paulin was CEO of BoConcept, a leading Danish design and lifestyle brand with nearly 300 franchise stores in 60 countries.

Other positions:
Torben Paulin is a member of the board of directors of Zefyr Invest A/S.

THOMAS HJANNUNG

Chief Financial Officer

Danish nationality.
Born in 1973.

Since March 2023.
Number of shares end 2024: 5,426 (2023: 5,426).

Prior to joining TCM Group, Thomas Hjannung worked at Faerch Group, ECCO Sko A/S and Bang & Olufsen A/S in various senior positions, including international assignments.

SVANE KØKKENET
Snedker, RAW

SHAREHOLDER INFORMATION

TCM GROUP SHARE PRICE DEVELOPMENT IN 2024
TCM Group A/S is part of the Nasdaq OMX Copenhagen Small Cap index. In 2024, the share price increased from an opening value of DKK 45.5 to DKK 67.0 as of 31 December 2024, representing an increase of 47.3%.

The average share price during 2024 was DKK 59.4.

The nominal value of the company's share capital as of 31 December 2024 was DKK 1.1 million divided into shares of DKK 0.1, equivalent to 10.5 million shares and 10.5 million votes. As of 31 December 2024, TCM Group A/S owns 73,051 treasury shares, corresponding to 0.7% of the share capital.

OWNERSHIP
As of 31 December 2024, members of the Board of Directors held 18,653 shares (31 December 2023: 46,456 shares) and members of the Executive Management held 63,251 shares (31 December 2023: 61,302 shares), totalling 81,904 shares (31 December 2023: 107,758 shares), equivalent to 0.8% of the share capital (31 December 2023: 1.0%).

As of 31 December 2024, the following shareholders had notified shareholdings above 5% of the share capital (see below).

NAME	BUSINESS REGISTRATION NO.	DOMICILE	NOTIFIED SHAREHOLDING*
Paradigm Capital Value Fund	B129149	Luxembourg, Luxembourg	15.8%
Paradigm Capital Value LP	99-0375707	Delaware, USA	12.1%
BI Asset Management Fondsmæglerselskab A/S	20896477	Copenhagen, Denmark	10.8%
Arbejdsmarkedets Tillægspension	43405810	Hillerød, Denmark	10.3%

* According to latest shareholding notifications.

FINANCIAL CALENDAR

The financial year covers the period 1 January – 31 December, and the following dates have been fixed for releases, etc. in the financial year 2025:

9 APRIL 2025
Annual General Meeting 2025

21 MAY 2025
Interim Report Q1 2025

20 AUGUST 2025
Interim Report Q2 2025

25 NOVEMBER 2025
Interim Report Q3 2025

26 FEBRUARY 2026
Interim Report Q4 2025 and Annual Report 2025

9 APRIL 2026
Annual General Meeting 2026

DIVIDEND DISTRIBUTION

During 2024, TCM Group did not distribute dividends. For the financial year 2024, the Board of Directors will propose an ordinary dividend of DKK 3 per share. Excluding treasury shares this corresponds to DKK 31 million.

DIVIDEND POLICY

The Board of Directors has adopted a dividend policy targeting a payout ratio of 40-60% of the consolidated net profit for the year. The payment of dividends, including the amount and timing, will depend on several factors, such as future revenue, profits, general financial and business conditions, restrictions under financing agreements, and strategic initiatives such as M&A activities or significant investments decided upon by the Board of Directors. Additional considerations may include other factors deemed relevant by the Board of Directors, as well as applicable legal and regulatory requirements.

There is no assurance that a dividend or share buyback will be proposed or declared in any given year, or that the company's financial performance will enable adherence to the dividend policy or an increase in the payout ratio. The company's ability to pay dividends or repurchase shares may be affected by various factors. Additionally, the dividend policy is subject to change at the discretion of the Board of Directors.

As part of the current financing agreements with Nykredit, the Group has agreed to dividend restrictions linked to financial leverage.

NETTOLINE
TREND, SAND

The company's investor relations website, investor.tcmgroup.dk, contains all official financial reports, investor presentations, the financial calendar, corporate governance documents and other material.

ANALYST COVERAGE

TCM Group is currently covered by four analysts:

Aktieinfo, John Stihøj
Carnegie, Alexander Borreskov
Danske Bank, Poul Ernst Jessen
SEB, Kristian Tornøe Johansen

CONTACT

For further information, please contact:
CEO Torben Paulin +45 21210464
CFO Thomas Hjannung +45 25174233
Investor Relations: ir@tcmgroup.dk

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Wednesday 9 April 2024 at 5 p.m. at Skautrupvej 22b, Tvis, 7500 Holstebro.

SHARE INFORMATION

Exchange: Nasdaq Copenhagen
Trading symbol: TCM018
Identification number/ISIN: DK0060915478
Number of shares: 10.5 million shares of DKK 0.1 each with one vote
Share classes: 1
Sector: Kitchens, bathrooms and storage
Segment: SMALL CAP

SME CDP Discloser 2024

GOVERNANCE DATA

COMPOSITION OF THE BOARD OF DIRECTORS

In TCM Group's Diversity Policy, issued in 2022, we set targets with regard to the gender and independence of members of our Board of Directors.

In 2024, the number of board members was reduced from seven to six. With two of the six members being women, we have 33.3% representation of the underrepresented gender. According to the definition of the Danish Business Authority, we have equal gender distribution. Five of the six members are independent, which is well above the target.

During the year, there were 11 board meetings, with an attendance rate of 97%.

ACCOUNTING PRACTICES

The number of board members is counted at the date of publication.

The number of board meetings only includes actual meetings, not seminars, committee meetings, etc.

The attendance rate is calculated as board meetings attended relative to board meetings held.

Gender diversity is presented as the share of women.

Independent board members is given as the percentage of the total board.

	UNIT	2024	2023	2022	2021	2020
COMPOSITION OF THE BOARD OF DIRECTORS						
Members of the Board of Directors	#	6	7	6	5	5
Board meetings	#	11	15	12	11	8
Board meeting attendance	%	97	98	100	100	98
Gender diversity, Board of Directors	# %	2 of 6 33	3 of 7 43	1 of 6 17	1 of 5 20	1 of 5 20
Percentage of independent board members	%	83	86	100	100	100

RISK AND REGULATION

At TCM Group, we have a zero-tolerance approach to corruption and bribery. Our policy is therefore to comply with all applicable regulations and to promote anti-corruption behaviour in all our business relationships. Our Code of Conduct sets out our zero-tolerance approach to corruption for employees, suppliers, franchisees and dealers.

WHISTLEBLOWER SYSTEM

TCM Group's whistleblower system is available for internal and external reporting of any witnessed activities or reasonable suspicion of serious and reprehensible conditions or illegalities within the Group. All internal and external stakeholders can access the whistleblower system through an externally hosted website. The system is anonymous and all communication is encrypted, which means that TCM Group is not able to trace any specific whistleblower report back to the reporting individual. TCM Group has a non-retaliation policy regarding any concerns reported.

No whistleblower cases were reported in 2024.

ACCOUNTING PRACTICES

Whistleblower reports and cases resolved relate to the number of whistleblower reports to TCM falling within the correct use of the whistleblower system.

The work with the Code of Conduct and the whistleblower system relates to UNGC principle 10 – Anti-Corruption.

	UNIT	2024	2023	2022
RISK AND REGULATION				
Suppliers covered by Code of Conduct, signed	%	82	82	100
Whistleblower reports	#	0	0	0
Whistleblower cases resolved	%	100	100	100

GOVERNANCE DATA

REMUNERATION

TCM Group's Remuneration Policy is available on our website, tcmgroup.dk. The objective of the policy is to attract, motivate and retain qualified members of the Board of Directors and Executive Management, to ensure alignment between the interests of the Board of Directors and Executive Management and the interests of shareholders, and to contribute to the company's business strategy, long-term interests and sustainability.

TCM's policy is that remuneration of the Board of Directors and Executive Management should be competitive and comparable to remuneration in Danish and international peer companies. The remuneration package for members of the Executive Management may consist of a fixed annual base salary, a pension, a short-term cash bonus, a long-term incentive scheme (cash- or share-based) and other benefits in the form of usual non-monetary benefits and reimbursement of expenses. Each element of the remuneration has been weighted to ensure a continuous positive development of the TCM Group both in the short and long term, and the proportions of the various elements are described below.

ACCOUNTING PRACTICES

Shares held by the Board of Directors and the Executive Management are based on reported data.

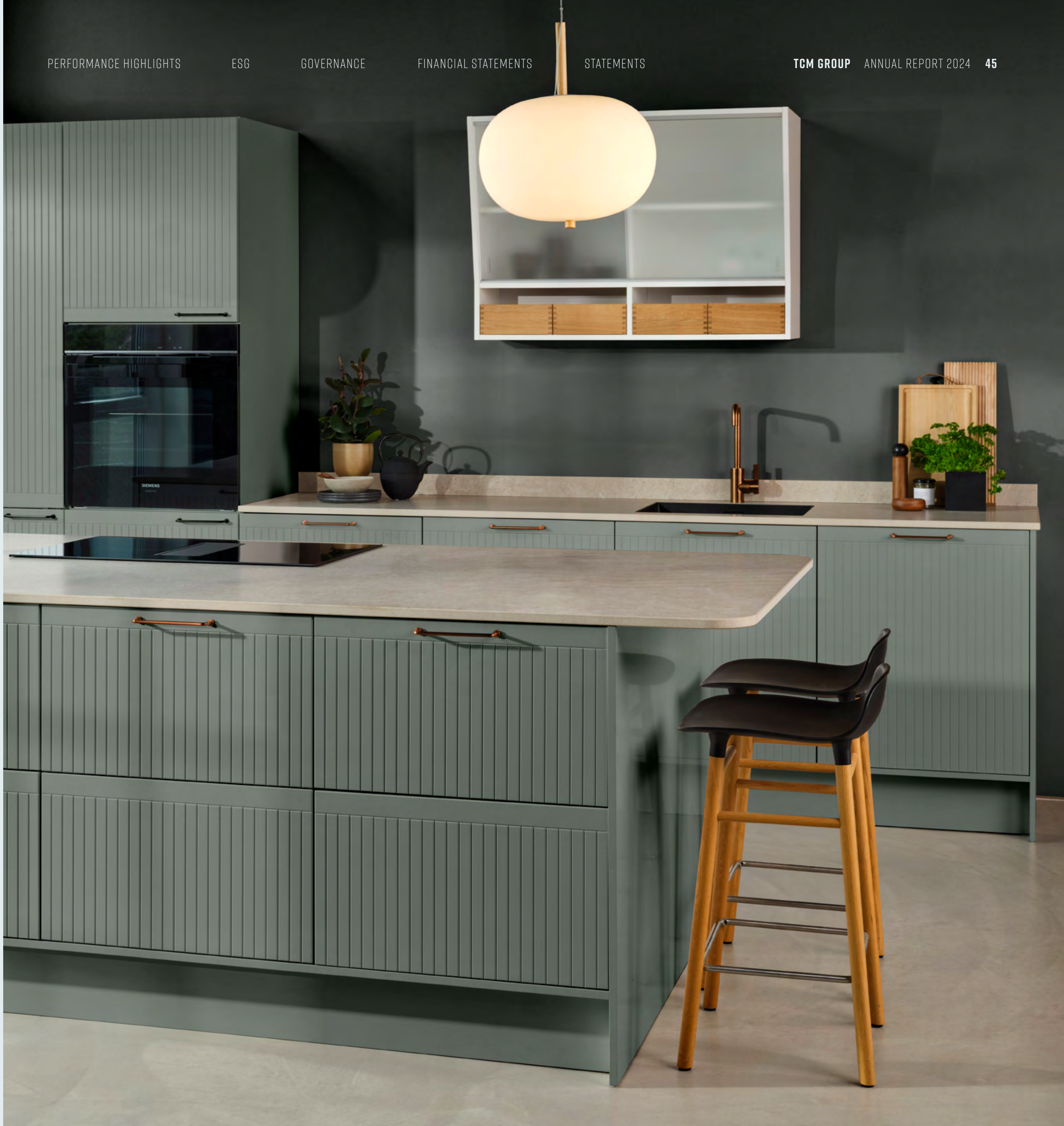
The CEO's total compensation relative to average FTE total compensation is based on the average salary of an employee of TCM (excluding members of the Executive Management).

	UNIT	2024	2023	2022
REMUNERATION				
Shares held by members of the Board of Directors	#	18,653	46,456	40,625
Shares held by the Executive Management	#	63,251	61,302	91,602
CEO total compensation relative to FTE average total compensation	Ratio	12.4	9.4	8.4

FINANCIAL STATEMENTS

TVIS KØKKEN

MG30 colour



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

DKK'000	NOTE	2024	2023
Revenue	4	1,203,783	1,084,126
Cost of goods sold	5, 6, 8	(948,377)	(868,326)
Gross profit		**255,406**	**215,800**
Selling expenses	5, 6, 8	(101,429)	(104,652)
Administrative expenses	5, 6, 7, 8	(83,060)	(61,948)
Adjustment of contingent payment obligation		9,500	1,000
Other operating income		9,891	5,410
Operating profit before non-recurring items		**90,308**	**55,610**
Non-recurring items	9	0	(9,815)
Operating profit		**90,308**	**45,795**
Share of profit in associates		5,733	2,194
Financial income	10	1,190	1,538
Financial expenses	10	(27,788)	(22,435)
Profit before tax		**69,443**	**27,092**
Tax for the year	11	(11,768)	(5,570)
Net profit for the year		**57,675**	**21,522**
Earnings per share (EPS)			
Earnings per share before dilution, DKK	21	5.52	2.20
Earnings per share after dilution, DKK	21	5.51	2.20

STATEMENT OF COMPREHENSIVE INCOME

DKK'000	NOTE	2024	2023
Net profit for the year		57,675	21,522
Other comprehensive income			
Items that may be reclassified to the income statement when specific conditions are met:			
Change in market value of currency hedges		127	(1,221)
Reclassification of currency hedges from equity to be recognised in:			
Revenue		1,220	1,174
Tax on value adjustments of currency hedges		(296)	11
Tax related to prior years		0	36
Other comprehensive income for the year		**1,051**	**0**
Total comprehensive income for the year		**58,726**	**21,522**

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

DKK'000	NOTE	2024	2023
ASSETS			
INTANGIBLE ASSETS	12		
Goodwill		411,998	411,998
Brands		177,211	178,711
Customer contracts		40,375	45,125
Other intangible assets		7,591	2,823
Other intangible assets in progress		54,928	33,665
		692,103	**672,322**
PROPERTY, PLANT AND EQUIPMENT	13		
Buildings		111,729	114,677
Land and land improvements		15,623	14,248
Property, plant and equipment under construction and prepayments		10,656	6,130
Machinery and other technical equipment		53,345	53,984
Equipment, tools, fixtures and fittings		5,113	7,138
Right-of-use assets	14	39,494	41,458
		235,960	**237,635**
FINANCIAL ASSETS			
Investments in associates	15	49,793	47,994
Lease receivables	14	7,587	10,838
Other financial assets	16	8,256	11,024
		65,636	**69,856**
Total non-current assets		**993,699**	**979,813**
INVENTORIES			
Raw materials and consumables		49,431	47,818
Semi-finished products		27,341	34,885
Finished products		12,375	9,834
	17	**89,147**	**92,537**
CURRENT RECEIVABLES			
Trade receivables	25	57,914	79,285
Lease receivables	14	6,714	8,488
Receivables from associates		1,923	3,219
Other receivables	15	26,372	23,065
Prepaid expenses and accrued income	18	1,676	1,180
		94,599	**115,237**
Cash and cash equivalents		29,099	13,285
Total current assets		**212,845**	**221,060**
Total assets		**1,206,544**	**1,200,873**

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

DKK'000	NOTE	2024	2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	19, 21	1,051	1,051
Treasury shares	19	(7)	(12,087)
Value adjustments of cash flow hedges	20	99	(916)
Retained earnings		557,019	541,605
Proposed dividend	22	31,322	0
Total shareholders' equity		**589,484**	**529,653**
Deferred tax	23	66,629	68,032
Mortgage loans	3, 24	35,220	22,726
Bank loans	3, 24	193,607	145,346
Lease liabilities	3, 14	43,703	48,150
Other liabilities	3	43,000	52,500
Total non-current liabilities		**382,159**	**336,755**
Mortgage loans	3, 24	1,236	2,529
Bank loans	3, 24	21,759	92,982
Lease liabilities	3, 14	12,291	14,198
Trade payables	3	122,285	144,710
Current tax liabilities		1,408	1,665
Other liabilities	3	75,629	77,797
Deferred income		293	584
Total current liabilities		**234,901**	**334,465**
Total shareholders' equity and liabilities		**1,206,544**	**1,200,873**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

DKK'000	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	VALUE ADJUSTMENTS OF CASH FLOW HEDGES	RETAINED EARNINGS	PROPOSED DIVIDEND	TOTAL EQUITY
Opening balance, 1 January 2024	**1,051**	**0**	**(12,087)**	**(916)**	**541,605**	**0**	**529,653**
Net profit for the year	0	0	0	0	26,353	31,322	57,675
Other comprehensive income for the year	0	0	0	1,051	0	0	1,051
Total comprehensive income for the year	**0**	**0**	**0**	**1,051**	**26,353**	**31,322**	**58,726**
Adjustment, cash flow hedges	0	0	0	(36)	36	0	0
Transfer	0	0	12,080	0	(12,080)	0	0
Share-based incentive programme	0	0	0	0	1,105	0	1,105
Transfer, exercised shares	0	0	0	0	0	0	0
Closing balance, 31 December 2024	**1,051**	**0**	**(7)**	**99**	**557,019**	**31,322**	**589,484**
Opening balance, 1 January 2023	**914**	**0**	**(12,087)**	**(916)**	**432,718**	**0**	**420,629**
Net profit for the year	0	0	0	0	21,522	0	21,522
Other comprehensive income for the year	0	0	0	0	0	0	0
Total comprehensive income for the year	**0**	**0**	**0**	**0**	**21,522**	**0**	**21,522**
Share-based incentive programme	0	0	0	0	471	0	471
Share capital increase	137	88,645	0	0	0	0	88,782
Transfer	0	(88,645)	0	0	88,645	0	0
Cost related to share capital increase	0	0	0	0	(1,751)	0	(1,751)
Closing balance, 31 December 2023	**1,051**	**0**	**(12,087)**	**(916)**	**541,605**	**0**	**529,653**

CONSOLIDATED CASH FLOW STATEMENT

DKK'000	NOTE	2024	2023
OPERATING ACTIVITIES			
Operating profit		90,308	45,795
Depreciation/amortisation		35,587	31,572
Other non-cash operating items		(8,235)	(33)
Income tax paid		(13,724)	(18,275)
Change in inventories		3,390	22,430
Change in operating receivables		19,446	25,723
Change in operating liabilities		(23,285)	(25,944)
Cash flow from operating activities		**103,487**	**81,268**
INVESTING ACTIVITIES			
Investments in property, plant and equipment		(20,983)	(21,621)
Investments in intangible assets		(28,270)	(21,813)
Sale of property, plant and equipment		0	188
Investments in financial assets		153	1
Acquisition of entities (business combinations)	26	0	(100,791)
Acquisition of entities (associates)	27	0	(153)
Dividends from associates		4,500	2,250
Cash flow from investing activities		**(44,600)**	**(141,939)**
Operating cash flow before acquisition of entities		**58,887**	**40,273**
Operating cash flow after acquisition of entities		**58,887**	**(60,671)**

DKK'000	NOTE	2024	2023
FINANCING ACTIVITIES			
Interest paid		(24,810)	(21,750)
Interest received		1,190	436
Proceeds from loans	28	36,757	149,625
Repayments of loans	28	(49,136)	(131,319)
Repayments of lease liabilities	14	(5,980)	(4,835)
Rights issue, net proceeds		0	77,031
Cash flow from financing activities		**(41,979)**	**69,188**
Cash flow for the year		**16,908**	**8,517**
Cash and cash equivalents at the beginning of the year		**13,285**	**4,392**
Cash flow for the year		16,908	8,517
Exchange rate differences on cash and cash equivalents		(1,094)	376
Cash and cash equivalents at year-end		**29,099**	**13,285**
SPECIFICATION			
Cash and cash equivalents at year-end		29,099	13,285
		29,099	**13,285**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

PRINCIPLES APPLIED IN THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are presented in accordance with IFRS accounting standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

The accounting policies are unchanged compared to last year.

Implementation of new standards, amendments and interpretations
TCM Group has assessed the effect of the new standards, amendments and interpretations. TCM Group has concluded that all standards, amendments and interpretations effective for financial years beginning on or after 1 January 2024 are either not relevant to the Group or have no significant effect on the consolidated financial statements.

Changes in classification
Comparative figures in the income statement and balance sheet have been restated to match this year's classification, which includes a change in the classification of certain income types from revenue to reduction in cost of goods sold by DKK 24.7 million and reduction in selling expenses by DKK 2.5 million. The adjustments to comparative figures has an effect on gross profit of 2.5 million, and no effect on net profit or equity.

REPORTING UNDER THE ESEF REGULATION

The Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) requires listed companies in the EU to use a particular electronic reporting format for their annual reports. More specifically, the annual report must be prepared in XHTML format with iXBRL tagging of the consolidated financial statements, including notes.

TCM Group's iXBRL tagging follows the ESEF taxonomy disclosed in the annexes to the ESEF Regulation and developed based on the IFRS taxonomy published by the IFRS Foundation.

The line items in the consolidated financial statements are XBRL-tagged to the elements of the ESEF taxonomy that are considered to match the content of those line items. For line items not considered to be covered by line items defined in the taxonomy, entity-specific extensions to the taxonomy have been incorporated. Except for subtotals, these extensions are anchored to standard elements of the ESEF taxonomy.

In compliance with the requirements of the ESEF Regulation, the annual report approved by Management comprises a ZIP file, tcm-group-2024-12-31-en.zip, which includes an XHTML file that can be opened using standard web browsers, and a number of technical XBRL files enabling mechanical retrieval of the XBRL data incorporated.

GENERAL PRINCIPLES

Assets and liabilities are recognised at historic acquisition cost, except for certain financial assets and liabilities and non-current assets held for sale. Financial assets and liabilities measured at fair value comprise derivative instruments. Non-current assets held for sale are recognised at the lower of the carrying amount and fair value, less selling expenses.

The parent company's functional currency is the Danish krone (DKK), which is also the presentation currency for the parent company and the Group. Accordingly, the consolidated financial statements are presented in DKK. All amounts are stated in DKK thousand, unless indicated otherwise.

NEW IFRS STANDARDS THAT HAVE NOT YET BEEN APPLIED

A number of new or amended IFRS standards will come into effect in future financial years, but have not been applied in advance when preparing these consolidated financial statements.

The Group has assessed these standards and interpretations and concluded that they are not expected to have a material impact on the Group's financial statements, except for IFRS 18:

IFRS 18 Presentation and Disclosure in Financial Statements: This introduces new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency. The main expected change is that operating profit will include foreign exchange gains/losses and loss on monetary items.

CLASSIFICATION, ETC.

Non-current assets essentially comprise amounts that are expected to be recovered more than 12 months after the balance sheet date. Current assets essentially comprise amounts that are expected to be recovered within 12 months of the balance sheet date. Non-current liabilities comprise amounts that TCM Group has an unconditional right to pay more than 12 months after the balance sheet date. Other liabilities comprise current liabilities.

CONSOLIDATION PRINCIPLES AND BUSINESS COMBINATIONS

Subsidiaries
Subsidiaries are companies where TCM Group has control. Control entails the direct or indirect right to shape a company's financial or operational strategies in a bid to receive financial benefits. When assessing whether control exists, potential voting shares that can be immediately utilised or converted must be taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that the controlling interest arises and until the date on which the controlling interest ceases.

If ownership is reduced to such an extent that the controlling interest is lost, any remaining holdings are recognised at fair value and the change in value is recognised in the income statement.

Transactions that are eliminated through consolidation
Intra-group receivables and liabilities, income and expenses, and unrealised gains or losses that arise from transactions between Group companies are eliminated fully in the preparation of the consolidated financial statements.

Business combinations
Business combinations are recognised in accordance with the acquisition method. This means the acquired identifiable assets and assumed liabilities and contingent liabilities are recognised at the fair value on the acquisition date. The consideration is measured at fair value of the consideration transferred to the former owner of the acquiree. Acquisition-related costs are recognised as non-recurring items in the income statement as incurred.

Goodwill arising from business combinations is calculated as the total of the consideration transferred, any non-controlling interests and the fair value of previously held interests (for step acquisitions) less the fair value of the subsidiary's identifiable assets and assumed liabilities. If the difference is negative, it is recognised directly in net profit for the year.

Contingent consideration in acquisitions is measured at fair value on both the acquisition date and continuously thereafter, with changes in value recognised in the income statement.

For acquisitions of subsidiaries involving non-controlling interests, the Group recognises net assets attributable to non-controlling interests at the fair value of all the net assets either excluding or including goodwill. The principle is decided individually for each acquisition.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

are remeasured to its acquisition-date fair value, and the resulting gain or loss, if any, is recognised in the income statement.

When a controlling interest is achieved, changes in ownership are recognised as a reallocation of shareholders' equity between the parent company's owners and non-controlling interests, without any remeasurement of the subsidiary's net assets.

SEGMENT REPORTING
An operating segment is a part of the Group that conducts business activities from which it earns revenue and incurs expenses and for which independent financial information is available. Furthermore, the results of an operating segment are monitored by the company's chief operating decision-maker to evaluate them and to allocate resources to the operating segment. TCM Group has only one operating segment, which is producing and selling kitchens, bathrooms and storage.

REVENUE RECOGNITION
The Group sells kitchen products through a number of independent stores, DIY chains and other retailers. Revenue is recognised in the income statement when control of the products has been transferred to the customer. Control is transferred when the products are delivered, which occurs when the Group has objective evidence that all criteria for transfer of risk have been satisfied. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Products are often sold with retrospective volume discounts. Net revenue is recognised at the fair value of the consideration agreed, excluding VAT, duties and discounts in relation to the sale.

COST OF GOODS SOLD
Cost of goods sold includes the manufacturing costs incurred to achieve the revenue for the year. These consist of raw materials, direct labour costs, in- and outbound transportation costs, and indirect costs related to manufacturing, such as salaries, energy and maintenance costs, as well as depreciation of production facilities and equipment.

NON-RECURRING ITEMS
Non-recurring items are applied in connection with the presentation of the profit or loss for the year to distinguish income and expenses that are special and of a non-recurring nature from the consolidated operating profit for the year. Non-recurring items are assessed item by item and comprise restructuring costs, impairment charges in connection with e.g. material restructuring and other items relating to fundamental reorganisations as well as gains or losses on major disposals.

OPERATING EXPENSES (SELLING AND ADMINISTRATIVE EXPENSES)
Operating expenses primarily comprise selling and administrative expenses. Selling expenses include staff costs, marketing costs, losses (incl. provisions for losses) on trade receivables, and other costs related to sales and marketing activities. Administrative expenses include staff costs and other costs related to administration.

SHARE OF PROFIT/LOSS IN ASSOCIATES
The Group's share of associates' results after tax and elimination of the proportionate share of internal profit/loss is recognised in the income statement.

FINANCIAL INCOME AND EXPENSES
Financial income and expenses comprise interest income on bank balances and receivables, interest expense on loans, gain/loss on interest rate swaps as well as exchange rate differences on financial items.

Interest income on receivables and interest expense on liabilities are calculated in accordance with the effective interest rate method. The effective interest rate is the interest rate that makes the present value of all future receipts and disbursements during the fixed-interest term equal to the carrying amount of the receivable or liability. The calculation includes all fees paid or received by contractual parties that are part of the effective interest rate, i.e. transaction costs and surplus and deficit values.

TAX
Tax costs for the year comprise current tax and deferred tax. Income taxes are recognised in the income statement except when the underlying transaction is recognised in other comprehensive income or in shareholders' equity, in which case the associated tax effects are recognised directly in other comprehensive income or in shareholders' equity.

Current tax is tax that is to be paid or received regarding the current year, calculated using the tax rates set or set in principle on the balance sheet date. This item also includes adjustments to current tax attributable to previous periods.

Deferred tax is calculated according to the balance sheet method on all temporary differences arising between the carrying amount and tax base of assets and liabilities.

The tax effect attributable to tax loss carryforwards that could be utilised against future profits is capitalised as a deferred tax asset. This applies to both accumulated loss carryforwards at the acquisition date and losses arising subsequently.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is recognised in the balance sheet as a non-current asset or liability. The income tax liability is recognised as a current receivable or current liability.

If the actual outcome differs from the amounts initially recognised, the differences will affect current tax and deferred tax in the period in which these calculations are made.

INTANGIBLE ASSETS
Goodwill comprises the amount by which the cost of the acquired entity exceeds the established fair value of identifiable net assets, as recognised in the acquisition analysis. In connection with the acquisition of entities, goodwill is allocated to cash-generating units and the fair value of each brand is measured. Since goodwill and the Svane Køkkenet brand have an indefinite useful life, they are not amortised. The indefinite useful life is justified by the long life of the brand, as there is no intention of changing the brand set-up. Thus, it is not possible to determine a useful life. Instead, goodwill and the Svane Køkkenet brand are subject to impairment testing annually or if an indication of impairment arises. The carrying amount comprises the cost less any accumulated impairment losses. A description of the method and assumptions applied when conducting impairment tests is found in note 12 Intangible assets.

Other intangible assets with definite useful life, including the AUBO brand, are recognised at cost less accumulated amortisation and any impairment. This also includes capitalised costs for purchases and internal and external costs for the development of software for the Group's IT operations, patents and licences. Amortisation is calculated according to the straight-line method based on the estimated useful life of the asset (3-10 years).

PROPERTY, PLANT AND EQUIPMENT
Property, plant and equipment are recognised at cost with deductions for depreciation and any impairment. Cost includes expenses that can be directly attributed to the acquisition. Costs for repairs and maintenance are recognised as costs in the income statement in the period in which they arise.

If an asset's carrying amount exceeds its estimated recoverable amount, the asset is written down to the recoverable amount, and the write-down is recognised in the income statement.

In the income statement, operating profit is reduced by straight-line depreciation, which is calculated on the original cost less estimated residual value after useful

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

life and is based on the estimated useful life of the assets as follows:

Buildings	20-40 years
Machinery and other technical equipment	3-10 years
Equipment, tools, fixtures and fittings	2-8 years

Land is not depreciated.

Expected useful life and residual value are reviewed annually.

RESEARCH AND PRODUCT DEVELOPMENT

Costs for product development are expensed immediately as and when they arise.

Product development within the Group is mainly in the form of design development and is conducted continuously to adapt to current style trends. To a large extent, product development is based on the further development of existing materials and designs, which is why no portion of the costs for product development is recognised as an intangible asset. The Group does not carry out research and development in the true sense, or to any significant extent.

LEASES

When entering into an agreement, the company assesses whether an agreement is a lease agreement or contains a lease element. A lease is an agreement that transfers the right to control the use of an identifiable asset for a period against payment. In assessing whether an agreement contains a lease item that has been transferred to the lessee, it is necessary to consider whether the lessee has the right, during the useful life, to obtain virtually all the economic benefits from the use of the identifiable asset and the right to decide on the use of the identifiable asset.

The company recognises a right of use (the asset) and a lease obligation at the start of the lease period.

The right-of-use asset is measured at cost, which is calculated as the present value of the lease obligation plus any direct costs associated with entering into the lease, any costs for demolition and disposal of the asset at the end of the lease period that the lessee is obliged to pay, and prepaid lease payments.

The right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the useful life of the asset. If the lease agreement contains a purchase option that the company expects to exercise, the right-of-use asset is depreciated on a straight-line basis over the total expected useful life of the asset.

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

Short leases of less than 12 months and leases where the underlying asset has a low value are not recognised in the balance sheet.

The lease obligation, which is recognised under lease liabilities, is measured at the present value of the remaining lease payments, discounted by the company's incremental loan interest rate if the implicit interest rate is not stated in the lease agreement or cannot reasonably be determined. The lease payment consists of fixed and variable lease payments that are regulated by index or interest rate, guaranteed residual values, the exercise of purchase options and the cost of cancelling the lease. The lease obligation is subsequently adjusted if:

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

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

Lease period

The company recognises the lease obligations on the basis of the future payments during the lease period. The lease period consists of the non-cancellable period and periods covered by extension and termination options.

The company rents properties for production and for retail leases. Often leases do not have a fixed expiry date, but continue after the non-cancellable period until the lessee terminates the contract. When determining the lease term, the company therefore assesses whether it is reasonably certain of exercising or not exercising extension options.

Retail leases are in all cases subleased to franchisees on the same terms, for which reason the lease term is estimated to be the same period. The right-of-use asset is therefore recognised under Lease receivables in the balance sheet.

Incremental borrowing rate

The company has chosen to subdivide its leases into the following categories:

- Rental contracts for premises
- Vehicles

The borrowing rate is set on initial recognition. If the company considers there is a change in the residual value guarantee, termination or renewal options, the incremental borrowing rate is revised.

For the company's vehicles, the incremental borrowing rate is calculated based on the company's borrowing rate. This interest rate takes into account credit assessments, collateral, leasing periods, etc.

For rental contracts for premises, the possibility of using mortgage financing of real estate has been taken into account when calculating the incremental borrowing rate.

INVESTMENTS IN ASSOCIATES

Investments in associates are measured using the equity method, whereby the investments in the balance sheet are measured at the proportionate share of the companies' net asset value calculated in accordance with the Group's accounting policy after elimination of the proportionate share of unrealised internal profit/loss and with addition of value added on acquisition, including goodwill.

Investments in associates are tested for impairment if an indication of impairment arises.

INVENTORIES

Inventories comprise finished and semi-finished products and raw materials. Inventories are valued according to the first-in, first-out (FIFO) principle, at the lower of cost and net realisable value on the balance sheet date. The realisable value comprises the estimated sales price in the ongoing operations less selling expenses. Cost of finished and semi-finished products is measured at manufacturing cost including raw materials, direct labour, other direct expenses and production-related overheads based on normal production capacity.

Intra-group profits on inventories are eliminated in the consolidated financial statements.

FINANCIAL INSTRUMENTS

Financial instruments recognised in the balance sheet include cash and cash equivalents, loans, trade receivables and derivative instruments on the asset side. On the liability side, there are trade payables, loan liabilities and derivative instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Recognition in and derecognition from the balance sheet
A financial asset or a financial liability is entered in the balance sheet when the company becomes a party in accordance with the contractual terms of the instrument. A receivable is recognised when the company has performed a service and a contractual payment obligation arises for the counterparty, even if no invoice has been received. Trade receivables are recognised in the balance sheet when revenue is recognised and an invoice has been issued. A liability is recognised when the counterparty has performed a service and a contractual payment obligation arises, even if an invoice has not been received. Accounts payable are recognised when a service or product has been received.

A financial asset is derecognised from the balance sheet when the rights resulting from the agreement have been realised, expire or the company loses control over them. The same applies to a part of a financial asset. A financial liability is derecognised from the balance sheet when the obligation resulting from the agreement has been realised or is extinguished in some other manner. The same applies to a part of a financial liability.

A financial asset and a financial liability may only be offset against each other and recognised net in the balance sheet if there is a legal right to offset the amounts and the intention is to settle the items in a net amount or to simultaneously sell the asset and settle the debt.

The acquisition or divestment of financial assets is recognised on the transaction date for on-demand transactions, which is the date when the company undertakes to acquire or sell the asset.

Measurement
Financial instruments that are not derivative instruments are initially recognised at cost corresponding to the instrument's fair value plus transaction costs. Transaction costs for derivative instruments are immediately expensed. On initial recognition, a financial instrument is classified on the basis of the purpose underlying the acquisition of the instrument. This classification determines how the financial instrument is measured after initial recognition, as described below. For the recognition of derivative instruments, refer to cash flow hedges below.

Receivables and liabilities in foreign currencies
Receivables and liabilities in foreign currencies are valued at the balance sheet date rate. Exchange rate fluctuations pertaining to operating receivables and liabilities are recognised in operating profit, while exchange rate fluctuations pertaining to financial receivables and liabilities are recognised in net financial items.

Loans and trade receivables
Loans and trade receivables comprise financial assets that are not derivative instruments, that have fixed or fixable payments and that are not listed on an active market. For TCM Group, this category includes non-current financial assets and trade receivables and other receivables recognised as current assets. These assets are valued at amortised cost. Amortised cost is determined based on the effective rate calculated on the acquisition date. Loans and trade receivables are recognised at the amounts that are expected to be received, i.e. less any provisions for decreases in value. Receivables with short maturities are not discounted.

Cash and cash equivalents
Cash and cash equivalents are defined as cash and bank balances and short-term investments with maturities not exceeding three months from the acquisition date.

Financial liabilities
All transactions pertaining to financial liabilities are recognised on the settlement date. Liabilities (except for derivative instruments with negative values) are measured at amortised cost.

Financial liabilities related to contingent payment obligations are initially measured at fair value based on the estimated future performance of the acquired entity. These assumptions are then reviewed at each balance sheet date and the contingent payment obligation adjusted accordingly, with the adjustment being recognised in other income/other expenses.

Cash flow hedges, interest rate risk
Interest swaps can be used to hedge the uncertainty of highly probable forecast interest rate flows for borrowing at variable interest, whereby the company receives variable interest and pays fixed interest. Interest rate swaps are measured at fair value in the balance sheet. The interest coupon portion is recognised in the income statement on an ongoing basis as a portion of interest expense. Unrealised changes in the fair value of interest rate swaps are recognised in other comprehensive income and are included as a portion of the hedging reserve until the hedged item impacts net profit for the year and as long as the criteria for hedge accounting and effectiveness are fulfilled. The gain or loss attributable to the ineffective portion of unrealised changes in the value of interest rate swaps is recognised in the income statement.

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/other payables.

Changes that comply with the requirements for hedging of the future cash flow of a recognised asset or liability are recognised in the statement of comprehensive income.

IMPAIRMENT

The carrying amounts of the Group's assets are tested annually for indications of impairment. IAS 36 is applied to the impairment testing of assets other than financial assets, if any, which are tested according to IFRS 9 Inventories and Deferred Tax Assets.

Impairment testing of intangible assets and property, plant and equipment
If there is an indication of impairment, the recoverable amount of the asset is tested in accordance with IAS 36 (see below). For goodwill and assets with indefinite life, e.g. certain brands, the recoverable amount is calculated annually. When testing for impairment, if it is not possible to establish essentially independent cash flows for an individual asset, the assets must be grouped at the lowest level at which it is possible to identify essentially independent cash flows, known as cash-generating units (CGUs).

Impairment losses are recognised when the carrying amount of an asset or a CGU exceeds the recoverable amount. Impairment losses are recognised in the income statement. Impairment losses related to assets attributable to a CGU are primarily allocated to goodwill. Subsequently, other assets included in the CGU are impaired on a proportionate basis.

The recoverable amount is the higher of fair value less selling expenses and value in use. When calculating the value in use, future cash flows are discounted using a discount factor that takes into account the risk-free interest rate and the risk associated with the specific asset or CGU.

Impairment of financial assets
Trade receivables are recognised initially at their transaction price less allowance for expected credit losses over the lifetime of the receivable and are subsequently measured at amortised cost adjusted for changes in expected credit losses. The expected credit losses on trade receivables are estimated based on the level of unsecured balances past due.

Receivables that the Group has no reasonable expectation of recovering are written off in part or entirely.

Allowances for expected credit losses and write-offs for trade receivables are recognised in the income statement and included in selling expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Impairment reversal
An impairment loss on assets that come under the scope of IAS 36 is reversed if there is an indication that the impairment is no longer pertinent and that there has been a change in the assumptions upon which the calculation of the recoverable amount was based. However, an impairment loss on goodwill and brands with indefinite useful life is never reversed. A reversal is only performed to the extent that the carrying amount of the asset after the reversal does not exceed the carrying amount that would have been recognised, less depreciation where applicable, if no impairment had been posted.

An impairment loss on loans and trade receivables recognised at amortised cost is reversed if the previous reasons for the impairment loss no longer exist and full payment can be expected to be received from the customer.

CONTINGENT LIABILITIES
A contingent liability is disclosed when the company has a possible obligation deriving from an event the existence of which will be confirmed only by one or more uncertain future events, or when there is an obligation that has not been recognised as a liability or provision because an outflow of resources is not likely to be required, or alternatively because it is not possible to estimate the amount concerned sufficiently reliably.

SHAREHOLDERS' EQUITY
Dividends
Dividends are recognised as a liability after the Annual General Meeting has approved the dividend.

Treasury shares
Treasury shares are primarily acquired to finance TCM Group's share-based long-term incentive programme for Executive Management. Treasury shares are deducted from the share capital on cancellation at their nominal value of DKK 0.1 per share. Differences between this amount and the amount paid to acquire or received for disposing of treasury shares are deducted directly in retained earnings.

STATEMENT OF CASH FLOWS
The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows from entities disposed of are recognised up until the date of disposal.

Cash flows from operating activities are calculated according to the indirect method as operating profit adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets and property, plant and equipment, and other non-current assets as well as dividends received.

Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, interest and payment of dividends to shareholders.

EARNINGS PER SHARE
The calculation of earnings per share is based on consolidated net profit attributable to the parent company shareholders and on the weighted average number of shares outstanding during the year. When calculating earnings per share after dilution, the average number of shares outstanding is adjusted to take into account the dilutive effects of potential ordinary shares, including employee share options. The options are dilutive if the exercise price is lower than the share price. The greater the difference between the exercise price and the share price, the greater the dilution. For options, the exercise price is added to the value of future services.

EMPLOYEE BENEFITS
Long-term remuneration
The Group operates schemes that reward employees for long service. The obligation is deemed insignificant and the Group therefore recognises the expense at the time of the employee's anniversary.

The Group has an equity-settled, share-based long-term incentive (LTI) programme for the Executive Management, which is governed by the Remuneration Policy. The LTI is a share-based programme consisting of annual individual performance share unit (PSU) plans with rolling 3-year performance periods. The fair value of employee services rendered in return for the grant of shares is recognised as an expense and allocated over the vesting period. At the end of each reporting period, TCM Group revises its estimates of the number of shares expected to vest. TCM Group recognises the impact of the revision, if any, of the original estimates in the income statement and in a corresponding adjustment to equity over the remaining vesting period. Adjustments relating to prior years are included in the income statement in the year of adjustment.

Short-term remuneration
Short-term remuneration of employees is calculated without discounting and is recognised as a cost when the related services are rendered. A provision is recognised for the anticipated cost of bonus payments when the Group has a current legal or contractual obligation to make such payments, based on the services being rendered by the employees and the possibility of reliably estimating the obligation.

2. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparing the consolidated financial statements in accordance with IFRS requires Management to make assessments, estimates and assumptions that affect the application of accounting policies and the recognised amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and assessments. Estimates and assumptions are regularly reviewed. Changes to estimates are recognised in the period in which the change is made if the change affects only that period, or in the period in which the change is made and future periods if the change affects both current and future periods. Assessments made by Management in the application of IFRS that have a material impact on the consolidated financial statements and estimates made that may lead to significant adjustments in the consolidated financial statements in future financial years are primarily the following:

IMPAIRMENT TESTING OF GOODWILL AND BRANDS
Goodwill and brands with indefinite useful life are recognised at cost less any accumulated impairment. The Group performs annual impairment tests of goodwill and brands in accordance with the accounting policies. The assumptions and assessments made pertaining to expected cash flows and the discount rate in the form of weighted average cost of capital are described in note 12.

CONTINGENT PAYMENT OBLIGATIONS
Financial liabilities related to contingent payment obligations are measured based on the estimated future performance of the acquired entity. When assessing the future performance Management takes into consideration factors including expected market and customer development, and current order backlog. As these estimates relate to future performance up to 3 years after the balance sheet date, they are subject to a high degree of uncertainty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. FINANCIAL RISKS

FOREIGN EXCHANGE RISK

TCM Group has currency exposure and risks related to sales in NOK. In accordance with the Group's foreign currency policy, forward contracts are used to mitigate such risks. Forward contracts are used to hedge 50-100% of the expected cash flows in NOK on a 6-month rolling basis. Based on the net position (trade receivables and bank deposits less trade payables) in NOK at the balance sheet date, a 10% change in the year-end rate would impact net profit and equity by DKK 4.5 million. Apart from NOK, revenue is only invoiced in DKK, and purchases are mainly in DKK or EUR. Due to the current fixed rate of the DKK vis-à-vis EUR, EUR cash flows related to purchases were not hedged during the year. Purchase-related cash flows in currencies other than DKK, EUR and NOK amounted to DKK 1.4 million (2023: DKK 1.5 million) and were not hedged during the year.

CREDIT RISK

TCM Group's customer base comprises professional customers. Credit management and payment terms are monitored for each customer group. Customers who make regular purchases are subject to continuous credit assessments. Credit insurance, bank guarantees and other collateral are utilised for the different markets and customer categories.

Actual losses on trade receivables in 2024 amounted to DKK 4.3 million (2023: DKK 8.9 million), primarily related to bankruptcies of three stores in Denmark and Norway.

Total expensed actual losses and the decrease in provisions amounted to DKK 2.3 million, equal to 0.2% of net revenue for the year.

FINANCIAL EXPOSURE AND LIQUIDITY RISK

The Group maintains three credit facilities with Nykredit Bank:

1) DKK 220 million committed facility: This facility is set to expire in March 2026 and includes two 1-year extension options available on similar terms.

2) DKK 130 million committed facility: Established in 2023 to support the acquisition of AUBO Production A/S, this facility also expires in 2026 and offers two 1-year extension options on similar terms.

3) DKK 50 million uncommitted facility: This 1-year facility will expire in March 2025.

At 31 December 2024, the facilities comprised an unused amount of DKK 184 million with a further DKK 29 million in cash. Based on our scenarios for 2025, the current credit facilities provide sufficient headroom, and the forecast leverage will be within the covenants agreed in the credit facility agreements.

The facility agreements with Nykredit Bank contained a leverage covenant of 4.5 until 31 December 2024 and 4.0 for the remaining financing period. No covenants have been breached during the period.

Mortgage loans with a nominal amount of DKK 36 million (2023: DKK 25 million) are amortised over 20 years and expire in 2044.

INTEREST-RATE RISK

It is Group policy to hedge interest rate risk on loans when it is assessed that the debt is material. The Group manages interest rate risk by maintaining an appropriate mix of fixed- and floating-rate borrowings, and by using interest rate swaps.

FORWARD EXCHANGE CONTRACTS	2024 DKK'000	2023 DKK'000
NOK Forward contracts, contract value	18,300	55,077
NOK Forward contracts, average forward rate	63.1	65.0
NOK Forward contracts, maturity – months	1-4	1-5
NOK Forward contracts, carrying amount (fair value)	127	(1,220)
NOK Forward contracts, fair value adjustment	1,347	(47)

AGE ANALYSIS, TRADE RECEIVABLES	2024 DKK'000	2023 DKK'000
Trade receivables before impairment		
Non-due trade receivables	52,179	72,315
Past due trade receivables, 0-30 days	4,455	5,834
Past due trade receivables, 30-90 days	134	1,378
Past due trade receivables, >90 days	8,764	9,279
Trade receivables before impairment	**65,532**	**88,806**
Of which overdue	13,353	16,491
Overdue secured receivables	4,774	2,806
- Impaired	0	0
Total overdue secured receivables after impairment	**4,774**	**2,806**
Overdue unsecured receivables	8,579	13,685
- Impaired	(7,618)	(9,521)
Total overdue unsecured receivables after impairment	**961**	**4,164**
Impairment loss recognised in the income statement during the period	**4,314**	**8,869**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. FINANCIAL RISKS (CONTINUED)

The interest rates on the Nykredit facilities are currently variable and the interest rates on the mortgage loans are currently fixed.

For the Group's floating-rate cash and cash equivalents and debt to banks, an increase in the interest rate level of 1% p.a. relative to the actual interest rates would have had a negative impact on net profit for the year and on equity at 31 December 2024 of DKK 2.2 million (2023: DKK 2.9 million).

Assumptions for analysis of interest rate sensitivity
The stated sensitivities are calculated based on the financial assets and liabilities recognised at 31 December 2024. No adjustments have been made for instalments, raising of loans, etc. during the year.

The computed expected fluctuations are based on the current market situation and expectations for market developments in the interest rate level.

CAPITAL MANAGEMENT

The Board of Directors has adopted a dividend policy with a target payout ratio of 40-60% of consolidated net profit for the year, subject to the overall financial position and leverage.

The Board of Directors will propose to the Annual General Meeting to distribute an ordinary dividend of DKK 3 per share. Excluding treasury shares this corresponds to DKK 31 million.

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE IN THE BALANCE SHEET

Interest rate swaps are valued using an income approach (discounted cash flow). Expected future cash flows are based on relevant observable swap rates and discounted using a discount rate that reflects the credit risk of the relevant counterparties (level 2).

The classification of financial instruments measured at fair value is disaggregated in accordance with the fair value hierarchy:

- Quoted prices in an active market for identical instruments (level 1)
- Quoted prices in an active market for similar assets or liabilities, or other valuation methods where all significant inputs are based on observable market data (level 2)
- Valuation methods where no significant input is based on observable market data (level 3)

CARRYING AMOUNT OF DERIVATIVE FINANCIAL INSTRUMENTS	2024 DKK'000	2023 DKK'000
Hedging – currency fluctuation (level 2)	(127)	1,220
Contingent payment obligation, AUBO Production A/S (level 3)	8,000	17,500
	7,873	**18,720**

The fair value of financial assets and financial liabilities measured at amortised cost is approximately equal to the carrying amount, because of the short maturity of the financial assets and the floating rate on the financial liabilities.

MATURITY STRUCTURE, FINANCIAL AND OPERATIONAL LIABILITIES – UNDISCOUNTED CASH FLOWS

DKK MILLION	NOMINAL AMOUNT, FUNCTIONAL CURRENCY	0-6 MONTHS	6-12 MONTHS	1-5 YEARS	5 YEARS OR LATER	TOTAL
2024						
Bank loans	215.4	28.5	5.8	198.3	0.0	232.6
Mortgage loans	36.5	1.5	1.5	11.8	41.5	56.3
Lease liabilities	56.0	7.8	7.0	29.9	19.7	64.4
Trade payables	122.3	122.3	0	0.0	0.0	122.3
Other liabilities	118.6	68.8	8.2	50.4	0.0	127.4
Financial and operational liabilities at 31 December 2024		**228.9**	**22.5**	**290.4**	**61.2**	**603.0**

The majority shareholder of Celebert ApS has a put option for the 55% shareholding in Celebert ApS. Based on the latest internal financial reporting for Celebert ApS, the put option has a gross value int the range of DKK 65 to 80 million. Management estimates the fair market value of the put option to be equal to the gross value.

DKK MILLION	NOMINAL AMOUNT, FUNCTIONAL CURRENCY	0-6 MONTHS	6-12 MONTHS	1-5 YEARS	5 YEARS OR LATER	TOTAL
2023						
Bank loans	238.3	100.8	5.4	160.6	0.0	266.7
Mortgage loans	25.3	1.7	1.7	13.1	13.0	29.4
Lease liabilities	62.3	8.4	8.4	34.4	23.3	74.5
Trade payables	144.7	144.7	0.0	0.0	0.0	144.7
Other liabilities	130.3	71.3	7.4	60.1	0.0	138.8
Financial and operational liabilities at 31 December 2023		**326.9**	**22.8**	**268.1**	**36.3**	**654.1**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. REVENUE AND SEGMENT INFORMATION

The Group's business activities are managed within a single operating segment, which is producing and selling kitchens, bathrooms and storage. The Group's Management monitors the operating segment's results to evaluate it and to allocate resources.

DKK'000	Revenue from customers 2024	Intangible assets and property, plant and equipment 2024	Revenue from customers 2023	Intangible assets and property, plant and equipment 2023
GEOGRAPHIC AREAS				
Denmark	969,042	882,438	915,435	858,082
Norway	222,897	45,625	155,844	51,875
Other countries	11,844	0	12,847	0
	1,203,783	**928,063**	**1,084,126**	**909,957**

DKK'000	2024	2023
REVENUE BY CATEGORY		
Revenue, core business	895,463	827,124
Revenue, third party	308,320	257,002
	1,203,783	**1,084,126**

Revenue consists of sale of goods and services.

In 2024, two single customers, with revenue of DKK 186 million (2023: DKK 181 million) and DKK 134 million (2023: DKK 150 million) respectively, individually exceeded 10% of revenue.

5. STAFF COSTS

TOTAL COSTS FOR EMPLOYEE BENEFITS

DKK'000	2024	2023
Salaries and other remuneration	219,069	207,697
Social security costs	6,079	4,760
Pension costs – defined contribution plans	21,208	18,470
Other staff costs	258	270
Total employee costs	**246,614**	**231,197**

The average number of employees and the number of men and women among board members and Executive Management are described in note 6.

REMUNERATION AND OTHER BENEFITS

DKK'000	Base salary/ directors' fees	Variable remuneration, cash-based (STI)	Variable remuneration, share-based (LTI)	Other benefits	Pension costs	Total	Number of individuals
2024							
Board of Directors	2,547	0	0	0	0	2,547	6
Executive Management	4,602	1,901	1,105	612	501	8,721	2
Total	**7,149**	**1,901**	**1,105**	**612**	**501**	**11,268**	**8**
2023							
Board of Directors	2,625	0	0	0	0	2,625	7
Executive Management	4,561	1,000	425	398	447	6,831	2
Total	**7,186**	**1,000**	**425**	**398**	**447**	**9,456**	**9**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. STAFF COSTS (CONTINUED)

	2024	2023
NUMBER OF PERFORMANCE SHARE UNITS		
As at 1 January	65,766	27,170
Granted during the year	37,885	38,596
Exercised during the year	(1,949)	0
Forfeited during the year	(7,794)	0
As at 31 December	**93,908**	**65,766**

No performance share units expired during the periods covered by the above tables.

	2024	2023
PERFORMANCE SHARE UNITS OUTSTANDING AT YEAR-END HAVE THE FOLLOWING EXPIRY DATES:		
31 March 2024	0	9,743
31 March 2025	17,427	17,427
31 March 2026	38,596	38,596
31 March 2027	37,885	0
Total	**93,908**	**65,766**
Weighted average remaining contractual life of performance share units outstanding at year-end	1.47	1.69

DKK'000	2024	ESTIMATED EXERCISE RATIO	2023	ESTIMATED EXERCISE RATIO
FAIR VALUE AT 31 DECEMBER:				
Granted in 2021	0	n.a.	275	20%
Granted in 2022	227	20%	312	28%
Granted in 2023	1,230	82%	1,102	73%
Granted in 2024	1,900	85%	0	n.a.
Total	**3,357**		**1,689**	

Fair value is estimated based on the expected exercise ratio for the maximum number of performance share units and the share price when the LTI programme was granted (share price in 2024: DKK 59).

Employees, including the Board of Directors and the Executive Management, have the opportunity to buy kitchens, bathrooms and storage solutions at a discounted price. Purchases are made indirectly through an independent store. The total value of the purchases made by the Board of Directors and the Executive Management was DKK 340 thousand (2023: DKK 25 thousand) during the year.

The Remuneration Report for the Board of Directors and the Executive Management is available on TCM Group's website.

Board of Directors
Remuneration of members of the Board of Directors is determined by resolutions passed at the Annual General Meeting.

Executive Management
The Executive Management, which in 2024 consisted of two individuals, received salaries and pension contributions during the financial year 2024 amounting to DKK 5.1 million (2023: DKK 5.0 million) plus variable remuneration and other benefits amounting to a total of DKK 8.7 million (2023: DKK 6.8 million).

In addition to the base salary, the Executive Management has a short-term incentive (STI) programme and a long-term incentive (LTI) programme which are governed by the Remuneration Policy. The STI programme for 2024 is capped at up to 50% of the annual base salary and is based on annual KPIs. The bonus criteria for the STI programme are revenue, EBITDA and NWC ratio. The STI programme includes a threshold for the EBITDA target that, if not achieved, will result in no STI bonus being paid, regardless of performance on other KPIs.

The LTI programme is granted exclusively to the Executive Management and consists of annual individual performance share unit plans with rolling 3-year performance periods for the periods 2022-2024, 2023-2025 and 2024-2026. When the LTI programme is granted to the participants, a maximum of up to 50% of the annual base salary is converted to a maximum number of performance share units based on the current share price, e.g. an average over a 3-month period. At the end of each performance period, the performance share units may be converted into shares in TCM Group, which will be granted free of charge. The performance measures for the LTI programme are all 3-year accumulative and comprise absolute total shareholder return on the company's share, EBITDA and carbon emissions reductions. The fair value of the LTI programme is estimated on an annual basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. AVERAGE NUMBER OF EMPLOYEES DURING THE PERIOD

	2024	2023
Average number of employees	460	445
Board members	6	7
Of which women	*2*	*3*
Executive Management	2	2
Of which women	*0*	*0*

The Board of Directors consisted of six members at the date of approval of the consolidated financial statements.

7. AUDIT FEES

In addition to the statutory audit, PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, the auditors appointed at the Annual General Meeting, provides other assurance engagements and other services to the Group.

DKK'000	2024	2023
SPECIFICATION BY TYPE OF COST		
Statutory audit	1,199	1,448
Other assurance engagements	0	52
Tax and indirect tax advisory	32	181
Other services	128	663
	1,359	**2,344**

The fee for non-audit services delivered by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab to the company amounted to DKK 0.1 million in 2024 and consisted of various accounting advisory services. In 2023, the fee for non-audit services delivered by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab to the company amounted to DKK 0.9 million and consisted of various services, including due diligence in connection with the AUBO Production A/S acquisition.

8. DEPRECIATION/AMORTISATION AND IMPAIRMENT BY FUNCTION

DKK'000	DEPRECIATION/ AMORTISATION 2024	IMPAIRMENT 2024	DEPRECIATION/ AMORTISATION 2023	IMPAIRMENT 2023
Cost of goods sold	23,131	0	18,772	0
Selling expenses	7,689	0	4,330	3,352
Administrative expenses	4,767	0	3,207	0
Non-recurring items	0	0	0	1,911
Total depreciation/amortisation and impairment	**35,587**	**0**	**26,309**	**5,263**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. NON-RECURRING ITEMS

DKK'000	2024	2023
Transaction costs related to business combinations	0	2,800
Impairment of ERP project, AUBO Production A/S	0	1,911
Restructuring	0	5,104
Total	**0**	**9,815**

The table below shows how the income statement (extract) would have been presented if no adjustment for non-recurring items had been made:

DKK'000	2024	2023
Revenue	1,203,783	1,084,126
Cost of goods sold	(948,377)	(870,675)
GROSS PROFIT	**255,406**	**213,451**
Selling expenses	(101,429)	(106,542)
Administrative expenses	(83,060)	(67,523)
Other operating income	19,391	6,410
Operating profit	**90,308**	**45,796**

TCM Group presents non-recurring items separately to ensure comparability. Non-recurring items consist of income and expenses that are special and of a non-recurring nature. There were no non-recurring items in 2024. For 2023, non-recurring items consisted of transaction costs related to business combinations, restructuring costs related to organisational restructuring carried out during 2023 and impairment of an ERP project at AUBO Production A/S.

10. FINANCIAL INCOME AND EXPENSES

DKK'000	2024	2023
FINANCIAL INCOME		
Interest income on financial assets measured at amortised cost	862	227
Interest income on discounted subleases	328	209
Foreign exchange gains	0	1,102
Total	**1,190**	**1,538**
FINANCIAL EXPENSES		
Interest expense on liabilities measured at amortised cost	21,409	18,360
Interest expense on discounted lease liabilities	2,750	2,106
Foreign exchange losses	2,361	1,299
Other financial costs	1,268	670
Total	**27,788**	**22,435**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. CORPORATION TAX

DKK'000	INCOME STATEMENT	OTHER COMPREHEN-SIVE INCOME	TOTAL COMPREHEN-SIVE INCOME
TAX FOR THE YEAR CAN BE SPECIFIED AS FOLLOWS:			
Current tax	13,145	296	13,441
Change in deferred tax during the year	(1,377)	0	(1,377)
Total	**11,768**	**296**	**12,064**
TAX FOR THE PREVIOUS YEAR CAN BE SPECIFIED AS FOLLOWS:			
Current tax	7,297	(47)	7,250
Change in deferred tax during the year	(1,727)	0	(1,727)
Total	**5,570**	**(47)**	**5,523**

Reconciliation of the effective tax rate for the period can be specified as follows:

DKK'000	%	2024	%	2023
Tax rate	22.0	15,277	22.0	5,960
Non-taxable income	(4.8)	(3,351)	(2.6)	(703)
Non-deductible expenses	0.2	144	3.0	808
Other	(0.4)	(302)	(1.8)	(495)
Effective tax rate for the year	**16.6**	**11,768**	**20.6**	**5,570**

Non-taxable income primarily relates to income from adjustment of contingent payment obligations and result of associates. Non-deductible expenses primarily relate to transaction costs in connection with acquisitions.

12. INTANGIBLE ASSETS

DKK'000	GOODWILL	BRANDS	CUSTOMER CONTRACTS	OTHER INTANGIBLE ASSETS	OTHER INTANGIBLE ASSETS IN PROGRESS
Opening cost at 1 January 2024	**415,350**	**179,461**	**47,500**	**53,578**	**35,576**
Investments for the period	0	0	0	0	28,270
Transfer	0	0	0	7,007	(7,007)
Closing cost at 31 December 2024	**415,350**	**179,461**	**47,500**	**60,585**	**56,839**
Opening amortisation and impairment at 1 January 2024	3,352	750	2,375	50,755	1,911
Amortisation for the period	0	1,500	4,750	2,239	0
Impairment for the period	0	0	0	0	0
Closing amortisation and impairment at 31 December 2024	**3,352**	**2,250**	**7,125**	**52,994**	**1,911**
Closing carrying amount at 31 December 2024	**411,998**	**177,211**	**40,375**	**7,591**	**54,928**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. INTANGIBLE ASSETS (CONTINUED)

DKK'000	GOODWILL	BRANDS	CUSTOMER CONTRACTS	OTHER INTANGIBLE ASSETS	OTHER INTANGIBLE ASSETS IN PROGRESS
Opening cost at 1 January 2023	**369,796**	**171,961**	**0**	**51,718**	**12,151**
Acquisition of entities	45,554	7,500	47,500	428	3,044
Investments for the period	0	0	0	49	21,764
Transfer	0	0	0	1,383	(1,383)
Closing cost at 31 December 2023	**415,350**	**179,461**	**47,500**	**53,578**	**35,576**
Opening amortisation and impairment at 1 January 2023	0	0	0	49,788	0
Amortisation for the period	0	750	2,375	967	0
Impairment for the period	3,352	0	0	0	1,911
Closing amortisation and impairment at 31 December 2023	**3,352**	**750**	**2,375**	**50,755**	**1,911**
Closing carrying amount at 31 December 2023	**411,998**	**178,711**	**45,125**	**2,823**	**33,665**

IMPAIRMENT TESTING OF GOODWILL AND BRAND

At the end of 2024, recognised goodwill amounted to DKK 412.0 million (2023: DKK 412.0 million) and recognised brand value amounted to DKK 172.2 million (2023: DKK 178.7 million).

Goodwill is allocated to a cash-generating unit (CGU) when the unit is acquired. TCM Group currently has two CGUs: TCM Group from the acquisition of TCM Group in 2016 and AUBO from the acquisition of AUBO Production A/S in 2023. Both CGUs are part of the Group's operating segment "Producing and selling kitchens, bathrooms and storage".

Acquired goodwill in 2023 related to the acquisition of AUBO Production A/S, DKK 42.2 million, and goodwill arising from the acquisition of Svane Alnabru AS, DKK 3.4 million. The historic financial performance of Svane Alnabru AS meant the goodwill identified upon acquisition was fully impaired as of the acquisition date and was recognised as part of selling expenses in 2023.

Goodwill is tested annually for impairment by calculating the expected recoverable amount of the CGU. The recoverable amount is calculated as the expected cash flow discounted by a weighted average cost of capital (WACC) after tax for the CGU. The recoverable amount, calculated in conjunction with this, is compared with the carrying amount for the CGU. The starting point of the calculation is the estimated future cash flows based on the financial budget for the forthcoming fincial year. A forecast for the next four years is prepared based on this budget and expectations regarding market trends and sales mix in the years ahead, reflecting past experience.

When estimating expected future cash flows, key assumptions include projected demand growth, increases in net sales, improvements in gross and operating margins, as well as requirements for working capital and CapEx. Various macroeconomic indicators - such as data on residential property sales in the markets where the Group operates - are considered to analyse the business environment, supported by both external and internal assessments. Based on these analyses, Management has applied a projected low- to mid-single-digit growth rate in net sales over the forecast period, driven by an anticipated positive development in residential property sales in 2025 and 2026, and an anticipated recovery in the B2B project market towards the end of 2025 / early 2026, as described in the Management Review.

Gross and operating margins are expected to improve gradually during the forecast period, reflecting changes in the sales mix and the implementation of various strategic initiatives. These assumptions also account for the Group's long-term strategic efforts, including differentiated branding, central sourcing, manufacturing optimisation and product development. To project cash flows beyond the initial 5-year period, a growth rate of 2% (2023: 2%) has been applied.

The WACC is calculated based on the average debt-to-equity ratio of large companies in similar industries and the respective costs of debt and equity. The cost of shareholders' equity is determined under the assumption that all investors require at least the same level of return as risk-free government bonds, supplemented by a risk premium reflecting the estimated risks associated with investments in CGUs. The required return on debt-financed capital is similarly calculated using the return on risk-free government bonds, with an added borrowing margin to account for estimated company-specific risk. A current tax rate of 22% is applied.

In 2024, the Group's weighted cost of capital before tax amounted to 11.4% (2023: 12.0%) and after tax to 9.25% (2023: 9.9%).

The acquisition value of the Svane brand, DKK 172.0 million, is subject to an annual impairment test using the relief from royalty method. The recoverable amount is calculated using the expected cash flow based on the budget for the forthcoming financial year and a forecast for the next four years and a royalty on the expected brand revenue, discounted by a WACC after tax. The WACC is based on similar assumptions to the above. The recoverable amount is compared with the carrying amount. The acquisition value of the AUBO brand is amortised over the expected useful life, which has been set at 5 years.

Apart from the impairment of goodwill related to Svane Alnabru AS in 2023, testing of goodwill and brand did not lead to any impairment in 2024 or 2023. In Management's assessment, likely changes in the basic assumptions will not lead to the carrying amount exceeding the recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. PROPERTY, PLANT AND EQUIPMENT

DKK'000	BUILDINGS	LAND AND LAND IMPROVE-MENTS	PROPERTY, PLANT AND EQUIPMENT UNDER CON-STRUCTION AND PREPAYMENTS	MACHINERY AND OTHER TECHNICAL EQUIPMENT	EQUIPMENT, TOOLS, FIXTURES AND FITTINGS
Opening cost at 1 January 2024	**129,382**	**14,248**	**6,130**	**88,847**	**14,945**
Investments for the period	684	1,375	10,656	7,875	394
Transfer	0	0	(6,130)	6,130	0
Disposals for the period	0	0	0	(45)	(124)
Closing cost at 31 December 2024	**130,066**	**15,623**	**10,656**	**102,807**	**15,215**
Opening depreciation and impairment at 1 January 2024	14,705	0	0	34,863	7,807
Disposals for the period	0	0	0	(45)	(124)
Depreciation for the period	3,632	0	0	14,644	2,419
Closing depreciation and impairment at 31 December 2024	**18,337**	**0**	**0**	**49,462**	**10,102**
Closing carrying amount at 31 December 2024	**111,729**	**15,623**	**10,656**	**53,345**	**5,113**

DKK'000	BUILDINGS	LAND AND LAND IMPROVE-MENTS	PROPERTY, PLANT AND EQUIPMENT UNDER CON-STRUCTION AND PREPAYMENTS	MACHINERY AND OTHER TECHNICAL EQUIPMENT	EQUIPMENT, TOOLS, FIXTURES AND FITTINGS
Opening cost at 1 January 2023	**94,483**	**12,405**	**1,119**	**65,608**	**11,837**
Acquisition of entities	30,811	1,777	0	11,499	2,811
Investments for the period	4,088	66	6,130	10,621	716
Transfer	0	0	(1,119)	1,119	0
Disposals for the period	0	0	0	0	(419)
Closing cost at 31 December 2023	**129,382**	**14,248**	**6,130**	**88,847**	**14,945**
Opening depreciation and impairment at 1 January 2023	11,762	0	0	23,066	6,130
Disposals for the period	0	0	0	0	(335)
Depreciation for the period	2,943	0		11,797	2,012
Closing depreciation and impairment at 31 December 2023	**14,705**	**0**	**0**	**34,863**	**7,807**
Closing carrying amount at 31 December 2023	**114,677**	**14,248**	**6,130**	**53,984**	**7,138**

No impairment was charged to property, plant and equipment in 2024 or 2023.

14. LEASES

RIGHT-OF-USE ASSETS

DKK'000	RENTAL OF PREMISES	EQUIPMENT, TOOLS, FIXTURES AND FITTINGS	TOTAL
Opening cost at 1 January 2024	**50,272**	**9,584**	**59,856**
Additions	2,048	2,807	4,855
Disposals for the period	0	(4,866)	(4,866)
Closing cost at 31 December 2024	**52,320**	**7,525**	**59,845**
Opening depreciation and impairment at 1 January 2024	12,756	5,642	18,398
Disposals for the period	0	(4,502)	(4,502)
Depreciation for the period	4,082	2,373	6,455
Closing depreciation and impairment at 31 December 2024	**16,838**	**3,513**	**20,351**
Closing carrying amount at 31 December 2024	**35,482**	**4,012**	**39,494**

DKK'000	RENTAL OF PREMISES	EQUIPMENT, TOOLS, FIXTURES AND FITTINGS	TOTAL
Opening cost at 1 January 2023	**41,430**	**8,367**	**51,221**
Acquisition of entities	8,198	185	8,383
Additions	644	2,751	3,395
Disposals for the period	0	(1,719)	(1,719)
Closing cost at 31 December 2023	**50,272**	**9,584**	**61,280**
Opening depreciation and impairment at 1 January 2023	9,429	5,199	16,052
Disposals for the period	0	(1,719)	(1,719)
Depreciation for the period	3,327	2,162	5,489
Closing depreciation and impairment at 31 December 2023	**12,756**	**5,642**	**19,822**
Closing carrying amount at 31 December 2023	**37,516**	**3,942**	**41,458**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. LEASES (CONTINUED)

LEASE RECEIVABLES

Subleases are specified as follows:

	2024		2023	
DKK'000	BOOK VALUE	UNDISCOUNTED VALUE	BOOK VALUE	UNDISCOUNTED VALUE
Falling due for payment within 1 year	6,715	7,029	8,488	8,727
Falling due for payment within 1-2 years	5,146	5,321	5,205	5,289
Falling due for payment within 2-3 years	1,539	1,626	5,257	5,289
Falling due for payment within 3-4 years	901	923	376	378
Falling due for payment within 4-5 years	0	0	0	0
Falling due for payment after 5 years	0	0	0	0
Total	**14,301**	**14,899**	**19,326**	**19,683**

Subleases falling due for payment after more than 1 year are presented as financial assets. Subleases falling due for payment within 1 year are presented as current receivables, but are not included in the calculation of net working capital.

LEASE LIABILITIES

DKK'000	2024	2023
Opening balance, 1 January	62,347	60,786
Non-cash change		
Acquisition of entities	0	8,383
New lease liabilities	4,855	3,393
Terminated leases	(204)	0
Subleases settled directly by the franchisee	(5,025)	(5,380)
	(374)	**6,396**
Financing cash flows		
Repayment of loans	(5,980)	(4,835)
	(5,980)	**(4,835)**
Closing balance, 31 December	**55,993**	**62,347**

In 2024, the total amount of cash flows related to lease liabilities was DKK -8.4 million (2023: DKK -6.7 million), of which the interest payments related to the recognised lease liabilities were DKK 2.4 million (2023: DKK 1.9 million) and repayments DKK 6.0 million (2023: DKK 4.8 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. LEASES (CONTINUED)

DKK'000	2024	2023
Maturity of contractual cash flow		
0-6 months	7,842	8,413
6-12 months	7,061	8,368
1-5 years	29,867	34,408
5 years or later	19,657	23,261
	64,427	**74,450**

DKK'000	2024	2023
Amounts recognised in the income statement		
Cost of short-term leases	498	1,322
Variable leasing costs that are not included in leasing liabilities	161	138
	659	**1,460**

TCM Group leases various assets such as production buildings, warehouses, office buildings, retail property buildings, company cars, etc.

The portfolio of lease commitments for short-term leases at year-end is similar to the portfolio of short-term leases that have been expensed during the period.

TCM Group has not entered into any significant leases, not yet commenced, to which it is committed.

15. INVESTMENTS IN ASSOCIATES

DKK'000	2024	2023
Cost at start of year	61,270	61,178
Additions	567	153
Divestment	0	(61)
Carrying amount at year-end	**61,837**	**61,270**
Value adjustments at start of year	(13,276)	(12,477)
Impairment	(567)	(153)
Dividend received	(4,500)	(2250)
Share of profit/(loss)	6,299	1,543
Divestment	0	61
Value adjustments at year-end	**(12,044)**	**(13,276)**
Carrying amount at year-end	**49,793**	**47,994**

The associate Celebert ApS sells kitchens, bathrooms and storage solutions online and has a balance sheet date of 31 December. At 31 December 2024, Celebert ApS posted a gross profit of DKK 44 million and a net profit of DKK 14 million. At 31 December 2024, assets in Celebert ApS amounted to DKK 41 million, of which DKK 16 million was current assets. At 31 December 2024, current liabilities amounted to DKK 7 million.

At 31 December 2024, recognised goodwill related to associates amounted to DKK 45.7 million (2023: DKK 45.7 million). No impairment was charged to goodwill related to associates in 2024 or 2023.

The associate Svane Alnabru AS operates the Svane Køkkenet Alnabru store in Oslo, Norway. At 31 December 2024, Svane Alnabru AS posted a gross profit of DKK 4.7 million and a net loss of DKK 2 million. At 31 December 2024, assets in Svane Alnabru AS amounted to DKK 5.7 million, of which DKK 3.1 million was current assets. At 31 December 2024, current liabilities amounted to DKK 7.7 million.

The financial situation of Svane Alnabru at 31 December 2024 meant a committed but not yet exercised capital increase of DKK 0.6 million was fully impaired in 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. OTHER FINANCIAL ASSETS

DKK'000	2024	2023
Other financial assets		
Receivables falling due in 12 months or later	6,919	9,714
Deposits	1,337	1,310
Total	**8,256**	**11,024**

17. INVENTORIES

DKK'000	2024	2023
Raw materials and consumables	51,617	51,830
Semi-finished products	32,052	35,508
Finished products	12,832	10,334
Total write-down of inventories	(7,354)	(5,135)
	89,147	**92,537**

Cost of goods sold recognised as an expense during the period was DKK 948.4 million (2023: DKK 868.3 million) and write-downs of inventories recognised as an expense during the period totalled DKK 2.2 million (2023: DKK 2.6 million).

18. PREPAID EXPENSES AND ACCRUED INCOME

DKK'000	2024	2023
Other prepaid expenses	1,676	1,180
Total	**1,676**	**1,180**

19. SHARE CAPITAL

SHARE CAPITAL	NO. OF REGISTERED SHARES	NO. OF SHARES OUTSTANDING	NOMINAL VALUE
At 1 January 2024	10,513,638	10,438,638	1,051,364
Performance shares	0	1,949	0
At 31 December 2024	**10,513,638**	**10,440,587**	**1,051,364**
At 1 January 2023	9,142,294	9,067,294	914,229
Rights issue	1,371,344	1,371,344	137,135
At 31 December 2023	**10,513,638**	**10,438,638**	**1,051,364**

The share capital amounted to nominal DKK 1,051,364. Each share has a nominal value of DKK 0.1. All of the registered shares are fully paid. All shares are ordinary shares of the same type.

TREASURY SHARES	NO. OF SHARES	NOMINAL VALUE	% OF SHARES
At 1 January 2024	75,000	7,500	0.7
Used to settle performance shares	(1,949)	(195)	0.0
At 31 December 2024	**73,051**	**7,305**	**0.7**
At 1 January 2023	75,000	7,500	0.8
At 31 December 2023	**75,000**	**7,500**	**0.7**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. VALUE ADJUSTMENTS OF CURRENCY HEDGES

DKK'000	VALUE ADJUSTMENT OF CASH FLOW HEDGES 2024	TOTAL 2024	VALUE ADJUSTMENT OF CASH FLOW HEDGES 2023	TOTAL 2023
Opening balance	**(916)**	**(916)**	**(916)**	**(916)**
Adjustment, cash flow hedges	(36)	(36)	0	0
Value adjustments of currency hedges before tax	1,347	1,347	(47)	(47)
Tax on value adjustments of currency hedges	(296)	(296)	11	11
Tax related to prior years	0	0	36	36
Closing balance	**99**	**99**	**(916)**	**(916)**

HEDGING RESERVE

The fair value adjustment of unrealised gains/losses on forward exchange contracts is adjusted in equity.

The forward exchange contracts, which have been entered into with the company's usual bank connection, cover periods of 0-12 months from the balance sheet date.

21. EARNINGS PER SHARE

EARNINGS PER SHARE BEFORE DILUTION

Earnings per share before dilution are calculated by dividing profit attributable to the shareholders by the weighted average number of outstanding ordinary shares during the period.

	2024	2023
Profit attributable to shareholders (DKK'000)	57,675	21,522
Weighted average number of outstanding ordinary shares before dilution	10,440,012	9,767,408
Earnings per share before dilution (DKK)	5.52	2.20

EARNINGS PER SHARE AFTER DILUTION

To calculate earnings per share after dilution, the weighted average number of outstanding ordinary shares was adjusted for the dilution effect of all potential ordinary shares. These potential ordinary shares were attributable to the long-term incentive (LTI) programmes awarded to the Executive Management in 2022, 2023 and 2024, cf. note 5.

If all the performance targets set for the first plan, PSU 2022-2024, 2023-2025 and 2024-2026, are achieved in full, the aggregate allocated maximum number of share units and, accordingly, shares to be awarded will be 93,908 shares (gross earning).

	2024	2023
Weighted average number of outstanding ordinary shares	10,440,012	9,767,408
Management performance share scheme	35,319	14,578
Weighted average number of outstanding ordinary shares after dilution	10,475,331	9,781,986
Earnings per share after dilution	5.51	2.20

22. DIVIDEND

The Board of Directors will propose to the Annual General Meeting to distribute an ordinary dividend of DKK 3 per share. Excluding treasury shares this corresponds to DKK 31 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. DEFERRED TAX

DKK'000	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	NET
Opening balance, 1 January 2024	0	68,032	68,032
Adjustment related to prior years	0	(26)	(26)
Recognised in net profit for the year	**0**	(1,377)	(1,377)
Closing balance, 31 December 2024	**0**	**66,629**	**66,629**
Opening balance, 1 January 2023	0	53,393	53,393
Acquisition of entities	0	16,366	16,366
Recognised in net profit for the year	0	(1,727)	(1,727)
Closing balance, 31 December 2023	**0**	**68,032**	**68,032**

Change in deferred tax liabilities for the period:

DEFERRED TAX LIABILITIES

DKK'000	TEMPORARY DIFFERENCES IN INTANGIBLE ASSETS	TEMPORARY DIFFERENCES IN PROPERTY, PLANT AND EQUIPMENT	TEMPORARY DIFFERENCES IN INVENTORIES	TEMPORARY DIFFERENCES IN RECEIVABLES	TEMPORARY DIFFERENCES IN MORTGAGE DEBT	TOTAL
At 1 January 2024	**50,635**	**18,335**	**504**	**(1,032)**	**(410)**	**68,032**
Adjustment related to prior years	0	0	0	0	(26)	(26)
Recognised in net profit for the year	(1,096)	(346)	367	(443)	141	(1,377)
At 31 December 2024	**49,539**	**17,989**	**871**	**(1,475)**	**(295)**	**66,629**
At 1 January 2023	**39,406**	**14,467**	**595**	**(666)**	**(409)**	**53,393**
Acquisition of entities	12,639	3,352	132	262	(19)	16,366
Recognised in net profit for the year	(1,410)	516	(223)	(628)	18	(1,727)
At 31 December 2023	**50,635**	**18,335**	**504**	**(1,032)**	**(410)**	**68,032**

The corporation tax rate in Denmark for the year is 22.0%. There are no tax loss carryforwards.

24. BANK LOANS AND MORTGAGE LOANS

DKK'000	2024	2023
MATURITY STRUCTURE		
Within 1 year	22,995	95,511
Between 1 and 5 years	199,078	156,442
Longer than 5 years	29,749	11,631
Total	**251,822**	**263,584**

Refer to note 3 for additional information regarding bank loans and mortgage loans.

25. FINANCIAL ASSETS AND LIABILITIES

2024 DKK'000	DERIVATIVE HEDGING INSTRUMENTS MEASURED AT FAIR VALUE	FINANCIAL ASSETS MEASURED AT AMORTISED COST	FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	TOTAL CARRYING AMOUNT
Other long-term receivables	0	8,256	0	8,256
Trade receivables	0	57,914	0	57,914
Other receivables	127	26,245	0	26,372
Cash and cash equivalents	0	29,099	0	29,099
Total	**127**	**121,514**	**0**	**121,641**
Non-current interest-bearing liabilities	0	0	272,529	272,529
Current interest-bearing liabilities	0	0	35,285	35,285
Accounts payable	0	0	122,285	122,285
Other non-current liabilities	0	0	43,000	43,000
Other current liabilities	0	0	75,921	75,921
Total	**0**	**0**	**549,020**	**549,020**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

2023 DKK'000	DERIVATIVE HEDGING INSTRUMENTS MEASURED AT FAIR VALUE	FINANCIAL ASSETS MEASURED AT AMORTISED COST	FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	TOTAL CARRYING AMOUNT
Other long-term receivables	0	11,024	0	11,024
Trade receivables	0	79,285	0	79,285
Other receivables	0	23,065	0	23,065
Cash and cash equivalents	0	13,285	0	13,285
Total	**0**	**126,659**	**0**	**126,659**
Non-current interest-bearing liabilities	0	0	216,222	216,222
Current interest-bearing liabilities	0	0	109,709	109,709
Accounts payable	0	0	144,710	144,710
Other non-current liabilities	0	0	52,500	52,500
Other current liabilities	1,220	0	77,161	78,381
Total	**1,220**	**0**	**600,302**	**601,522**

26. ACQUISITION OF ENTITIES (BUSINESS COMBINATIONS)

2024: ACQUISITION OF ENTITIES

There were no acquisitions in the year ending 31 December 2024.

2023: ACQUISITION OF AUBO PRODUCTION A/S

On 3 July 2023, TCM Group acquired 100% of the share capital of AUBO Production A/S. The acquisition supports TCM Group's strategy of strengthening TCM Group's market position in the core markets and growing its presence in Norway.

	DKK'000
PURCHASE CONSIDERATION	
Cash paid	105,142
Ordinary shares issued	10,000
Vendor note	35,000
Contingent consideration	18,500
Purchase price	**168,642**

The fair value of the 149,925 shares issued as part of the consideration of DKK 10.0 million paid for AUBO Production A/S was DKK 66.7 per share, based on the share value calculated as the volume-weighted average closing price on Nasdaq Copenhagen between 19 and 23 June 2023, both days included.

Contingent consideration of a potential amount of DKK 60 million is linked to the company's performance going forward. The fair value of the contingent consideration at acquisition was estimated at DKK 18.5 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. ACQUISITION OF ENTITIES (BUSINESS COMBINATIONS) (CONTINUED)

DKK'000	FAIR VALUE	ACQUIRED CARRYING AMOUNT
ASSETS AND LIABILITIES INCLUDED IN THE ACQUISITION		
Cash and cash equivalents	4,351	4,351
Property, plant and equipment	55,370	46,987
Intangible assets	3,383	3,383
Intangible assets: customer contracts	47,500	0
Intangible assets: brand value	7,500	0
Financial assets	1,062	1,062
Inventories	34,865	34,265
Trade receivables and other receivables	65,164	65,164
Accounts payable and other operating liabilities	(42,061)	(42,061)
Tax payable	(9,101)	(9,101)
Debt to parent company	(16,843)	(16,843)
Other interest-bearing liabilities	(8,383)	0
Deferred taxes, net	(16,367)	(4,135)
Net identifiable assets acquired	**126,440**	**83,072**
Goodwill	42,202	
Net assets acquired	**168,642**	

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

Revenue attributable to AUBO Production A/S since the date of acquisition amounted to DKK 117.0 million, and net profit amounted to DKK 1.5 million.

If the acquisition had occurred on 1 January 2023, consolidated pro-forma revenue and profit for the period ended 31 December 2023 would have been approximately DKK 260 million and DKK 6 million respectively.
These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies of the Group and the subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 January 2023, together with the consequential tax effects.

The fair value of trade receivables amounts to DKK 57.3 million. The gross contractual receivables amount to DKK 57.3 million, of which DKK 0.0 million is considered uncollectible.

	DKK'000
PURCHASE CONSIDERATION - CASH OUTFLOW	
Purchase consideration paid in cash	105,142
Cash and cash equivalents in acquired subsidiaries	(4,351)
Reduction in the Group's cash and cash equivalents in conjunction with acquisition	**100,791**

Transaction costs for the acquisition amounted to DKK 2.8 million and are presented under non-recurring items. Of the transaction costs, DKK 2.8 million was recognised in Q2 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. ACQUISITION OF ENTITIES (ASSOCIATES)

2024: ACQUISITION OF ENTITIES

There were no acquisitions in the year ending 31 December 2024.

2023: ACQUISITION OF SVANE ALNABRU AS

On 3 July 2023, TCM Group acquired 100% of the shares in Svane Alnabru AS. The company operates the strategically important Svane Køkkenet Alnabru store in Oslo, Norway. The purchase price amounted to DKK 0.2 million. Goodwill of DKK 3.4 million identified upon acquisition was fully impaired as of the acquisition date because of the company's historical financial performance.

On 1 September 2023, TCM Group sold 40% of the shares in Svane Alnabru AS for an amount of DKK 0.9 million.

28. CHANGES IN LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

DKK'000	MORTGAGE LOANS	BANK LOANS	TOTAL
Opening balance, 1 January 2024	25,254	238,328	263,582
Non-cash change			
Amortisation of borrowing costs	88	530	618
Subtotal	**88**	**530**	**618**
Financing cash flows			
Proceeds from loans	36,757	0	36,757
Repayment of loans	(25,643)	(20,000)	(45,643)
Changes in cash pool	0	(3,493)	(3,493)
Subtotal	**11,114**	**(23,493)**	**(12,379)**
Closing balance, 31 December 2024	**36,456**	**215,365**	**251,821**

DKK'000	MORTGAGE LOANS	BANK LOANS	TOTAL
Opening balance, 1 January 2023	27,825	200,329	228,154
Non-cash change			
Amortisation of borrowing costs	9	270	279
Subtotal	**9**	**270**	**279**
Financing cash flows			
Proceeds from loans	0	149,625	149,625
Repayment of loans	(2,580)	0	(2,580)
Changes in cash pool	0	(111,896)	(111,896)
Subtotal	**(2,580)**	**37,729**	**35,149**
Closing balance, 31 December 2023	**25,254**	**238,328**	**263,582**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. PLEDGED ASSETS, CONTINGENT LIABILITIES AND COMMITMENTS

In respect of its commitment to Nykredit Bank, the Group has issued a pledge ban on the Group's assets.

In respect of its financing agreements with Nykredit Bank, the Group has provided a pledge over company assets of DKK 100 million (2023: 75 million) with charges over goodwill, property, plant and equipment (excluding land and buildings), inventories and trade receivables. The carrying amount of the pledged assets at 31 December 2024 was DKK 273.6 million (2023: DKK 304.3 million).

As collateral for debt to the mortgage lender, DKK 36.5 million (2023: DKK 25.3 million), pledges have been provided over land and buildings with a carrying amount at 31 December 2024 of DKK 79.8 million (2023: DKK 81.5 million).

Guarantees related to AB92 - provision of work and supplies within building and engineering – amounted to DKK 0.3 million (2023: DKK 1.0 million).

The Group has contingent liabilities pertaining to subcontractor guarantees that arise in normal commercial operations. No significant liabilities are expected to arise as a result of these contingent liabilities.

Other bank guarantees amounted to DKK 0.3 million (2023: DKK 0.3 million).

The Group has given a guarantee of maximum 12 months' rent to a third party, corresponding to DKK 2.2 million (2023: DKK 2.2 million).

As of the balance sheet date the Group has entered into non-cancellable agreements related to the future purchase of goods and services amounting to DKK 93 million.

30. RELATED PARTY TRANSACTIONS

RELATED PARTIES WITH A CONTROLLING INTEREST

As at 31 December 2024, there were no related parties with a controlling interest in the company.

TRANSACTIONS BETWEEN RELATED PARTIES

During the financial period, the Group had the following transactions with related parties:

See note 5 for information on remuneration of the Executive Management and the Board of Directors.

The Group has had transactions with the associate Celebert ApS. Transactions related to sales amounted to DKK 45.6 million (2023: DKK 27.3 million) and transactions related to administration fees amounted to DKK 0.2 million (2023: DKK 0.2 million).

The Group has had transactions with the associate Svane Alnabru AS. Transactions related to sales amounted to DKK 4.4 million (2023: DKK 2.2 million) and transactions related to property leases amounted to DKK 1.7 million (2023: DKK 0.7 million).

There were no other transactions with related parties.

31. EVENTS AFTER THE BALANCE SHEET DATE

No subsequent events have occurred that materially affect TCM Group's financial position.

32. COMPANIES IN TCM GROUP

	BUSINESS REGISTRATION NO.	DOMICILE	SHARE OF EQUITY
PARENT COMPANY			
TCM Group A/S	37291269	Holstebro	
SUBSIDIARIES			
TCM Operations A/S	75924712	Holstebro	100%
AUBO Production A/S	28854846	Aulum	100%
ASSOCIATES			
Celebert ApS	27428959	Aalborg	45%
Svane Alnabru AS	916636849	Oslo, Norway	60%*

* Due to specific conditions in the agreement with the non-controlling shareholder, Svane Alnabru AS is considered an associate despite TCM Group A/S owning 60% of the company's shares.

DEFINITIONS

KEY FIGURES

Key figures and financial ratios have been defined and calculated as stated below:

The following key figures are not directly derived from the income statement or balance sheet and as such are defined as follows:

Adjusted EBITDA:	Operating profit before non-recurring items (Adjusted EBIT) plus depreciation and amortisation
Adjusted EBIT:	Operating profit before non-recurring items
Net interest-bearing debt:	Current and non-current interest-bearing loans and borrowings less interest-bearing receivables and cash and cash equivalents
Net working capital:	The sum of inventories, trade receivables, other receivables (excluding subleases) and prepayments less the sum of prepayments from customers, trade payables and other liabilities

RATIOS

Ratio	Calculation formula
Gross margin	Gross profit * 100 Revenue
Adjusted EBITDA margin	Adjusted EBITDA * 100 Revenue
Adjusted EBIT margin	Adjusted EBIT * 100 Revenue
EBIT margin	EBIT * 100 Revenue
Solvency ratio	Equity * 100 Balance sheet total
Leverage ratio	Net interest-bearing debt excluding tax liabilities 12 months' adjusted EBITDA
NWC ratio	Net working capital[1] * 100 12 months' revenue
CapEx ratio excl. acquisitions	CapEx ratio excluding acquisitions is calculated as investments in property, plant and equipment (CapEx) divided by revenue. CapEx excludes investments in connection with acquisitions.
Cash conversion ratio	The cash conversion ratio is calculated as adjusted EBITDA less the change in net working capital[1] and CapEx excluding acquisitions divided by adjusted EBITDA. The ratio is for the last 12 months.

The definition and calculation formula for earnings per share before and after dilution can be found in note 21 to the consolidated financial statements.

[1] Net working capital is adjusted to reflect assets and liabilities held for sale.

PARENT COMPANY FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

DKK'000	NOTE	2024	2023
Revenue		8,880	10,575
Gross profit		**8,880**	**10,575**
Administrative expenses	2, 3	(13,800)	(14,407)
Other operating income		9,500	1,000
Operating profit/(loss) before non-recurring items		**4,580**	**(2,832)**
Non-recurring items	4	0	(2,800)
Operating profit/(loss)		**4,580**	**(5,632)**
Dividends from subsidiaries		6,500	50,000
Financial income	5	10,675	9,200
Financial expenses	5	(20,032)	(16,554)
Profit before tax		**1,723**	**37,014**
Tax for the year	6	3,142	2,448
Net profit for the year		**4,865**	**39,463**
Other comprehensive income			
Items that may be reclassified subsequently to the income statement			
Value adjustments of cash flow hedges before tax		0	0
Tax on value adjustments of cash flow hedges		0	0
Other comprehensive income for the year		**0**	**0**
Total comprehensive income		**4,865**	**39,463**

BALANCE SHEET AS AT 31 DECEMBER

DKK'000	NOTE	2024	2023
ASSETS			
NON-CURRENT ASSETS			
Investments in subsidiaries	7	665,399	665,399
Financial non-current assets		**665,399**	**665,399**
Total non-current assets		**665,399**	**665,399**
CURRENT ASSETS			
Receivables from subsidiaries		135,304	159,823
Other receivables		0	138
Deferred tax assets		432	185
Prepaid expenses and accrued income		451	13
Total current assets		**136,187**	**160,159**
Cash and cash equivalents		0	0
Total current assets		**136,187**	**160,159**
Total assets		**801,586**	**825,558**

BALANCE SHEET AS AT 31 DECEMBER (CONTINUED)

DKK'000	NOTE	2024	2023
EQUITY AND LIABILITIES			
Share capital		1,051	1,051
Treasury shares		(7)	(12,087)
Retained earnings		504,559	541,991
Proposed dividend		31,322	0
Total equity		**536,925**	**530,955**
Bank loans	8	193,607	145,346
Other payables		43,000	52,500
Total non-current liabilities		**236,607**	**197,846**
CURRENT LIABILITIES			
Bank loans	8	21,759	92,982
Trade payables		1,431	1,044
Current tax liabilities		1,408	104
Other payables		3,456	2,627
Total current liabilities		**28,054**	**96,757**
Total liabilities		**264,661**	**294,603**
Total equity and liabilities		**801,586**	**825,558**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

DKK'000	SHARE CAPITAL	TREASURY SHARES	RETAINED EARNINGS	PROPOSED DIVIDEND	TOTAL
Opening balance, 1 January 2024	**1,051**	**(12,087)**	**541,991**	**0**	**530,955**
Net profit for the year	0	0	(26,457)	31,322	4,865
Total comprehensive income for the year	**0**	**0**	**(26,457)**	**31,322**	**4,865**
Transfer	0	12,080	(12.080)	0	0
Share-based incentive programme	0	0	1,105	0	1,105
Transfer, exercised share-based payment	0	0	0	0	0
Closing balance, 31 December 2024	**1,051**	**(7)**	**504,559**	**31,322**	**536,925**
Opening balance, 1 January 2023	**914**	**(12,087)**	**415,164**	**0**	**403,991**
Net profit for the year	0	0	39,463	0	39,463
Total comprehensive income for the year	**0**	**0**	**39,463**	**0**	**39,463**
Share-based incentive programme	0	0	471	0	471
Rights issue	137	0	88,644	0	88,781
Cost related to rights issue	0	0	(1,751)	0	(1,751)
Closing balance, 31 December 2023	**1,051**	**(12,087)**	**541,991**	**0**	**530,955**

CASH FLOW STATEMENT

DKK'000	NOTE	2024	2023
OPERATING ACTIVITIES			
Operating profit/(loss)		4,580	(5,632)
Other non-cash operating items		(8,395)	(527)
Income tax paid		(12,163)	(10,656)
Change in operating receivables		40,582	(37,171)
Change in operating liabilities		1,216	1.455
Cash flow from operating activities		**25,820**	**(52,533)**
Investments in subsidiaries		0	(105,143)
Dividend received		6,500	50,000
Cash flow from investing activities		**6,500**	**(55,143)**
Interest paid		(19,913)	(16,486)
Interest received		10,675	9,200
Proceeds from and repayment of loans	8	(23,082)	37,931
Rights issue, net proceeds		0	77,031
Cash flow from financing activities		**(32,320)**	**107,676**
Cash flow for the year		**0**	**0**
Cash and cash equivalents at the beginning of the year		0	0
Cash flow for the year		0	0
Cash and cash equivalents at year-end		**0**	**0**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

I. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Determining the carrying amount of certain assets and liabilities requires an estimate of how future events will affect the value of those assets and liabilities at the balance sheet date. Estimates that are significant to the parent's financial reporting are made, for instance, regarding valuation of investments in subsidiaries, which constitute a major share of the parent's total assets.

Investments in subsidiaries are tested for impairment if events or other circumstances indicate that the carrying amount is not recoverable. Measuring investments in subsidiaries requires significant estimates to be made based on various assumptions, including expected future cash flows, discount rate and terminal value growth rates. The sensitivity to changes in the assumptions applied may be collectively and individually significant.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

2. STAFF COSTS

DKK'000	2024	2023
TOTAL COSTS FOR EMPLOYEE BENEFITS		
Salaries and other remuneration	9,705	9,055
Social security costs	11	12
Pension costs – defined contribution plans	501	447
Total employee costs	**10,217**	**9,514**

Other employee benefits for the Executive Management, including company cars and telephones, are presented as administrative expenses.

REMUNERATION AND OTHER BENEFITS

DKK'000	BASE SALARY/ DIRECTORS' FEES	VARIABLE RE-MUNERATION, CASH-BASED (STI)	VARIABLE RE-MUNERATION, SHARE-BASED (LTI)	OTHER BENEFITS	PENSION COSTS	TOTAL	NUMBER OF INDIVIDUALS
2024							
Board of Directors	2,547	0	0	0	0	2,547	6
Executive Management	4,602	1,901	1,105	612	501	8,721	2
Total	**7,149**	**1,901**	**1,105**	**612**	**501**	**11,268**	**8**
2023							
Board of Directors	2,625	0	0	0	0	2,625	7
Executive Management	4,561	1,000	425	398	447	6,831	2
Total	**7,186**	**1,000**	**425**	**398**	**447**	**9,456**	**9**

Refer to note 5 to the consolidated financial statements for a description of the short-term incentive (STI) and long-term incentive (LTI) programmes.

3. AUDIT FEE

In addition to the statutory audit, PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, the auditors appointed at the Annual General Meeting, provides other assurance engagements and other services to the Group.

DKK'000	2024	2023
SPECIFICATION BY TYPE OF COST		
Statutory audit	492	788
Other assurance engagements	0	36
Tax and indirect tax advisory	32	157
Other services	128	659
	652	**1,640**

The fee for non-audit services delivered by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab to the company amounted to DKK 0.1 million in 2024 and consisted of various accounting advisory services. In 2023, the fee for non-audit services delivered by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab to the company amounted to DKK 0.9 million and consisted of various services, including due diligence in connection with the AUBO Production A/S acquisition.

4. NON-RECURRING ITEMS

DKK'000	2024	2023
Transaction costs related to business combinations	0	2,800
Restructuring	0	0
Total	**0**	**2,800**

The table below shows how the income statement (extract) would have been presented if no adjustment for non-recurring items had been made:

DKK'000	2024	2023
Revenue	8,880	10,575
Gross profit	**8,880**	**10,575**
Administrative expenses	(13,800)	(17,207)
Other operating income	9,500	1,000
Operating profit/(loss)	**4,580**	**(5,632)**

TCM Group presents non-recurring items separately to ensure comparability. Non-recurring items consist of income and expenses that are special and of a non-recurring nature. There were no non-recurring items in 2024. Non-recurring items in 2023 consisted of transaction costs related to business combinations.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL INCOME AND EXPENSES

DKK'000	2024	2023
FINANCIAL INCOME		
Interest income from subsidiaries	10,675	9,200
Total	**10,675**	**9,200**
FINANCIAL EXPENSES		
Interest expense on liabilities measured at amortised cost	19,913	16,486
Other financial costs	119	68
Total	**20,032**	**16,554**

6. CORPORATION TAX

DKK'000	INCOME STATEMENT	OTHER COMPREHEN-SIVE INCOME	TOTAL COMPREHEN-SIVE INCOME
Tax for the year can be specified as follows:			
Current tax	2,895	0	2,895
Change in deferred tax during the year	247	0	247
Total	**3,142**	**0**	**3,142**
Tax for the previous year can be specified as follows:			
Current tax	2,329	0	2,329
Change in deferred tax during the year	119	0	119
Total	**2,448**	**0**	**2,448**

6. CORPORATION TAX (CONTINUED)

Reconciliation of the effective tax rate for the year can be specified as follows:

DKK'000	%	2024	%	2023
Tax rate	22.0	379	22.0	8,143
Non-taxable income	(204.3)	(3,520)	(30.3)	(11,220)
Non-deductible expenses	1.2	21	0.0	0
Other	(1.3)	(22)	1.7	629
Effective tax rate for the year	**(182.4)**	**(3,142)**	**(6.6)**	**(2,448)**

Non-taxable income relates primarily to adjustment of the contingent payment obligation and to dividends from subsidiaries.

7. INVESTMENTS IN SUBSIDIARIES

DKK'000	2024	2023
INVESTMENTS IN SUBSIDIARIES		
Cost at start of year	665,399	496,756
Acquisition during the year	0	168,643
Cost at end of year	**665,399**	**665,399**
Carrying amount at end of year	**665,399**	**665,399**

Investments in subsidiaries comprise:
TCM Operations A/S, 100%
AUBO Production A/S, 100%

See note 26 to the consolidated financial statements for details of the acquisition of AUBO Production A/S in 2023.

See note 32 to the consolidated financial statements for a list of all companies in TCM Group.

The carrying amount of the parent's investments in subsidiaries is tested for impairment if an indication of impairment exists. No indication of impairment has been identified.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

8. CHANGES IN LIABILITIES ATTRIBUTABLE TO THE FINANCING ACTIVITIES

DKK'000	BANK LOANS	TOTAL
Opening balance, 1 January 2024	238,328	238,328
Non-cash change		
Amortisation of borrowing costs	119	119
Subtotal	**119**	**119**
Financing cash flows		
Repayment of loans	(20,000)	(20,000)
Changes in cash pool	(3,082)	(3,082)
Subtotal	**(23,082)**	**(23,082)**
Closing balance, 31 December 2024	**215,365**	**215,365**
Opening balance, 1 January 2023	200,329	200,329
Non-cash change		
Amortisation of borrowing costs	68	68
Subtotal	**68**	**68**
Financing cash flows		
Proceeds from loans	149,625	149,625
Changes in cash pool	(111,694)	(111,694)
Subtotal	**37,931**	**37,931**
Closing balance, 31 December 2023	**238,328**	**238,328**

9. GUARANTEES, CONTINGENT LIABILITIES AND COLLATERAL

In respect of the Group's commitment to Nykredit Bank, the company has issued a pledge ban on all assets.

TCM Group A/S is the management company under the Danish joint taxation scheme. Under the Danish Corporation Tax Act regulations and with effect from the 2016 financial year, TCM Group A/S is therefore liable for any income taxes, etc. for the jointly taxed companies and for any obligations to withhold tax at source on interest, royalties and returns for the jointly taxed companies.

10. RELATED PARTIES

For a specification of related parties, refer to notes 30 and 32 to the consolidated financial statements.

See note 5 to the consolidated financial statements for information on remuneration of the Executive Management and the Board of Directors.

The management fees from subsidiaries in the financial year amounted to DKK 8.9 million (2023: DKK 10.6 million).

Intra-group transactions are carried out on arm's length principles.

Aside from this, no transactions with the Executive Management, major shareholders or other related parties have taken place during the year.

11. EVENTS AFTER THE BALANCE SHEET DATE

No subsequent events have occurred that materially affect TCM Group's financial position.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

12. ACCOUNTING POLICIES

These parent financial statements have been prepared under the historical cost convention and presented in accordance with IFRS accounting standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

DESCRIPTION OF ACCOUNTING POLICIES APPLIED

The accounting policies applied by the parent differ from the accounting policies described for the consolidated financial statements (see note 1 to the consolidated financial statements) as follows:

DIVIDEND INCOME

Distribution of profits accumulated by subsidiaries is taken to income in the parent's income statement in the financial year in which the dividend is received. If a dividend is distributed that exceeds the subsidiary's comprehensive income for the year, an impairment test is performed.

INVESTMENTS IN SUBSIDIARIES

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

13. FINANCIAL RISKS

TRANSLATION EXPOSURE

The company does not have any subsidiaries in foreign countries, hence there is no translation exposure.

CREDIT RISK

The company does not have any external activities. No material credit risk has been identified. The company has receivables from its subsidiaries as a result of intercompany financing. No significant risk has been identified on these receivables.

FINANCIAL EXPOSURE

The Group maintains three credit facilities with Nykredit Bank:

1) DKK 220 million committed facility: This facility is set to expire in March 2026 and includes two 1-year extension options available on similar terms.

2) DKK 130 million committed facility: Established in 2023 to support the acquisition of AUBO Production A/S, this facility also expires in 2026 and offers two 1-year extension options on similar terms.

3) DKK 50 million uncommitted facility: This 1-year facility will expire in March 2025.

The facility agreements with Nykredit Bank contained a leverage covenant of 4.5 until 31 December 2024 and 4.0 for the remaining financing period. No covenants have been breached during the period.

INTEREST RATE RISK

It is Group policy to fully or partially hedge interest rate risks on loans when it is assessed that the debt is material. The Group manages interest rate risk by maintaining an appropriate mix of fixed- and floating-rate borrowings, and using interest rate swaps.

The interest rates on the Nykredit facilities are currently variable.

For the company's floating-rate cash and cash equivalents and debt to banks, an increase in interest rate level of 1% p.a. relative to the actual interest rates would have had a negative impact on the profit for the year and on equity at 31 December 2024 of DKK 2.5 million (2023: DKK 2.7 million).

Assumptions for analysis of interest rate sensitivity

The stated sensitivities are calculated on the basis of the financial assets and liabilities recognised at 31 December 2024. No adjustments have been made for instalments, raising of loans, etc. during the course of the year.

The computed expected fluctuations are based on the current market situation and expectations for market developments in interest rates.

CAPITAL MANAGEMENT

The Board of Directors has adopted a dividend policy with a target payout ratio of 40-60% of consolidated net profit for the year.

The Board of Directors will propose to the Annual General Meeting to distribute an ordinary dividend of DKK 3 per share. Excluding treasury shares this corresponds to DKK 31 million.

LIQUIDITY RISKS

Liquidity is controlled centrally with the aim of using available liquidity efficiently, while keeping necessary reserves available. Available liquidity comprised DKK 204 million at 31 December 2024 (2023: DKK 234 million).

STATEMENTS

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TREND VARM GRÅ
WOOD DESIGN

MANAGEMENT STATEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Management have today considered and adopted the Annual Report for the financial year 1 January 2024 – 31 December 2024. The Consolidated Financial Statements and the Parent Company Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2024 as well as of the results of their operations and the cash flows for the period 1 January 2024 – 31 December 2024.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year, and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

In our opinion, the Annual Report of TCM Group A/S for the financial year 1 January to 31 December 2024 with the file name tcm-group-2024-12-31-en.zip has been prepared, in all material respects, in compliance with the ESEF Regulation. We recommend that the Annual Report be adopted at the Annual General Meeting.

Holstebro, 26 February 2025

EXECUTIVE MANAGEMENT

Torben Paulin *Chief Executive Officer*	Thomas Hjannung *Chief Financial Officer*

BOARD OF DIRECTORS

Anders Tormod Skole-Sørensen *Chair*	Søren Mygind Eskildsen *Deputy Chair*	Pernille Wendel Mehl
Jan Amtoft	Erika Hummel	Björn Johan Olsson Lissner

INDEPENDENT AUDITOR'S REPORTS

To the shareholders of TCM Group A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2024 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of TCM Group A/S for the financial year 1 January to 31 December 2024 comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information for the Group as well as for the Parent Company. Collectively referred to as 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of TCM Group A/S on 5 April 2022 for the financial year 2022. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 3 years including the financial year 2024.

INDEPENDENT AUDITOR'S REPORTS (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Impairment test of goodwill and brand At 31 December 2024 the Group's intangible assets amount to DKK 692,103 thousand primarily related to goodwill of DKK 411,998 thousand and brand of DKK 177,211 thousand. Impairment tests related to goodwill and brand include significant judgement and estimation by Management, including determination of future growth rates for revenue, profit margins and investments in the budget and forecast periods, as well as royalty rate and discount rate. We focused on impairment tests related to goodwill and brand as impairment tests are complex and associated with subjectivity in the determination of significant assumptions and data used. We refer to note 12 in the consolidated financial statements.	We considered the appropriateness of the accounting policies for assessing the recoverability of the carrying amount of goodwill and brand. Our audit procedures included assessment of the applied impairment model with focus on significant assumptions in determination of future cash flows, including growth rates for revenue, profit margins and investments in the budget and forecast periods, as well as royalty rate and discount rate used. We assessed sensitivity analysis performed by Management to evaluate the impact of reasonable changes in key assumptions. Further, we evaluated the accuracy in Management's estimates by comparing the budget for 2024 with actual figures. We also assessed the appropriateness of the disclosures related to impairment tests.

Statement on the Management Review

Management is responsible for the Management Review.

Our opinion on the Financial Statements does not cover the Management 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 the Management Review and, in doing so, consider whether the Management Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether the Management Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, the Management 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 the Management 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 IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the 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 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 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 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

INDEPENDENT AUDITOR'S REPORTS (CONTINUED)

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 or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content 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. 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of TCM Group A/S for the financial year 1 January to 31 December 2024 with the filename tcm-group-2024-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of TCM Group A/S for the financial year 1 January to 31 December 2024 with the file name tcm-group-2024-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Aarhus, 26 February 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 33 77 12 31

Claus Lindholm Jacobsen	Claus Lyngsø Sørensen
State Authorised Public Accountant	State Authorised Public Accountant
mne23328	mne34539