

ANNUAL REPORT 2022-23

Gabriel Holding A/S

Gabriel[®]

Challenging market conditions were a defining feature of the 2022/23 financial year, which delivered revenue of DKK 931 million and operating profit (EBIT) of DKK 15.9 million

Summary

In the annual report for the 2021/22 financial year, management expected revenue of the order of DKK 1,000 million – 1,100 million for the 2022/23 financial year. Management advised in the annual report that its expectations were affected by a higher than normal level of uncertainty, resulting primarily from geopolitical challenges.

After six months of the 2022/23 financial year, revenue realised stood at the lower end of the previous expectations, and prospects for the remainder of the year were increasingly uncertain. On this basis, management adjusted its revenue expectations for the full year to the range DKK 950 – 1,050 million. In June, after eight months of the financial year, the range was narrowed to DKK 950 – 975 million and in August downwardly adjusted to the DKK 930 – 940 million range.

Revenue in the 2022/23 financial year was DKK 931 million (DKK 1,065 million), a decrease of 13%. The share of revenue realised outside Denmark was unchanged at 83%.

In the annual report for the 2021/22 financial year, management expected profit for the 2022/23 financial year in the range DKK 50 – 60 million before tax. After six months, operating profit realised stood at the lower end of the previous expectations, and prospects for the remainder of the year were increasingly uncertain. On this basis, management adjusted expectations for the full year to operating profit (EBIT) in the range DKK 35 – 50 million. In June, after eight months of the financial year, expectations for operating profit were further reduced to the DKK 20 – 30 million range, followed by a downward adjustment in August to the DKK 17 – 19 million range.

Earnings before depreciation, amortisation and impairment losses (EBITDA) were DKK 64.3 million (107.5 million). The EBITDA margin was 6.9% (10.1%). Operating profit (EBIT) was DKK 15.9 million (DKK 64.9 million). The EBIT margin was 1.7% (6.1%). Profit before tax was DKK 2.6 million (DKK 80.6 million).

Results after tax were a negative of DKK 4.3 million (DKK 58.2 million).

As a result of the development during the year, including edging towards recession, management has adjusted the execution of the Group's strategy. This means that the Group has, temporarily, departed from the growth strategy and is implementing

a strategy of consolidation in preference to the prioritisation of increasing efforts. It also means that the Group's cost base has been reduced continually to improve the Group's gross profit and reduce external costs and staff costs. Similarly, initiatives are being taken to improve the Group's cash flow through restrictive investing activities and reduction of the Group's working capital, etc.

Expectations for the future

Management expects that the challenging market conditions will continue in the 2023/24 financial year and therefore expects revenue of DKK 850 – 900 million, a revenue decrease of 3 – 9%.

Adjustment of the Group's cost base will continue, and operating profit (EBIT) of DKK 0 – 10 million is expected for the 2023/24 financial year. Finance income and costs will continue to be negative in 2023/24, and negative results before tax is thus anticipated. A positive cash flow is expected.

Under normal market conditions, the Group's financial target is to realise at least an average 15% increase in revenue, operating profit (EBIT) and return on invested capital and to deliver an increasing operating margin (EBIT margin). Management believes that the Group's financial targets can be achieved in the coming years as economic conditions return to normal.

A high level of uncertainty surrounds the expectations for the year, primarily as a result of the continued geopolitical challenges.

The Board of Directors recommends the following to the general meeting of Gabriel Holding A/S, to be held on 14 December 2023:

- Approval of the annual report for 2022/23
- Submission of the remuneration report for an advisory vote
- That no dividends be distributed
- Approval of the remuneration of the Board of Directors for the current financial year
- Re-appointment of Jørgen Kjær Jacobsen, Søren Mygind Eskildsen, Hans O. Damgaard, Søren B. Lauritsen and Randi Toftlund Pedersen as board members appointed by the general meeting.
- Re-appointment of KPMG Statsautoriseret Revisionspartnerselskab as auditors.

The official annual report is published on the company's website. As a result of the Group's sustainability efforts, there will be no printed version of the report.

Financial highlights *

for the Group

FINANCIAL HIGHLIGHTS	Unit	2022/23	2021/22	2020/21	2019/20	2018/19*
Revenue	DKK million	931.2	1065.0	809.7	727.3	708.2
Growth	%	-12.6	31.5	11.3	2.7	17.8
of which exports	DKK million	769.9	884.6	688.0	629.0	633.3
Export percentage	%	83	83	85	86	89
Earnings before depreciation, amortisation and impairment losses (EBITDA)	DKK million	64.3	107.5	96.5	80.3	81.1
Operating profit (EBIT)	DKK million	15.9	64.9	58.6	41.9	61.9
Net finance income and costs	DKK million	-13.8	15.5	-2.8	-12.8	-1.3
Profit before tax	DKK million	2.6	80.6	58.8	32.0	62.9
Tax	DKK million	-6.9	-22.4	-12.6	-7.0	-13.9
Profit/loss after tax	DKK million	-4.3	58.2	46.2	25.0	49.0
Cash flows from:						
Operating activities	DKK million	26.5	9.1	39.4	57.2	43.8
Investing activities	DKK million	-34.8	-41.1	-36.6	-30.5	-80.2
Financing activities	DKK million	-44.0	-45.2	-32.0	-18.1	35.7
Cash flows for the year	DKK million	-52.2	-77.2	-29.2	8.6	-0.7
Investments in property, plant and equipment	DKK million	23.7	32.2	27.8	22.7	25.2
Depreciation, amortisation and impairment losses	DKK million	48.3	42.6	37.9	38.4	19.2
Equity	DKK million	326.6	358.7	322.1	283.4	281.2
Statement of financial position total	DKK million	813.8	868.5	731.2	645.5	562.3
Invested capital	DKK million	580.7	580.8	474.7	411.3	349.1
Working capital	DKK million	299.3	311.3	223.8	172.3	166.3
Average number of employees	Number	1,242	1,358	1,163	1,151	855
Revenue per employee	DKK million	0.7	0.8	0.7	0.6	0.8
FINANCIAL RATIOS						
Gross margin	%	33.3	32.5	36.4	37.6	40.1
EBITDA margin	%	6.9	10.1	11.9	11.0	11.5
EBIT margin	%	1.7	6.1	7.2	5.8	8.7
Return on invested capital (ROIC) before tax	%	0.4	15.3	13.3	8.4	22.7
Return on invested capital (ROIC) after tax	%	-0.7	11.0	10.4	6.6	17.7
Earnings per share (EPS)	DKK	-2.3	30.8	24.4	13.2	25.9
Return on equity	%	-1.3	17.1	15.3	8.9	18.5
Equity ratio	%	40.1	41.3	44.1	43.9	50.0
Book value per share at year end	DKK	173	190	170	150	149
Market price at year end	DKK	306	515	630	690	712
Price/book value	DKK	1.8	2.7	3.7	4.6	4.8
Price earnings (PE)	DKK	-133.6	16.7	25.8	52.2	27.5
Price cash flow (PCF)	DKK	21.8	107.1	30.3	22.8	30.7
Proposed dividends per DKK 20 share	DKK	0.00	10.75	9.75	5.00	10.50
Dividend yield	%	0.0	2.1	1.5	0.7	1.5
Payout ratio	%	0	35	40	38	41

Please see page 79 for definitions of financial ratios.

* Financial ratios for 2018/19 have not been restated to reflect the implementation of IFRS 16.



Gabriel's showroom in Helsinki.

Contents

Management commentary

- 02 Summary
- 03 Financial highlights
- 06 Gabriel profile
- 12 Financial review
- 18 Special risks
- 22 Corporate governance
- 26 Shareholder information
- 30 Company information

Statement and report

- 32 Statement by the Executive Board and the Board of Directors
- 34 Independent auditor's report

Consolidated and parent company financial statements

- 38 Income statement
- 39 Statement of comprehensive income
- 40 Statement of financial position – assets
- 41 Statement of financial position – equity and liabilities
- 42 Statement of changes in equity – Group
- 43 Statement of changes in equity – parent company
- 44 Cash flow statement
- 45 Notes to the financial statements



The Executive Board of Gabriel Holding A/S.
CEO Anders Hedegaard Petersen (right) and CCO Claus Møller.



Gabriel profile

Mission

Innovation and value-adding partnerships are fundamental values of Gabriel's mission statement.

Gabriel is a niche company which, in the entire value chain from concept to furniture user, develops, manufactures and sells upholstery fabrics, components, upholstered surfaces and related products and services. Gabriel develops its services to be used in fields of application where product features, design and logistics have to meet invariable requirements, and where quality and environmental management must be documented.

Vision

Gabriel is to be the preferred development partner and supplier to selected leading international manufacturers and major users of upholstered furniture, seats and upholstered surfaces.

Gabriel will achieve Blue Ocean status through an innovative business concept, patents, licences, exclusivity agreements or similar rights.

Gabriel will have the status of an attractive workplace and partner company for competent employees and companies.

Financial targets

- Gabriel aims, under normal market conditions, to achieve:
- return on invested capital (ROIC) averaging at least 15% before tax;
 - an increasing average operating (EBIT) margin;
 - an average annual increase in earnings per share of at least 15%; and
 - an average annual increase in revenue of at least 15%.

In years with acquisitions or major business start-ups, management accepts a temporary decrease in the achievement of its financial targets, provided that the company on average meets the targets over a five-year period.

Strategy

Gabriel is growing with the largest market participants. Gabriel's growth is based on a global strategy of close development partnerships and trading relations with approximately 70 selected major leading customers.

Gabriel strives to win the largest possible share of the selected strategic customers' purchase of furniture fabrics, related components and services in the value chain. The FurnMaster Business Unit realises the commercial potential of the links of the value chain deriving from furniture fabrics, e.g. cutting, sewing and upholstering of furniture components.

Human resources

Gabriel must be able to attract and retain staff globally, with the right skills and knowledge to create innovation and growth. Gabriel gives priority to the use, development and sharing of knowledge and skills by everyone.

All employees are familiarised with Gabriel's vision, strategy, targets and activity plans and regularly updated on their work situation. This takes place at meetings and in employee development dialogues. It ensures that all employees work towards clear goals and in defined areas of responsibility, and stimulates their professional and personal development.

Company structure

The Gabriel Group consists of three operating companies and the property company Gabriel Ejendomme A/S.

The three operating companies, Gabriel A/S in Europe, Gabriel Asia Pacific in Asia and Gabriel North America Inc. in North America ensure that the Group's overall goals of innovating and adding value are achieved with appropriate regional adjustments.

- The three operating companies implement the same four core processes based on the Group's strategy. Key performance indicators (KPI) have been set for each process:
- Key Account Management (KAM)
 - Logistics
 - Product and process innovation
 - Price competitiveness

The activities of the Gabriel Group companies are described below:

Gabriel Holding A/S

Gabriel Holding A/S is the Group's parent company and responsible for general management. The Group has traded as three independent operating companies since 2015. As a consequence, group central functions were transferred from the operating company Gabriel A/S with effect from 1 October 2016.

The Executive Board of Gabriel Holding A/S consists of CEO Anders Hedegaard Petersen and CCO Claus Møller. Gabriel Holding A/S is also responsible for the general management of the core areas of design, product development, quality, CSR and business development.

Gabriel Asia Pacific

Gabriel Asia Pacific was established in 2003. Trading as Gabriel (Tianjin) International Trading Co. Ltd., it is engaged in development of the APAC region. Gabriel Asia Pacific is an important part of the total strategy: to service global contract furniture

manufacturers and distributors and make innovative and competitive products for all markets. The company also works closely with the region's interior decoration and design companies by providing service to construction projects, including the supply of fabric for motor vehicles, retail chains, hotels, airports, offices, ships, schools, theatres, opera houses and concert halls. In addition to the company's Regional Head Office in Beijing, there have been offices in Bangkok, Chengdu, Chongqing, Guangzhou, Hangzhou, Hong Kong, Manila, Xi'an, Shanghai, Shenzhen, as well as Singapore, for a number of years.

There is strong focus on continuing recruiting and, in particular, on expanding product development and sales resources in Greater China and the APAC region as a whole.

In the year under review, new products were developed and regular deliveries established to new strategic customers in Europe, North America and Asia. New development projects and potential customers are in the pipeline, and local efforts are intensified continuously.

Gabriel Asia Pacific has achieved a strong position in the region in the niche for highly improved furniture fabrics and related textile products. These have to meet indispensable design and quality requirements. Product environmental and climate-related sustainability must be documented. Prices must be competitive, and delivery times short.

Gabriel North America Inc.

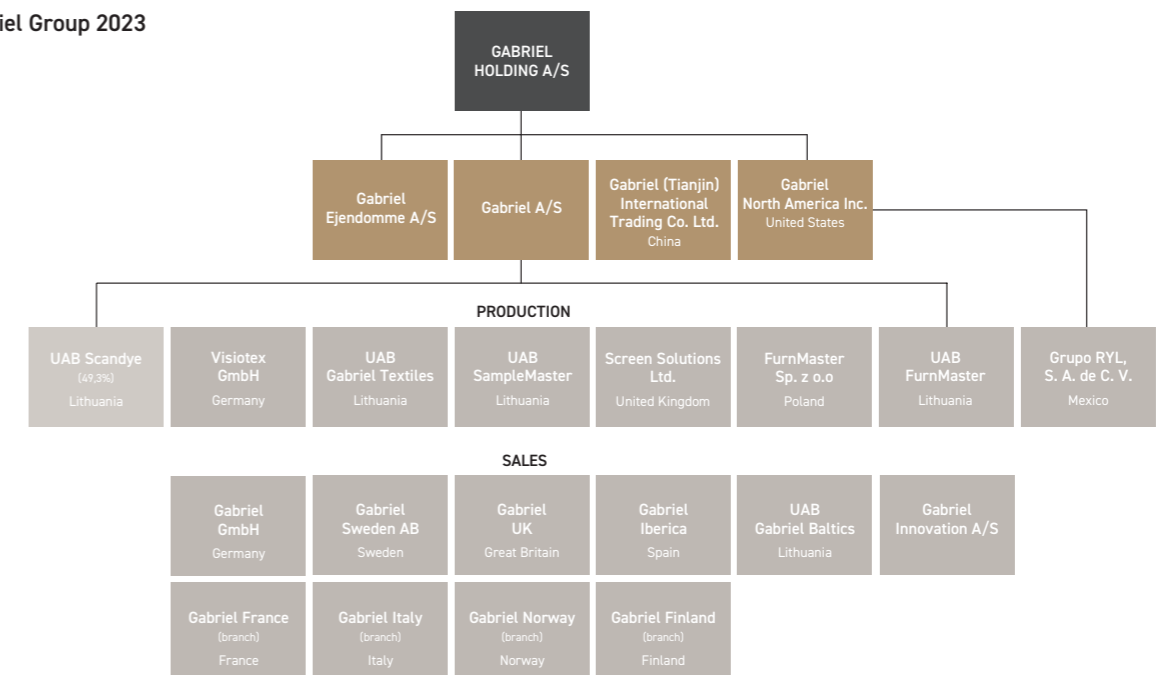
Gabriel North America Inc. was established in spring 2015 as part of the Group's growth strategy. The company is a natural consequence of the Group's increasing level of activity on the North American market. Prior to the establishment of the operating company, Gabriel had set up storage and distribution facilities in the USA in 2014.

Gabriel North America Inc. was established with headquarters in Grand Rapids, Michigan, where key support functions, storage and distribution were set up later. The sales presence has been strengthened continuously with dedicated key account managers and field sales managers and sales offices in Chicago, Illinois, and New York.

As FurnMaster's potential in the USA was identified and developed, the possibilities of establishing a similar unit in Mexico were explored. The result was that Gabriel North America Inc. acquired the Mexican furniture manufacturer Grupo RyL S.A. de C.V. in 2018/19.

The shares in the Mexican company were thus bought to support the Group's growth in FurnMaster's activities in North America. In 2022, all production activities relating to FurnMaster in North America were combined in the company's Mexican unit.

Gabriel Group 2023



The sales activities are primarily carried out by employees in the USA and Mexico but carefully coordinated with the Group's FurnMaster management in Europe.

Gabriel A/S

Gabriel A/S undertakes the Group's European sales and development activities and a range of group functions. The vision of Gabriel A/S is to be the preferred development partner and supplier to selected leading international manufacturers and major users of upholstered furniture, seats and upholstered surfaces. To ensure that vision becomes reality, Gabriel A/S has established independent sales companies in Germany, England, Sweden, Spain and Lithuania and branches in Norway, France, Italy and Finland. In addition, Gabriel is represented by dedicated key account managers on the industry's other core markets in Europe.

Visiotex GmbH

In December 2019, Gabriel A/S acquired the share capital of Visiotex GmbH. The German manufacturer designs and produces textile solutions in one process, without subsequent cutting and sewing.

Following the acquisition, the activities of Visiotex GmbH were integrated into the Group with innovation centres in Bingen, Germany, Grand Rapids, Michigan, USA and Aalborg, Denmark, as well as in UAB Gabriel Textiles, Lithuania, where the primary production of the solutions takes place.

FurnMaster Sp. z o.o. and UAB FurnMaster

The operating company Gabriel A/S established the subsidiary company UAB FurnMaster in Lithuania during the 2012/13 financial year. The European FurnMaster business was expanded during the 2014/15 financial year with the establishment of the subsidiary FurnMaster Sp. z o.o. in Poland.

Screen Solutions Ltd

In November 2016, Gabriel A/S acquired 100% of the share capital of the screen manufacturer Screen Solutions Ltd in England.

Screen Solutions Ltd is recognised as one of Europe's leading suppliers of screens, office partitions etc. for the furniture industry. It traded primarily under the established brands Screen Solutions and Acoustic Comfort. The company underwent a transformation with a view to utilising its dynamic development and production platform and is today a strong partner for Gabriel's key customers.

The purchase of the shares in the English company was part of the Group's increased focus on expanding the services and products offered globally to its primary customer segments. The purchase also supported the continued strengthening of Gabriel's presence in United Kingdom.

UAB Gabriel Textiles

The operating company Gabriel A/S acquired the subsidiary UAB Baltijos Tekstilė during the 2018/19 financial year. Gabriel A/S and UAB Baltijos Tekstilė have worked together since 1998, when Gabriel's looms were transferred to UAB Baltijos Tekstilė in connection with outsourcing of production from Aalborg, Denmark.

The aim of purchasing the shares in the Lithuanian company was to support the Group's growth in both the fabric business and SampleMaster and to ensure continuous, highly reliable supply and competitiveness.

Since the takeover, the company has been divided for the purpose of combining fabric production in the company UAB Gabriel Textiles, development and production of sales promotion materials in the company UAB SampleMaster and the sales activities in the Baltic region in the sales company UAB Gabriel Baltics.

UAB SampleMaster

Following the purchase of the partner company UAB Baltijos Tekstilė, the Group's SampleMaster production activities were hived off into a separate company, UAB SampleMaster. This operation combined the Group's European sales, development and production of sample materials under the management of the Danish SampleMaster business unit.

Gabriel Ejendomme A/S – Gabriel Erhvervspark

Gabriel Ejendomme A/S was established as an independent unit in 2011, and the Group's head office building in Aalborg was transferred to the company. The main activity is to develop and let the office facilities in Aalborg to internal and external tenants.

The dye works, UAB Scandyte

UAB Scandyte was established in 2003, and in 2006 Gabriel A/S became co-owner of the company. UAB Scandyte is the Gabriel Group's main dye works and finishing plant in Europe and Gabriel's ownership interest is 49.3%. Scandyte performs dyeing, finishing and inspection for Gabriel and a number of external customers.

Gabriel's locations in 2023



● Gabriel

Head office
Aalborg, Denmark

Sales offices

Copenhagen, Denmark
Stockholm and Gothenburg, Sweden
Helsinki, Finland
Oslo, Norway
Vilkaviškis, Lithuania
Bingen, Hamburg and Munich, Germany
Paris, France
London, United Kingdom
Barcelona and Madrid, Spain
Milan, Italy
Grand Rapids, Chicago and New York, USA
Beijing, Shanghai, Guangzhou, Chengdu, Shenzhen, Xi'an, Chongqing, Hangzhou and Hong Kong, China
Manila, Philippines
Bangkok, Thailand
Singapore

Production

Vilkaviškis, Lithuania
Telšiai, Lithuania

● FurnMaster

Head office
Aalborg, Denmark

Sales offices

Grand Rapids, USA
Bingen, Germany

Production

Marijampolė, Lithuania
Świebodzin, Poland
Monterrey, Mexico
Peacehaven, United Kingdom

● SampleMaster

Head office
Aalborg, Denmark

Sales office

Bingen, Germany

Production

Marijampolė, Lithuania



London



Madrid



Helsinki

We continue to expand our global network of showrooms. During the year, we opened several new Gabriel showrooms across Europe and the US, providing the furniture community with access not only to our extensive selection of fabrics, but also to hubs of inspiration and specialised knowledge.



New York

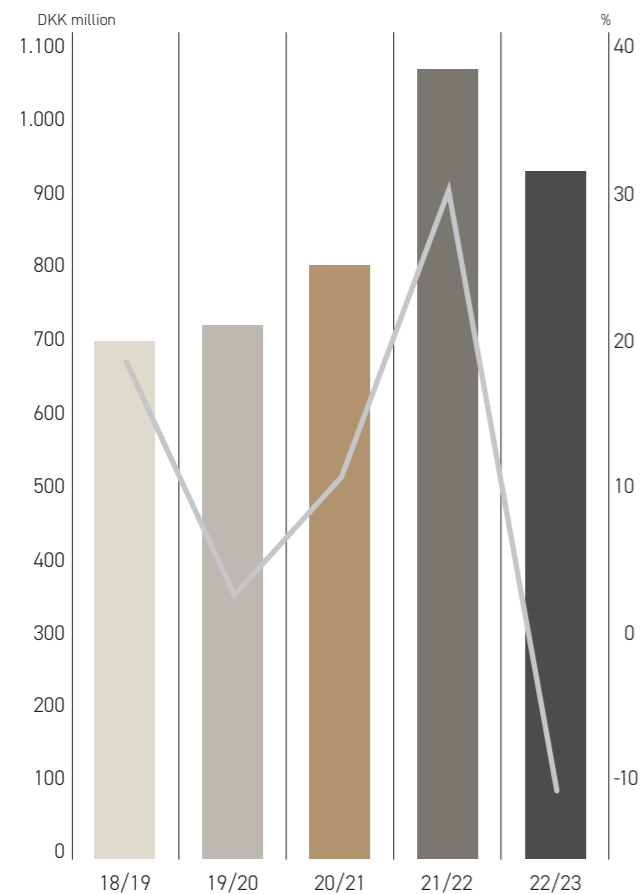
Financial review

Revenue and earnings

In the annual report for the 2021/22 financial year, management noted a downward trend in demand for the last quarter of the year. This was caused by greater global uncertainty concerning future economic conditions and resulted in reduced demand, a shorter order horizon and a declining order intake, in particular in the FurnMaster units.

Revenue by year

■ Revenue in DKK million
— Growth in %



In the annual report for the 2021/22 financial year, management expected revenue of the order of DKK 1,000 million – 1,100 million for the 2022/23 financial year. Management advised in the annual report that its expectations were affected by a higher than normal level of uncertainty, resulting primarily from geopolitical challenges.

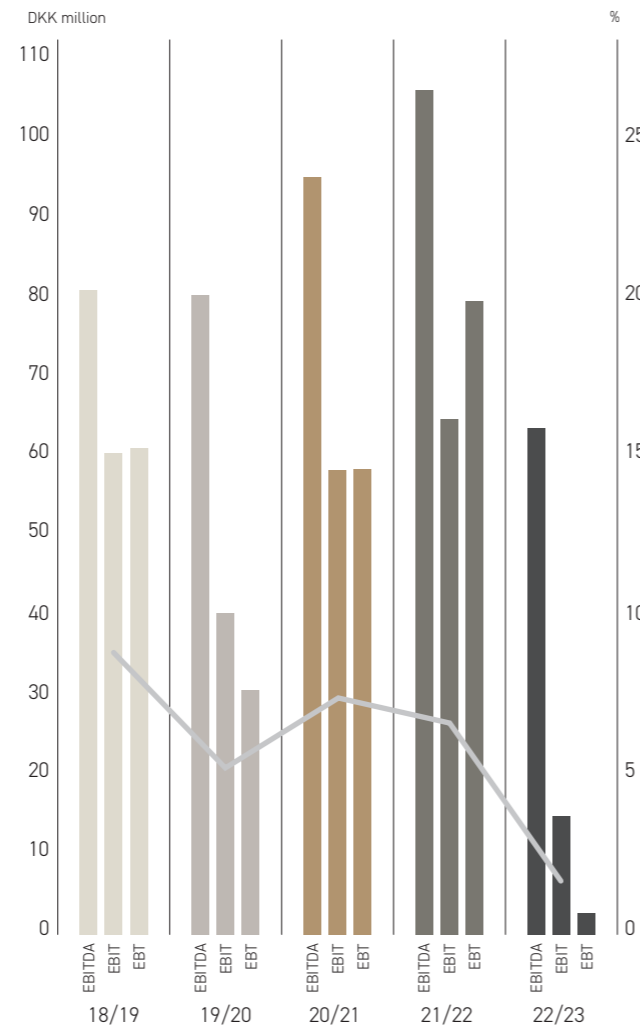
After six months of the 2022/23 financial year, revenue realised stood at the lower end of the previous expectations, and prospects for the remainder of the year were increasingly uncertain. On this basis, management adjusted its revenue expectations for the full year to the range DKK 950 – 1,050 million. In June, after eight months of the financial year, the range was narrowed to DKK 950 – 975 million and in August downwardly adjusted to the DKK 930 – 940 million range.

Revenue in the 2022/23 financial year was DKK 931 million (DKK 1,065 million), a decrease of 13%. The share of revenue realised outside Denmark was unchanged at 83%.

Revenue development during the year reflects a year defined by increasingly challenging market conditions. Group revenue was thus DKK 241.6 million in the first quarter (compared to DKK 246.9 the year before), DKK 250.5 million in the second quarter (compared to DKK 275.9 million the year before), DKK 223.2 million in the third quarter (compared to DKK 289.9 million the year before) and finally DKK 215.9 million in the fourth quarter (compared to DKK 252.3 million the year before). The decline in revenue during the year is primarily attributable to the Group's FurnMaster units and caused a negative development in the operating profit over the year, since costs could not be adapted in step with the development in revenue.

Operation results

■ Profit in mio. DKK
— Operating margin in % (EBIT)



In the annual report for the 2021/22 financial year, management expected profit for the 2022/23 financial year in the range DKK 50 – 60 million before tax. After six months, operating profit realised stood at the lower end of the previous expectations, and prospects for the remainder of the year were increasingly uncertain. On this basis, management adjusted expectations for the full year to operating profit (EBIT) in the range DKK 35 – 50 million. In June, after eight months of the financial year, expectations for operating profit were further reduced to the DKK 20 – 30 million range, followed by a downward adjustment in August to the DKK 17 – 19 million range.

Earnings before depreciation, amortisation and impairment losses (EBITDA) were DKK 64.3 million (107.5 million). EBITDA margin was 6.9% (10.1%). Operating profit (EBIT) was DKK 15.9 million (DKK 64.9 million). EBIT margin was 1.7% (6.1%). Profit before tax was DKK 2.6 million (DKK 80.6 million).

Results after tax were a negative of DKK 4.3 million (DKK 58.2 million).

EBITDA in the fourth quarter was DKK 10.3 million (DKK 17.3 million), EBIT represented a negative of DKK 2.3 million (DKK 12.5 million), and results before tax came in at a negative of DKK 4.7 million (DKK 12.5 million). The negative operating results for the fourth quarter were primarily attributable to the above-mentioned lower revenue realised in the quarter.

As a result of the development during the year, including edging towards recession, management has adjusted the execution of the Group's strategy. This means that the Group has, temporarily, departed from the growth strategy and is implementing a strategy of consolidation in preference to the prioritisation of increasing efforts. It also means that the Group's cost base has been reduced continually to improve the Group's gross profit and reduce external costs and staff costs. Similarly, initiatives are being taken to improve the Group's cash flow through restrictive investing activities and reduction of the Group's working capital, etc.

Cost of sales – gross margin

The Group's realised gross margin for the full financial year was 33.3% (32.5%). Realised gross margin in the fourth quarter was 32.6% (31.4%).

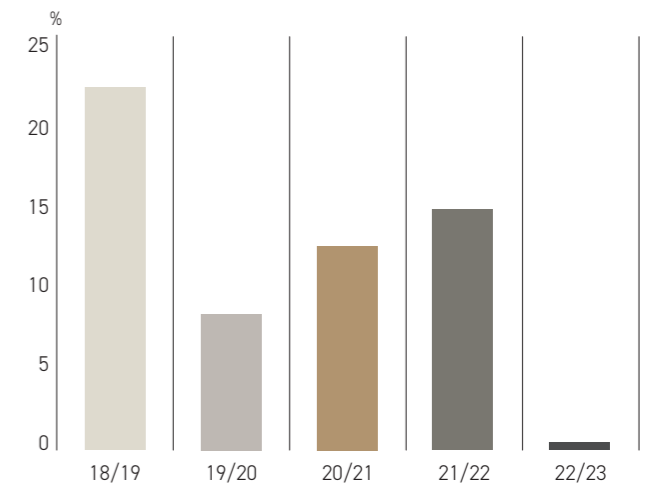
Gross profit decreased to DKK 310.1 million in the financial year (DKK 346.5 million), primarily as a result of the declining revenue and a decline in productivity in the FurnMaster units.

Total production costs were higher than calculated and were not fully covered through adjustments to the selling prices.

Payroll costs for the Group's employees in production are included in cost of sales and specified in notes 3 and 5. The workforce in the production units has been adjusted on an ongoing basis. At the end of the year there were 846 production employees compared to 984 at the beginning of the year.

Return on invested capital (ROIC) before tax

■ Return on invested capital in %



Other external costs

The Group's other external costs increased by 5% to DKK 91.2 million (DKK 86.9 million). In the fourth quarter, the Group's external costs were DKK 21.3 million (DKK 21.0 million), an increase of 1%.

Generally, high inflation affected all classes of costs in the financial year. Costs were adjusted continually in all operating units and departments, and this has intensified in the 2023/24 financial year.

Approximately 25% of the Group's external costs are revenue-dependent. Most of the Group's costs of rent have been reclassified to depreciation in accordance with IFRS 16, while the direct operating costs such as water, heating, electricity etc. are included as external costs.

Staff costs

The Group's staff costs increased by 1% to DKK 154.8 million (DKK 152.9 million). The Group's staff costs in the fourth quarter were DKK 38.4 million (DKK 41.1 million), a decrease of 6%.

The average number of employees for the financial year was 1,242 (1,358), 877 (988) of whom were in production, 213 (210) in sales/development and 152 (160) in administration. The number of employees in the Group at the end of the 2022/23 financial year was 1,205 (1,351), of whom 846 (984) were in production, 210 (211) in sales/development and 149 (156) in administration.

The number of employees has been adjusted in step with the development in revenue. This adjustment continues in the 2023/24 financial year.

Depreciation, amortisation and impairment losses

Consolidated depreciation, amortisation and impairment losses in the Group increased to DKK 48.3 million (DKK 42.6 million), primarily due to increased costs from the added showrooms.

Share of profit after tax in joint venture

Results for the year include a total DKK 0.4 million share of the profit on the investment in UAB Scandye (DKK 0.1 million).

Finance income and costs

The net finance income and costs were negative at DKK 13.8 million, compared to income of DKK 15.6 million in 2021/22. Interest expenses is the most important item under finance income and costs.

The 2021/22 financial year delivered income resulting from the increasing US dollar exchange rate in the period, primarily related to intragroup financing of the American and Mexican subsidiaries. From 1 October 2022, the parent company has treated parts of the intra-group balances as non-current receivables, which are considered part of the net investment and thus exchange rate-adjusted in comprehensive income.

See notes 6 and 7 for further specification.

Tax on profit for the year

Tax on profit for the year was DKK 6.9 million (DKK 22.4 million), equivalent to a tax rate of 268%. The reason for the high tax rate is that management has chosen not to recognise deferred tax assets regarding tax losses arising in the year. See note 18 for a further specification.

Statement of financial position and cash flows

The consolidated statement of financial position total was DKK 813.8 million, compared to DKK 868.5 million on 30 September 2022.

Intangible assets were DKK 104.3 million on 30 September 2023, most of which (DKK 51.2 million) consisted of goodwill from the acquisitions of Screen Solutions Ltd, UAB Baltijos Tekstilė, Grupo RyL and Visiotex GmbH.

Property, plant and equipment amounted to DKK 234.3 million on 30 September 2023, compared to DKK 229.0 million in the previous year. The increase is primarily attributable to increases in land and buildings (DKK 1.8 million), lease assets (DKK 1.4 million) and leasehold improvements (DKK 1.4 million).

Other non-current assets were DKK 55.5 million on 30 September 2023, compared to DKK 57.0 million on 30 September 2022. Non-current assets were thus DKK 394.2 million on 30 September 2022, compared to DKK 385.1 million at the same time last year.

The Group's inventories amounted to DKK 223.8 million on 30 September 2023, compared to DKK 246.3 million on 30 September 2022, a decrease of 9%. The decrease is primarily attributable to reductions in the Group's FurnMaster units.

Receivables amounted to DKK 134.5 million on 30 September 2023, compared to DKK 145.4 million on 30 September 2022, a decrease of 7.5%.

The net working capital on 30 September 2023 equals 32.1% of revenue for the year, compared to 29.2% on 30 September 2022.

The implemented reduction of inventories and receivables corresponds to an equivalent reduction in creditors due to a smaller purchased volume up to the statement of financial position date. The decline in working capital is limited and the lower revenue means that the proportional figure is below management's expectations.

The aim is to continuously reduce the relative working capital through targeted efforts to improve purchasing processes and contractual bases, and to use reduction tools for inventory reductions. Management expects that the activities that have been initiated and partly completed will help to improve the proportional figure in 2023/24.

The Group's equity amounted to DKK 326.6 million on 30 September 2023, compared to DKK 358.7 million on 30 September 2022. Non-current liabilities were DKK 84.1 million, compared to DKK 83.3 million on 30 September 2022. Current liabilities were DKK 403.1 million on 30 September 2023, compared to DKK 426.5 million on 30 September 2022. Total liabilities were thus DKK 487.2 million on 30 September 2023, compared to DKK 509.8 million on 30 September 2022. The decrease was 4.4% and primarily attributable to a decrease in amounts owed to creditors and in corporation tax.

Cash flows from operating activities in the period were positive by DKK 26.5 million, compared to DKK 9.1 million in the same period last year. The increase is mainly attributable to a decrease in funds tied up in working capital, including inventories and debtors.

Total investments in property, plant and equipment were DKK 23.7 million, compared to 32.2 million in the same period last year.

The Group paid dividends of DKK 20.3 million in December 2022. No dividends are recognised for the 2022/23 financial year.

The Group's sales activities

The possibilities of growth in Europe have been characterised by the general economic decline. On this basis, the Group's FurnMaster units realised a major revenue decrease, while the other business units generally outperformed the general market trend. For a number of years, investments have been made in a significant increase in sales resources and presence covering Europe's most important markets and cities. Development of the sales structure is an important investment in the growth strategy but involves major costs, of which many are still immature and consequently generate limited short-term return.

Revenue development on the North American market was negative in 2022/23, driven by a revenue decrease in the Group's Mexican FurnMaster business. The Group's other units delivered growth in North America, driven by utilisation of a strong customer and product pipeline and the continual increase in sales efforts.

The establishment of a showroom in New York contributed to the Group's presence in the USA. The long-term opportunities for growth in North America are still judged to be very attractive for the Group.

For a number of years, the Group has added resources to develop the Asian market, with China as the hub. In China, continued Covid-19 lockdowns and a delayed return to a normal level of activity challenged the possibilities of continued growth. On this background, several years of continual growth were followed by a marked decrease in revenue in the 2022/23 financial year.

Strategy

Under normal economic conditions the Group has pursued a growth strategy of "growing with the largest market participants". This strategy ensures that effort is targeted on selected key accounts, all of which are globally leading furniture manufacturers and large-scale consumers of upholstered surfaces. The strategy is working, even in different economic conditions and, for a number of years, management has adapted activities to the growth of "the largest market participants". Globally, growth has been on pause for a large number of major strategic customers in the last three financial years. Global recession is expected in the 2023/24 financial year. This calls for other strategic priorities but still close collaboration with Gabriel's designated key accounts. Attention will focus on process and product innovation, digitalisation, business development and acquisitions.

Resources were added to a limited extent in the 2022/23 financial year, while utilisation of established structures and tools strengthened the Group's market position. Management believes that the Group's revenue development realised was better than the general market development and is a specific result of recent years' constantly increasing initiatives in developing and launching new products and services supplied to the Group's primary customers.

Product development, business development and innovation

Gabriel's "product and process innovation" system from concept to upholstered product continued to be a high-priority core process in 2022/23. Investments in innovation and development were DKK 28.1 million (compared to DKK 25.7 million in the previous financial year), equivalent to 3.0% of revenue. New products and solutions are being developed in coordination with the Group's most important customers. The customers' future needs are identified through analyses and development of market trends that promote innovation opportunities in both product development and technological development. These coordinated initiatives increase the accuracy of targeting and reduce the time to market of products, solutions and services to be launched.

Product development and innovation are coordinated centrally but take place in the three operating companies and in all of Gabriel's strategic business units, which collectively support the Group's core process for product and process innovation. A structured and documented development process is applied to identify the individual products' market potentials, exploiting the value of a coordinated joint effort targeted on the market's leading furniture manufacturers.

For a number of years, Gabriel has set targets for launching a substantial number of new fabrics on the world market. In 2022/23, the portfolio of globally competitive fabrics was expanded. Eleven new fabrics were thus launched and four existing products updated with a view to securing further growth.

FurnMaster, Screen Solutions and SampleMaster realised a major number of new customer partnerships, many as a result of development work.

The DesignMaster business unit in Aalborg and the development department in Beijing regularly engage in design-based development and consultancy based on customers' and end-users' wishes and needs. This requires a thorough understanding of the market and targeted research.

The business area ShapeKnit is being further developed in innovation centres in Bingen and Aalborg and at UAB Gabriel Textiles. Production takes mostly place in the last-mentioned company.

Based on Gabriel's total strategy for design and product development, innovation and sustainability, the work of developing new products is carried out across disciplines. The Group also works on production innovation projects that enable increased differentiation of the value offer. These projects often have a longer time horizon and comprise both internal research and collaboration with external partners, universities and research centres.

The innovation projects offer significant – if uncertain – potential earnings and focus mainly on the development of technical solutions, new fabrics and related products intended for use on Gabriel's existing value chain.

Targeted communication of Gabriel's innovation and development strategy has forged and retained close relationships with selected furniture manufacturers' designers, development teams and decision makers.

Please see www.gabriel.dk for product news or to sign up for Gabriel's newsletters.

Outlook

Management expects that the challenging market conditions will continue in the 2023/24 financial year and therefore expects revenue of DKK 850 – 900 million, a revenue decrease of 3 – 9%.

Adjustment of the Group's cost base will continue and operating profit (EBIT) of DKK 0 – 10 million is expected for the 2023/24 financial year. Finance income and costs will continue to be negative in 2023/24, negative results before tax are thus anticipated. A positive cash flow is expected.

Under normal market conditions, the Group's financial target is to realise at least an average 15% increase in revenue, operating profit (EBIT) and return on invested capital and to deliver an increasing operating margin (EBIT margin). Management believes that the Group's financial targets can be achieved in the coming years as economic conditions return to normal.

A high level of uncertainty surrounds the expectations for the year, primarily as a result of the continued geopolitical challenges.



With its soft look and feel, wool fabric UMBER perfectly complements rounded, organic designs in soft seating furniture and task chairs, bringing a sense of well-being, calm and comfort to premium office environments.



Special risks

The nature of Gabriel's business area entails a number of commercial and financial risks of importance to the Group's future. Management makes an effort to counter and minimise any risks manageable by the Company's own actions. Gabriel's policy is also not to engage in active speculation in financial instruments. Risk management only hedges against risks arising directly from the Group's operations, investments and financing.

The competitive situation

Gabriel is a niche company, primarily concerned with customers and areas of use where product features and design have to meet invariable requirements and where quality and environmental management must be documented. Gabriel is a well-known global brand within its niche. Gabriel's activities are constantly directed towards developing and consolidating a position as the preferred development partner and supplier of upholstery fabrics and associated components to strategically selected international contract furniture manufacturers. This is done via a consistent development of Blue Ocean products and services along the value chain. The company constantly strives to strengthen its competitiveness via ongoing development of the corporate model, so that Gabriel is in the best possible position to satisfy the market's requirements and structural development.

Customers and markets

Gabriel targets its product and concept development at selected global key account customers and the result is high export revenue. Exports go mainly to countries in Europe, but increasingly also to overseas countries such as the USA and China.

The Group is not generally susceptible to special customer risks, and its revenue is well-diversified.

We refer to note 1 on major customer risk.

Products

Relying on its corporate model, Gabriel aims at diversifying risks by offering new product solutions along a large part of the value chain. This takes place in co-operation with strategically designated key account customers by developing furniture fabrics and components, as well as services, for future use.

Raw materials

To accommodate any fluctuations in raw material prices during the year Gabriel strives, on the basis of projected future production, to meet its requirements by entering into short-term or long-term supply agreements with the Group's primary suppliers.

Currency risk

The Group hedges currency risks, considering projected future cash flows and projected future exchange rate movements.

Please see note 22 for a more detailed description of currency risks.

Interest rate risks

The Group's bank debt is an open floating-rate operating credit, while mortgage lending to Gabriel Ejendomme A/S consists mainly of a long-term fixed-rate loan denominated in DKK. Group financial receivables carry a contractual fixed interest rate throughout their lives.

Please see note 22 for a more detailed description of interest rate risks.

Credit risks

In line with Group credit risk policy, all major customers and other business partners are regularly credit rated and insured. Credit risk management is based on internal credit lines for customers. Group trade receivables are distributed across numerous customers, countries and markets, ensuring a high degree of risk diversification.

Financial resources

The Group regularly assesses the need for adjusting its capital structure. The Group continues to have undrawn lines of credit with its banks and the possibility of increasing them if necessary. The Group is thus deemed to have adequate liquidity to ensure the ongoing financing of future operations and investments.

Places of business

The Group performs a large part of its activities outside Denmark, including in China. Trading in China may involve risks which are not normally present on European and American markets. Fiscal and other legislation changes frequently, which can result in risks. The Group is seeking to minimise these risks via regular contact with its partners and use of local advisers.

Insurance

Gabriel's policy is to take out insurance against risks of material importance to the financial position of the Group. The policy sets guidelines for the Group in insurance matters. The Group's insurable risks are assessed annually in partnership with insurance brokers and changes are made when prompted by recommendations in analyses performed in partnership with the insurance brokers. The Group is judged to be adequately covered. Insurance has been taken out against operating losses, product liability, etc. The company has also taken out all-risk insurance covering the Group's property, plant and equipment and inventories in Denmark and abroad.

Environmental risks

Certifications for the Environmental Management Standard ISO 14001, the Quality Management Standard ISO 9001 and environmental and health certifications including EU Ecolabel and OEKO-TEX® STANDARD 100 ensure that neither the activities nor the company's products are associated with any significant environmental risks. The objectives of Gabriel's environmental

policy are to prevent spillage/accidents and to ensure that the company's products do not contain any substances which are hazardous to health.

IT risks

The Group has chosen to outsource the operation of its IT platform to external service partners, ensuring regular updating of security systems and minimising the risk of a major operational breakdown.

In addition, a Digitalisation and Cybersecurity Committee has been appointed, and measures have been taken to protect the Group's IT security.

The Committee's role is to make recommendations to the Board of Directors and to assist the Board in other ways with its business development and optimisation tasks within digitalisation, and to assist the Board in its efforts and oversight of IT and cybersecurity.

Trade risks

Gabriel builds partnerships with selected suppliers to ensure continuity of supply, consistent quality and continuous development of products and components.

The majority of raw materials, semi-finished products and finished goods used by Gabriel are also available from alternative sources in the event of non-delivery by the usual suppliers.

Contingency plans

In accordance with its quality and environmental management systems, Gabriel continuously develops its contingency plans and communicates these to its staff. Gabriel holds regular first aid and firefighting courses, and all areas have prepared operational contingency plans in case of spillage/accidents.



Starting in Hamburg and Munich, Gabriel, Ege Carpets and Artemide have agreed to pool their ideas on shared showrooms.

The collaboration is called IDX – Your Stage and offers the market an alternative showroom designed to provide fresh ideas on selling, bring together the industry's players and create room for knowledge-sharing and inspiration within design and architecture.



Corporate governance

Statement on corporate governance

Nasdaq Copenhagen A/S has adopted a set of corporate governance recommendations, most recently revised in December 2020. The recommendations on corporate governance can be obtained from the Committee on Corporate Governance's website, www.corporategovernance.dk.

Gabriel Holding A/S has prepared the statutory statement on corporate governance for the 2022/23 financial year as per section 107b of the Danish Financial Statements Act. The statement is available on the Group's website www.gabriel.dk/en/investor/corporate-governance/.

The statement covers the company's work relating to the recommendations on corporate governance. It describes the main elements of the Group's internal control and risk management system in connection with the financial reporting and introduces the Group's senior management levels and their composition. The statement also covers the overall conclusions from the Board of Directors' annual self-evaluation and describes all board committees, including their meetings and main activities during the year.

Statement on corporate social responsibility

Sustainability is a part of Gabriel's business strategy, and the Group has always given top priority to acting responsibly towards customers, staff, business connections and the external environment. Gabriel has prepared its statutory statement on social responsibility for the 2022/23 financial year in accordance with section 99a of the Danish Financial Statements Act. The statement can be viewed or downloaded at www.gabriel.dk/en/investor/reports/csr-and-environmental-reports.

Diversity policy and gender balance

The statutory statement on diversity policy for the 2022/23 financial year in accordance with section 107d of the Danish Financial Statements Act is integrated into the statement on gender balance in accordance with section 99b of the Act.

The Gabriel Group believes that diversity among its employees and management, including an equal distribution by age, nationality and educational background, contributes to a positive working environment and strengthens Gabriel's competitiveness and performance.

Gabriel has had a long-time focus on a diverse workplace where the employees have widely different backgrounds, skills and conditions of life, not only in terms of gender, age and descent,

but just as much in terms of education, experience and personality. The goal is therefore that management members should be just as diverse as our employees. We work actively to develop an action plan which will ensure increased diversity.

The board members of Gabriel Holding A/S embrace a broad spectrum of experience from the Danish and international business communities. The composition of the Board is judged to be expedient as it ensures breadth in terms of its members' approach to the tasks and thus helps to ensure qualified considerations and decisions. It is also the Board of Directors' ambition to further strengthen gender diversity in accordance with Gabriel's diversity policy. The definition of gender in this statement stems directly from the statutory requirements regarding gender reporting, including the definition of "gender" as male/female, but does not reflect Gabriel's attitude as Gabriel's diversity policy is based on a broader, more diverse understanding of gender.

The long-term target for the under-represented gender on the Board of Directors of Gabriel Holding A/S is an equal 50/50 distribution. The Danish Business Authority's guideline of 3 December 2022 specifies that on a board of five members elected by the general meeting, the share of the under-represented gender must be at least 40%*. If the number of board members increases or decreases in the period, the target will be 50/50.

The Board of Directors, which is the supreme management body, currently has seven members, five of whom are elected by the general meeting. Under our policy, a 40/60 distribution of board members is considered equal gender distribution. Since the gender distribution of board members elected by the general meeting is currently 20/80, the target for the Board of Directors of Gabriel Holding A/S is not met, despite changes in board members during the year and extension by an additional board member. The two board members elected by the employees are one male and one female but not part of the reporting.

As the company's other management levels comprises two people, no target has been set. The company Gabriel Holding A/S has not had an average number of full-time employees of 50 or more and is therefore not required to prepare a policy for increasing the share of the under-represented gender at other management levels. However, the Gabriel Group's overall diversity policy applies to all Group companies.

The target for the Board of Directors is expected to be met in 2026/27. The target is considered both ambitious and realistic considering the circumstances for Gabriel and the industry at the time when the target was defined.

Five-year overview – Gabriel Holding A/S

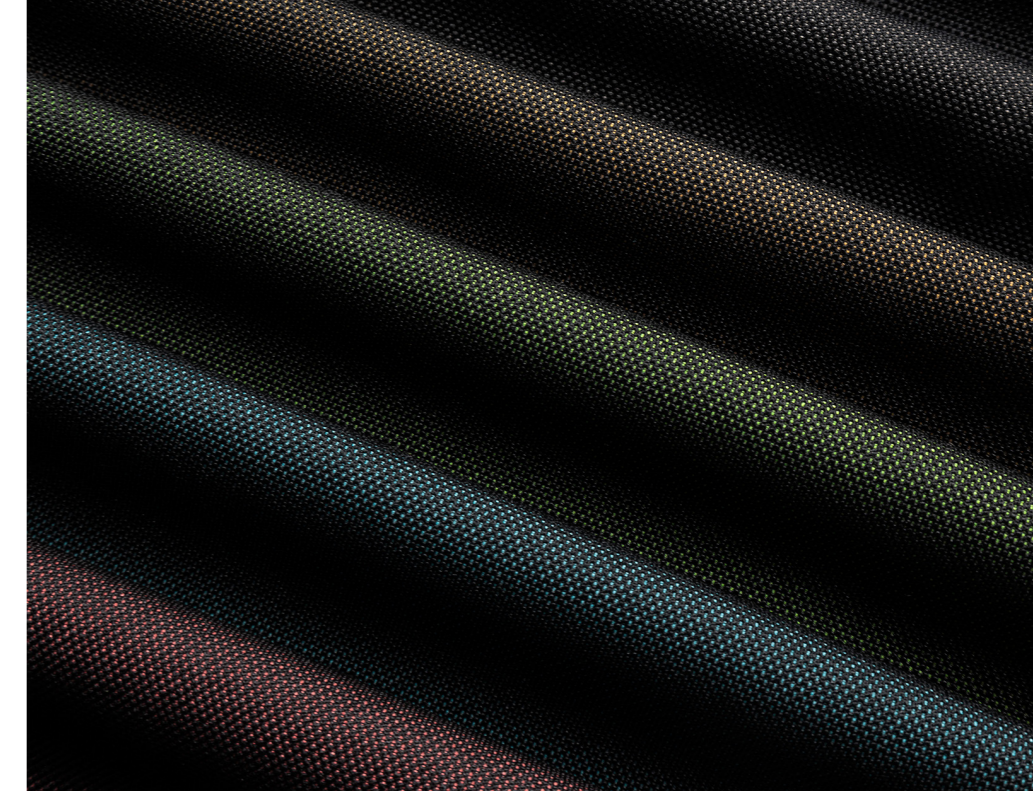
Supreme management body	2022/23	2023/24	2024/25	2025/26	2026/27
Total number of members	5				
Under-represented gender in percent	20%				
Target in percent	40%*				
Year target will be met	2026/27				

Gabriel's efforts in this area regarding goals and targets for diversity and equal gender distribution were as follows in 2022/23:

- When recruiting, Gabriel posted the position internally, externally and broadly.
- When recruiting, Gabriel considered all qualified applicants irrespective of gender, ethnicity, religion, political view, age, functional limitation, sexual orientation etc.
- When recruiting and when using headhunters/external recruiters, Gabriel aimed to include at least two candidates of the under-represented gender and to ensure as far as possible that at least 50% of the field of candidates was of the under-represented gender.

Report on data ethics policy

Gabriel has prepared a statutory report on its data ethics policy for the 2022/23 financial year in accordance with section 99d of the Danish Financial Statements Act. The statement can be viewed or downloaded at www.gabriel.dk/en/investor/corporate-governance.



Beyond Loop is an upholstery textile based on textile-to-textile recycling and made from a blend of recycled textile waste and post-consumer recycled polyester. The fabric takes us into the future with its shimmering metallic effect and futuristic vibe and creates visual impact in premium contemporary settings.



Shareholder information

Share capital

Gabriel Holding A/S's share capital consists of 1,890,000 shares of par value DKK 20 each. Gabriel has one share class, and no shares have been given special rights. All shares are freely negotiable securities. Gabriel Holding A/S is listed on Nasdaq Copenhagen under the ticker symbol GABR and ISIN code DK0060124691. The share is included on the Mid Cap Index.

Gabriel Holding seeks to maintain a satisfactory level of information for investors and analysts so that the share price does not become subject to sudden movements, but always reflects the company's expected development.

The following shareholders own shares conferring a minimum of 5% of the voting rights pertaining to the share capital, or shares with a minimum nominal value of 5% of the share capital:

Katt Holding ApS, Højbjerg
 Matlau Holding ApS, Skanderborg
 Marlin Holding ApS, Malling
 Fulden Holding ApS, Beder
 Chr. Augustinus Fabrikker A/S, Copenhagen
 Poul H. Lauritsen Holding ApS, Højbjerg
 GAB Invest ApS, Aalborg
 Kapitalforeningen Investering & Tryghed, Copenhagen

The company's annual general meeting on 10 December 2020 renewed the authorisation of the Board of Directors to acquire the company's treasury shares up to a total nominal value of DKK 7.6 million, the equivalent of 20% of its share capital, at a price which corresponds to the buy price listed on Nasdaq Copenhagen A/S at the time of acquisition, plus or minus a margin of 10%. The authorisation is valid for five years from the date of the general meeting.

Share price trend

The 2022/23 financial year opened with a price of 515 and closed on 30 September 2023 with a price of 306. Total market capitalisation of the company's shares was DKK 578 million on 30 September 2023.

Capital management

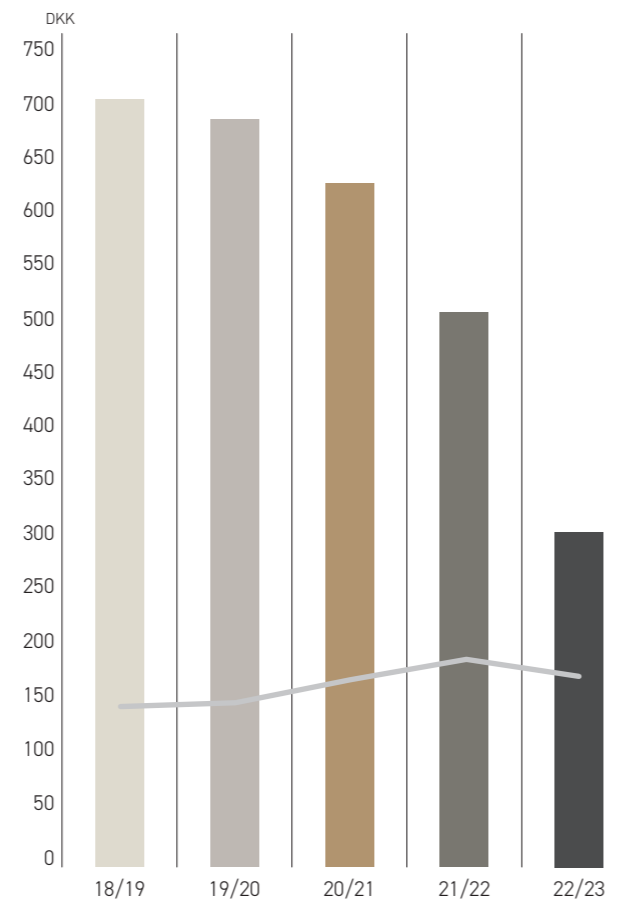
Management regularly assesses the need for adjusting the capital structure. A high equity ratio has always been a top priority for Gabriel in order to maximise room for manoeuvre in all situations. The Group's equity ratio was 40.1% on 30 September 2023. Reduction of the working capital is a high-priority process in the Group.

The Group aims at providing its shareholders with a regular return on their investments, while maintaining an appropriate equity level to ensure the company's future development. The Board of Directors recommends that no dividends be paid for 2022/23.

Against this background, the present capital resources are deemed adequate in the present economic climate.

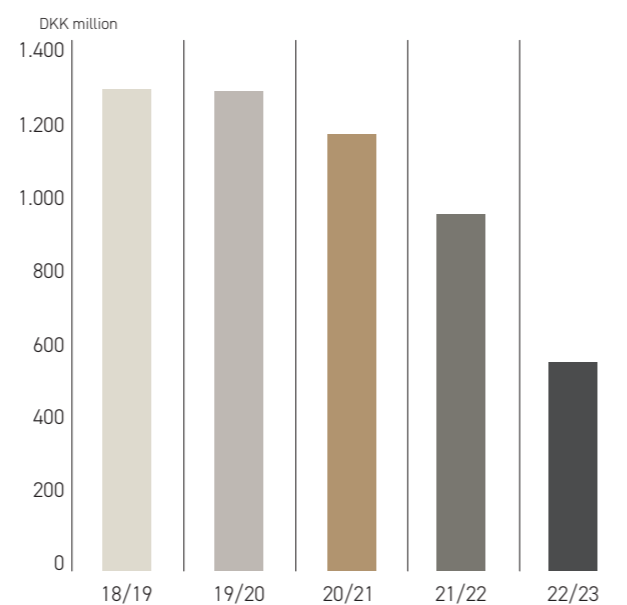
Price/Book value

Market price per share in DKK
 Book value per share in DKK



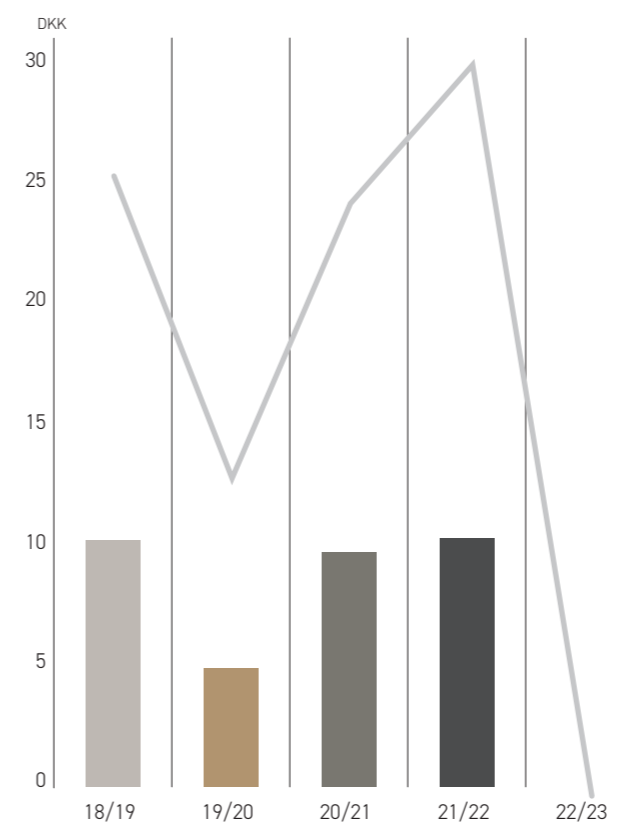
Market capitalisation end of year

Market capitalisation in DKK million



Share dividends and earnings per share

Dividends per share in DKK
 Earnings per share in DKK



Financial calendar 2023/24

16.11.2023 Annual report 2022/23
 14.12.2023 Annual general meeting
 19.12.2023 Distribution of dividends
 08.02.2024 Q1 report 2023/24
 02.05.2024 H1 report 2023/24
 29.08.2024 Q3 report 2023/24
 20.11.2024 Annual report 2023/24
 12.12.2024 Annual general meeting

Investor Relations

Gabriel Holding A/S endeavours to maintain a satisfactory and uniform level of information for investors and analysts, so that the share price records steady progress and always reflects the company's expected development.

Gabriel's website www.gabriel.dk is the stakeholders' primary source of information. It is regularly updated with new and relevant information on Gabriel's profile, activities, industry and results.

Investor relations contact:
 Anders Hedegaard Petersen, CEO
 Phone: +45 9630 3117

Company announcements in the 2022/23 financial year

- 28.10.2022 Gabriel Holding A/S: Preliminary results, and changed expectations, for the full 2021/22 financial year.
- 17.11.2022 Gabriel Holding A/S delivers revenue of DKK 1,065 million, equivalent to 32% growth. Operating profit (EBIT) increases by 11% to DKK 64.9 million.
- 24.11.2022 Notice of annual general meeting of Gabriel Holding A/S.
- 07.12.2022 Election of employee representative to the Board of Directors of Gabriel Holding A/S.
- 15.12.2022 Minutes of the annual general meeting held on 15 December 2022.
- 26.01.2023 Major shareholder announcement from Chr. Augustinus Fabrikker Aktieselskab.
- 09.02.2023 Gabriel Holding A/S – first quarter of the 2022/23 financial year.
- 24.04.2023 Gabriel Holding A/S adjusts its expectations for the 2022/23 financial year.
- 27.04.2023 Gabriel Holding A/S – first half of the 2022/23 financial year.
- 23.06.2023 Gabriel Holding A/S adjusts its expectations for the 2022/23 financial year.
- 23.08.2023 Gabriel Holding A/S adjusts its expectations downwardly for the 2022/23 financial year.
- 23.08.2023 Gabriel Holding A/S – three quarters of the 2022/23 financial year.
- 29.09.2023 Major shareholder announcement from Poul H. Lauritsen Holding ApS.

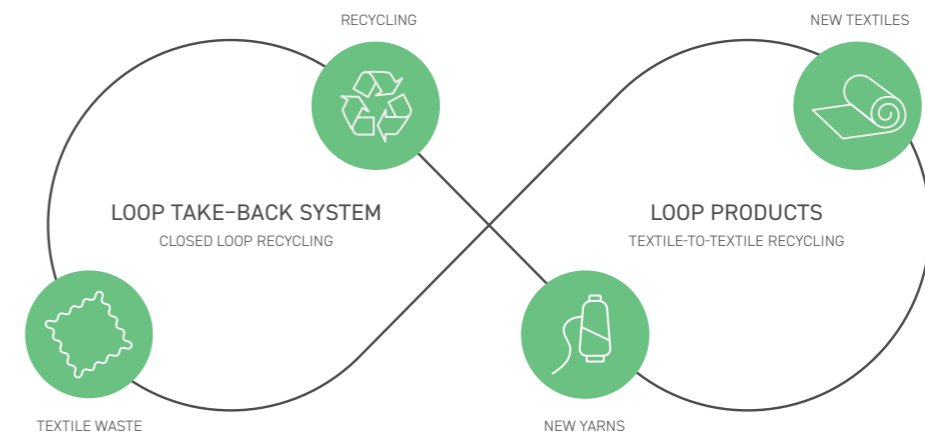
Annual general meeting

The annual general meeting will be held in Aalborg at 2:00 p.m. on Thursday, 14 December 2023.



In our quest to reduce textile waste and save resources, we have found a way to close the loop and transform textile waste into new textile products. We call it Gabriel Loop.

Gabriel Loop is a closed textile recycling system that allows us to recycle polyester textiles again and again, without losing quality. This innovative system reduces waste, conserves resources, and lowers CO₂ emissions.



Company information

Board of Directors



Jørgen Kjær Jacobsen
Chair (D)
Born: 1952
Sex: Male
Joined the Board of Directors: 2010
Term ends: AGM 2023

Position: CEO and professional board member.

Board skills

Special expertise in top management and board skills in listed companies.

Positions of trust

Executive positions

Raskier A/S
Raskier Ejendomme ApS

Directorships

Roblon A/S (C)
– and member of the audit committee, innovation and production committee and governance, nomination and remuneration committee
Raskier A/S
Raskier Ejendomme ApS



Søren Mygind Eskildsen
Vice-chair (I)
Born: 1972
Sex: Male
Joined the Board of Directors: 2022
Term ends: AGM 2023

Position: CEO of Louis Poulsen A/S.

Board skills

Relevant experience from the industry with special expertise in strategy, sales, production and top management of global companies, including branding and design.

Positions of trust

Executive positions

Audo A/S
TSME Holding ApS

Directorships

TCM Group A/S
Ege Carpets A/S (C)
– and member of the audit committee and the remuneration and nomination committee
Designers Company A/S



Hans Olesen Damgaard
Board member (I)
Born: 1965
Sex: Male
Joined the Board of Directors: 2015
Term ends: AGM 2023

Position: Professional board member.

Board skills

Special expertise in sales and top management of global companies.

Positions of trust

Directorships

EC POWER A/S
DS Energy ApS (C)
LIFA A/S LANDINSPEKTØRER (C)
Aktieselskabet Carl Christensen (C)
Manini & Co. Holding A/S
Thygesen Textile Group A/S
Ege Carpets A/S
– and chair of the audit committee
Stibo Complete A/S (VC)
Dansk Kvarts Industri A/S

Commercial foundations

Aarhus Symfoniorkesters Fond af 13. april 1983



Søren B. Lauritsen
Board member (D)
Born: 1967
Sex: Male
Joined the Board of Directors: 2010
Term ends: AGM 2023

Position: CEO, ONE Marketing A/S.

Board skills

Special expertise in sales and marketing with IT, strategy and branding as strong points.

Positions of trust

Executive positions

Søren B. Lauritsen Holding ApS

Directorships

Attract Media ApS (C)
ONE Marketing A/S
GAB Invest ApS



Randi Toftlund Pedersen
Board member (I)
Born: 1963
Sex: Female
Joined the Board of Directors: 2022
Term ends: AGM 2023

Position: Senior Vice President Corporate Finance in Salling Group.

Board skills

Special expertise in top management – with special focus on financial management, financial reporting and accounting – of Danish listed companies.

Positions of trust

Directorships

Ejendomsselskabet Olav de Linde A/S
Glunz & Jensen Holding A/S (VC)
– and chair of the audit committee and member of the remuneration committee
Roblon A/S
– and chair of the audit committee
Salling Group Forsikring A/S (C)
Salling Group Ejendomme A/S



Quinten Xerxes van Dalm
Board member
elected by the employees
Born: 1972
Sex: Male
Joined the Board of Directors: 2010

Position: Customer Service Manager.

Employed in Gabriel A/S in the sales support and customer service department since 2005.

Elected by the employees until the annual general meeting in 2024.



Rikke Lyhne Jensen
Board member
elected by the employees
Born: 1988
Sex: Female
Joined the Board of Directors: 2018

Position: Sustainability Manager.

Employed in Gabriel A/S in the QEP department since 2014.

Elected by the employees until the annual general meeting in 2026.

Executive Board



Anders Hedegaard Petersen
CEO
Born: 1976
Sex: Male

Anders Hedegaard Petersen joined Gabriel in 2004 and became CEO of Gabriel Holding A/S in 2011.

Positions of trust

Executive positions

KAAN ApS

Directorships

GAB Invest ApS (C)
Vrå Damp Holding A/S (C)
Dansk Mode & Textil (VC)



Claus Møller
CCO
Born: 1966
Sex: Male

Claus Møller joined Gabriel in 2010 and has been a member of the Executive Board since 2016.

Positions of trust

Executive positions

GAB Invest ApS
Bonum Vitae ApS

Directorships

Food Solutions ApS (C)
Shopconcept A/S
GAB Invest ApS
SDIVD A/S
Startex ApS
Inventa Nordic A/S

Name	Nationality	Audit committee	Governance, remuneration & nomination committee	Acquisition committee**	Digitalisation and cyber-security committee	Board and committee meetings in 22/23*	Shareholding 30.09.23***	Change in 22/23
Jørgen Kjær Jacobsen	Danish	Member	Member	Member		83%	8,800	
Søren Mygind Eskildsen	Danish	Member		Chair	Member	100%	0	
Hans Olesen Damgaard	Danish		Chair	Member	Member	89%	1,000	
Søren B. Lauritsen	Danish				Chair	100%	48,786	
Randi Toftlund Pedersen	Danish	Chair				100%	0	
Quinten Xerxes van Dalm	Danish/Dutch				Member	100%	35	
Rikke Lyhne Jensen	Danish		Member			100%	0	
Anders Hedegaard Petersen	Danish						49,461	
Claus Møller	Danish						48,352	

* The Board of Directors held six meetings, the audit committee six meetings, the governance, remuneration & nomination committee two meetings, the acquisition committee four meetings and the digitalisation and cybersecurity committee eight meetings.

*** Poul H. Lauritsen – external member of the acquisition committee. *** The stated number of shares comprises the total of the person's shares and those of his or her related parties

D = Dependent member

I = Independent member

C = Chair

VC = Vice-chair

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the 2022/23 annual report of Gabriel Holding A/S.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional 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 assets, liabilities and financial position at 30 September 2023 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 October 2022 – 30 September 2023.

Further, in our opinion, the management commentary gives a fair review of the development in the Group's and the parent company's activities and financial matters, of the results for the year, cash flows and financial position as well as a description of the most significant risks and uncertainty factors that the Group and the parent company face.

We recommend that the annual report be adopted at the annual general meeting.

Aalborg, 16 November 2023

Executive Board



Anders Hedegaard Petersen
CEO



Claus Møller
CCO

Board of Directors



Jørgen Kjær Jacobsen
Chair



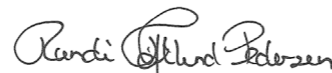
Søren Mygind Eskildsen
Vice-chair



Hans Olesen Damgaard



Søren Brahm Lauritsen



Randi Toftlund Pedersen



Quinten van Dalm
Employee representative



Rikke Lyhne Jensen
Employee representative

NOBEL



Nobel is a premium 100% wool upholstery fabric featuring a timeless, sophisticated elegance. The fabric's heavy-weight design gives it an exclusive look and feel that makes it perfect for soft seating furniture in upscale spaces.

Independent auditor's report

To the shareholders of Gabriel Holding A/S

Report on the audit of the consolidated financial statements and the parent company financial statements

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 assets, liabilities and financial position at 30 September 2023 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 October 2022 – 30 September 2023 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Board of Directors and the audit committee.

Audited financial statements

The consolidated financial statements and the parent company financial statements of Gabriel Holding A/S for the financial year 1 October 2022 – 30 September 2023 comprise income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement and notes, including accounting policies for the Group and parent company (the "financial statements"). The financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We declare, to the best of our knowledge and belief, that we have not provided any prohibited non-audit services, as referred to in Article 5(1) of the Regulation (EU) 537/2014 and that we remained independent in conducting the audit.

We were appointed auditors of Gabriel Holding A/S for the first time on 11 December 2014 for the 2014/15 financial year.

We have been re-appointed annually by motion passed by the general meeting for a total consecutive engagement of nine years up to and including the financial year 1 October 2022 – 30 September 2023.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the 2022/23 financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in the forming of our opinion thereof. We do not provide a separate opinion on these matters.

Valuation of goodwill and intangible assets

Goodwill and associated intangible assets recognised in connection with purchasing businesses amounting to DKK 51.2 million are judged to be material for the consolidated financial statements.

In preparing the impairment test of goodwill, management has made a number of assumptions about cash-generating units (CGUs), expected future cash flows and applied discount rates for the cash-generating units. Given the uncertainty of estimates related to the valuation of goodwill and intangible assets, this has been a key audit matter.

Please refer to note 10 to the consolidated financial statements for a description of the impairment test for goodwill and associated intangible assets, note 25 concerning accounting estimates and judgments and note 27 for the Group's accounting policies for impairment testing.

How our audit addressed the valuation of goodwill and intangible assets

For the purpose of our audit, the procedures we carried out included the following:

- We have assessed the Group's internal controls for the preparation of impairment tests including budget and projections.
- We have checked that the valuation model used to carry out the impairment test of goodwill was appropriate and in accordance with the requirements of IAS 36, including for the determination of cash-generating units and allocation of goodwill.
- We have assessed whether there is an indication of impairment of other intangible assets in the form of customer relationships and product technology assets relating to acquired businesses.
- We have assessed whether the key assumptions used in the impairment tests were reasonable, in particular in relation to the development in revenue and earnings and the discount rate. We have also assessed the sensitivity of key assumptions.
- We have examined the information in the consolidated financial statements and assessed whether the IFRS disclosure requirements are met.

Valuation of deferred tax assets

Deferred tax assets totalling DKK 23.2 million are deemed to be material for the consolidated financial statements.

Management has assessed the value of the tax assets on the basis of the possibilities of their utilisation and expectations for earnings in the next five years.

Given the uncertainty of estimates related to the valuation of the tax assets, this has been a key audit matter.

Please refer to note 18 to the consolidated financial statements for a description of the basis for recognition and valuation of deferred tax assets, note 25 concerning accounting estimates and judgments and note 27 for the Group's accounting policies for deferred tax.

How our audit addressed the valuation of deferred tax assets

For the purpose of our audit, the procedures we carried out included the following:

- We have assessed whether the assumptions used in management's expectations for the companies' earnings in the next five years are reasonable and whether it has been convincingly documented that the tax assets can be utilised.
- We have also examined the information in the consolidated financial statements and assessed whether the disclosure requirements are met.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU and additional 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting in preparing the financial statements, unless management either intends to liquidate the Group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment 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. We 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 the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the management.
- conclude on the appropriateness of the management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the parent company to cease trading as a going concern.

- evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or the business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding 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 communicate to 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 to 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 or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation

As part of our audit of the consolidated financial statements and parent company financial statements of Gabriel Holding A/S, we performed procedures to express an opinion on whether the annual report of Gabriel Holding A/S for the financial year 1 October 2022 – 30 September 2023 with the file name "549300LK5U9PUCUD2X47-2023-09-30-da" 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.

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

- The preparation of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and anchoring them to elements in the taxonomy, for 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;
- 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.

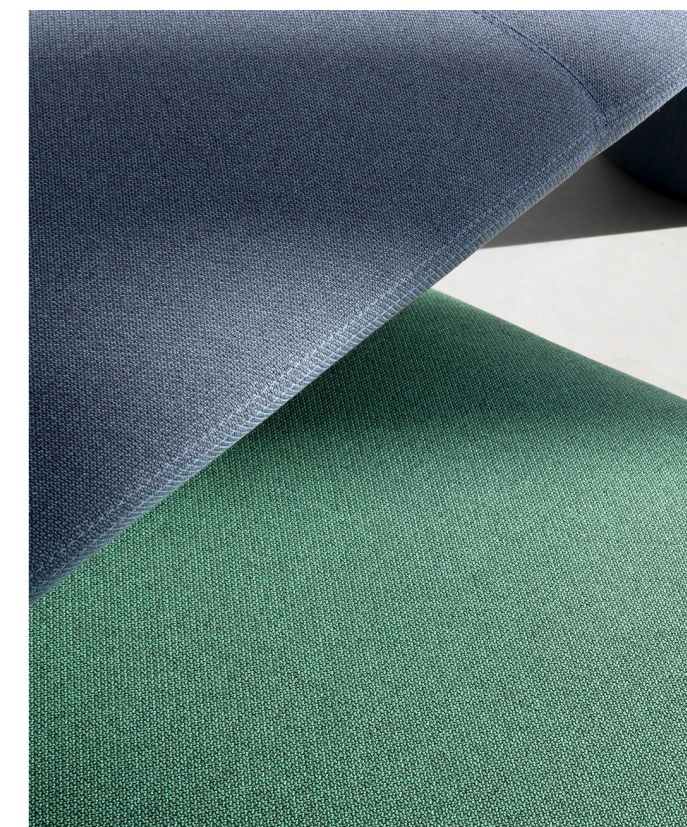
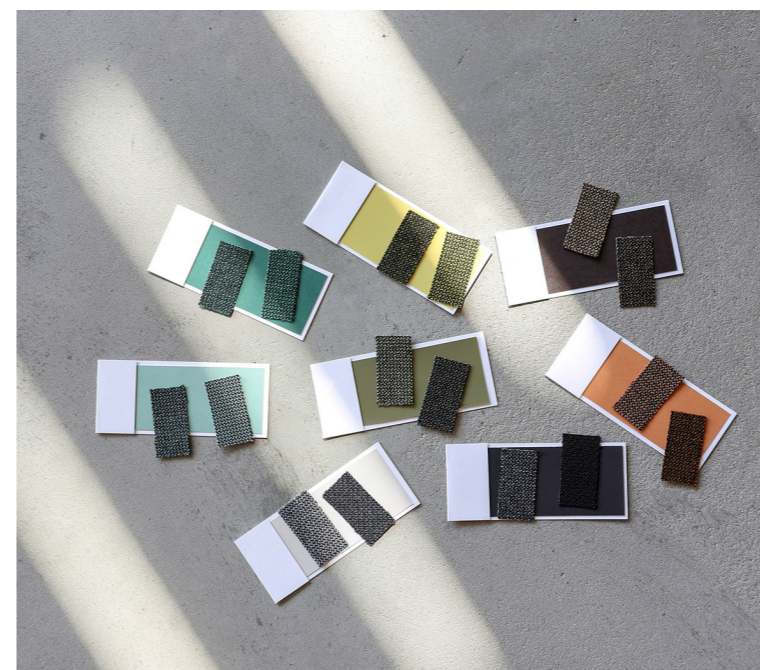
In our opinion, the annual report of Gabriel Holding A/S for the financial year 1 October 2022 – 30 September 2023 with the file name "549300LK5U9PUCUD2X47-2023-09-30-da" is prepared, in all material respects, in compliance with the ESEF Regulation.

RENEWED LOOP



Crafted through textile-to-textile recycling and based on recycled textile waste, Renewed Loop has circularity woven into the very fibre of its design.

Renewed Loop is also available in a screen version and the two textiles are ideal for spaces that seek to create a planet-conscious interior style.



Aalborg, 16 November 2023

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25578198

Jon Wilson Beck
State Authorised Public Accountant
MNE32169

Mikkel Trabjerg Knudsen
State Authorised Public Accountant
MNE34359

Income statement

for the year 01.10.2022 – 30.09.2023

Note	tDKK	CONSOLIDATED		PARENT COMPANY	
		2022/23	2021/22	2022/23	2021/22
1	Net revenue	931,153	1,065,012	11,340	11,340
2	Other operating income	1,019	1,482	-	-
3	Cost of sales	-620,995	-718,535	-	-
4	Other external costs	-91,190	-86,943	-3,559	-3,244
5	Staff costs	-154,842	-152,922	-14,013	-13,771
2	Other operating costs	-889	-610	-111	-490
10/11	Depreciation/amortisation and impairment losses on intangible assets and property, plant and equipment	-48,325	-42,556	-555	-310
	Operating profit/loss (EBIT)	15,929	64,928	-6,897	-6,475
13	Share of profit after tax in joint venture	398	121	-	-
6	Finance income	641	20,900	25,000	30,394
7	Finance costs	-14,394	-5,351	-9,506	-294
	Profit before tax	2,575	80,598	8,597	23,625
8	Tax on profit for the year	-6,903	-22,438	3,637	481
	Profit/loss for the year	-4,329	58,160	12,234	24,106
9	Earnings per share (DKK):				
	Earnings per share (EPS), basic	-2.3	30.8		
	Earnings per share (EPS-D), diluted	-2.3	30.8		

Statement of comprehensive income

for the year 01.10.2022 – 30.09.2023

Note	tDKK	CONSOLIDATED		PARENT COMPANY	
		2022/23	2021/22	2022/23	2021/22
	Profit/loss for the year	-4,329	58,160	12,234	24,106
	Other comprehensive income not reclassified to the income statement:				
	Exchange rate adjustment on translation of foreign entities	-10,936	-2,494	-	-
	Tax on other comprehensive income	3,415	-614	-	-
	Other comprehensive income after tax	-7,521	-3,108	-	-
	Total comprehensive income	-11,850	55,052	12,234	24,106

Statement of financial position

Assets at 30.09.2023

Note	tDKK	CONSOLIDATED		PARENT COMPANY	
		2022/23	2021/22	2022/23	2021/22
		Non-current assets			
10	Intangible assets:				
	Goodwill	51,228	50,698	-	-
	Acquired product technology assets	6,035	7,846	-	-
	Customer relationships	4,783	7,036	-	-
	Development projects in progress	18,513	10,260	-	-
	Completed development projects	16,677	17,095	-	-
	Software	7,087	6,152	-	-
		104,323	99,087	-	-
11	Property, plant and equipment:				
	Land and buildings	94,256	92,463	-	-
	Improvements to premises	17,339	15,943	-	-
	Plant, fixtures and fittings and equipment	69,661	68,938	2,890	2,850
	Lease assets	53,075	51,664	-	588
		234,331	229,008	2,890	3,438
	Other non-current assets:				
12	Investments in subsidiaries	-	-	135,484	100,623
12	Amounts owed by subsidiaries	-	-	40,318	58,575
13	Investments in joint ventures	32,294	32,037	-	-
18	Deferred tax assets	23,227	25,003	-	-
		55,521	57,040	175,802	159,198
	Total non-current assets	394,175	385,135	178,692	162,636
	Current assets				
14	Inventories	223,832	246,330	-	-
15	Receivables	134,474	145,432	34,290	23,706
	Prepayments	16,174	13,335	218	88
11	Assets for sale	1,226	1,226	-	-
	Corporation tax receivable	5,373	0	0	0
25	Cash and cash equivalents	38,506	77,091	544	7,679
		419,584	483,414	35,053	31,473
	Total current assets	419,584	483,414	35,053	31,473
	Total assets	813,760	868,549	213,745	194,109

Statement of financial position

Equity and liabilities at 30.09.2023

Note	tDKK	CONSOLIDATED		PARENT COMPANY	
		2022/23	2021/22	2022/23	2021/22
		Equity			
17	Share capital	37,800	37,800	37,800	37,800
	Translation reserve	-12,737	-5,213	-	-
	Retained earnings	301,518	305,844	46,701	34,467
	Proposed dividends	-	20,318	-	20,318
		326,581	358,749	84,501	92,585
	Total equity	326,581	358,749	84,501	92,585
	Liabilities				
	Non-current liabilities				
18	Deferred tax	12,031	9,989	168	166
19	Credit institutions	36,324	38,923	-	-
20	Lease liabilities	35,711	34,353	-	352
		84,066	83,265	168	518
	Total non-current liabilities	84,066	83,265	168	518
	Current liabilities				
19	Credit institutions	309,787	293,400	-	-
20	Lease liabilities	18,164	19,303	-	84
	Amounts owed to subsidiaries	-	-	124,271	97,436
	Trade payables	40,392	62,534	32	85
	Amounts owed to joint venture	1,259	1,203	-	-
	Corporation tax	-	19,990	-	-
22, 25	Other payables	33,512	30,105	4,772	3,401
		403,113	426,535	129,075	101,006
	Total current liabilities	403,113	426,535	129,075	101,006
	Total liabilities	487,179	509,800	129,244	101,524
	Total equity and liabilities	813,760	868,549	213,745	194,109

Statement of changes in equity

tDKK	CONSOLIDATED				
	Share capital	Translation reserve	Retained earnings	Proposed dividends	Total equity
2022/23					
Equity at 01.10.22	37,800	-5,213	305,844	20,318	358,749
Comprehensive income for the year					
Profit/loss 2022/23	-	-	-4,329	-	-4,329
Other comprehensive income					
Exchange rate adjustment on translation of foreign entities	-	-10,936	-	-	-10,936
Tax on other comprehensive income	-	3,415	-	-	3,415
Total other comprehensive income	-	-7,521	-	-	-7,521
Total comprehensive income	-	-7,521	-4,329	-	-11,850
Transactions with shareholders					
Distributed dividends	-	-	-	-20,318	-20,318
Total transactions with shareholders	-	-	-	-20,318	-20,318
Equity at 30.09.23	37,800	-12,734	301,515	-	326,581
2021/22					
Equity at 01.10.21	37,800	-2,105	268,002	18,428	322,124
Comprehensive income for the year					
Profit 2020/21	-	-	37,842	20,318	58,160
Other comprehensive income					
Exchange rate adjustment on translation of foreign entities	-	-2,494	-	-	-2,494
Tax on other comprehensive income	-	-614	-	-	-614
Total other comprehensive income	-	-3,108	-	-	-3,108
Total comprehensive income	-	-3,108	37,842	20,318	55,052
Transactions with shareholders					
Distributed dividends	-	-	-	-18,428	-18,428
Total transactions with shareholders	-	-	-	-18,428	-18,428
Equity at 30.09.22	37,800	-5,213	305,844	20,318	358,749

tDKK	PARENT COMPANY			
	Share capital	Retained earnings	Proposed dividends	Total equity
2022/23				
Equity at 01.10.22	37,800	34,467	20,318	92,585
Comprehensive income for the year				
Profit 2022/23	-	12,234	-	12,234
Total comprehensive income	-	12,234	-	12,234
Comprehensive income with shareholders				
Distributed dividends	-	-	-20,318	-20,318
Equity at 30.09.23	37,800	46,701	-	84,501
2021/22				
Equity at 01.10.21	37,800	30,679	18,428	86,907
Comprehensive income for the year				
Profit 2021/22	-	3,788	20,318	24,106
Total comprehensive income	-	3,788	20,318	24,106
Comprehensive income with shareholders				
Distributed dividends	-	-	-18,428	-18,428
Equity at 30.09.22	37,800	34,467	20,318	92,585

Cash flow statement

Note	tDKK	CONSOLIDATED		PARENT COMPANY	
		2022/23	2021/22	2022/23	2021/22
	Cash flows from operating activities				
	Profit/loss after tax	-4,329	58,160	12,234	24,106
	Dividends from joint venture	142	1,521	-	-
	Adjustment for non-cash items:				
	Depreciation, amortisation and impairment losses	48,325	42,556	555	310
	Gains and losses on the disposal of non-current assets	-119	153	111	490
	Share of profit after tax in joint venture	-398	-121	-	-
	Finance income and costs	13,753	-15,549	-15,494	-30,100
	Tax on profit for the year	6,903	22,438	-3,637	-481
	Cash generated from operations before changes in working capital and tax	64,277	109,158	-6,232	-5,675
	Changes in inventories	14,918	-56,802	-	-
	Changes in receivables	8,121	-20,631	6,007	13,709
	Changes in trade and other payables	-17,896	387	1,322	-2,030
	Interest paid	-14,386	-5,343	-2,839	-294
	Interest received	116	334	-	-
	Corporation tax paid	-28,641	-18,011	-9,522	-3,833
		26,509	9,092	-11,264	1,877
	Cash flows from investing activities				
	Addition of intangible assets	-15,913	-10,875	-	-
	Addition of property, plant and equipment	-23,710	-32,150	-585	-3,238
	Disposal of property, plant and equipment	4,862	1,946	467	552
		-34,762	-41,079	-118	-2,686
21	Cash flows from financing activities				
	Dividends received	-	-	25,000	27,159
	External financing:				
	Repayment of debt to credit institutions	-23,675	-26,790	-436	-558
	Shareholders:				
	Dividends distributed	-20,317	-18,428	-20,317	-18,428
		-43,992	-45,218	4,247	8,173
	Changes for the year in cash and cash equivalents	-52,245	-77,205	-7,135	7,364
	Opening bank loans/cash and cash equivalents	-116,162	-41,242	7,679	315
	Value adjustment of bank loans/cash and cash equivalents	-2,715	2,285	-	-
	Closing bank loans/cash and cash equivalents	-171,122	-116,162	544	7,679
	Composed of:				
	Cash and cash equivalents	38,506	77,091	544	7,679
	Drawing on credit facility at banks	-209,628	-193,253	-	-
		-171,122	-116,162	544	7,679

Notes to the financial statements

Note

1. Segment information
2. Other operating income and costs
3. Cost of sales
4. Other external costs
5. Staff costs
6. Finance income
7. Finance costs
8. Tax on profit for the year
9. Earnings per share
10. Intangible assets
11. Property, plant and equipment
12. Investments in subsidiaries
13. Investments in joint ventures
14. Inventories
15. Receivables
16. Research and development costs
17. Share capital
18. Deferred tax
19. Credit institutions
20. Lease liabilities
21. Cash flows from financing activities
22. Financial risks and derivative financial instruments
23. Contingent liabilities and collateral
24. Transactions with Group companies, major shareholders, Board of Directors and Executive Board
25. Accounting estimates and judgments
26. Subsequent events
27. Accounting policies
28. New financial reporting regulations

Notes

to the financial statements

1

Segment information

The Gabriel Group is accountable for two business segments:

Fabrics, where all products are furniture fabrics and related textile products. The products are sold to selected leading international manufacturers and key account customers specialising in upholstered furniture, seating and upholstered surfaces. The products for the individual business areas go through substantially the same production process, and the sales divisions have the same type of customers. In addition, the product distribution channels are the same.

Letting of properties by Gabriel Ejendomme A/S, which lets office premises in Gabriel Erhvervspark, Aalborg.

2022/23 tDKK	CONSOLIDATED			
	Fabrics	Rental offices	Elimination	Group total
Total segment revenue	927,921	7,415	-4,183	931,153
Depreciation/amortisation	-49,342	1,017	-	-48,325
Impairment losses	-	-	-	-
Operating profit (EBIT)	13,741	2,188	-	15,929
Share of profit after tax in joint ventures	398	-	-	398
Finance income	1,043	0	-402	641
Finance costs	-13,868	-928	402	-14,394
Segment profit before tax	1,315	1,260	-	2,575
Tax on profit for the year	-6,626	-277	-	-6,903
Segment profit/loss after tax	-5,312	983	-	-4,329
Addition of non-current assets	37,193	2,431	-	39,624
Investments in joint ventures	32,294	-	-	32,294
Segment assets	733,298	80,462	-	813,760
Segment Equity and Equity and Equity and liabilities	445,040	53,983	-11,845	487,179
2021/22				
tDKK				
Total segment revenue	1,061,660	7,279	-3,927	1,065,012
Depreciation/amortisation	-41,255	-952	-	-42,207
Impairment losses	-349	-	-	-349
Operating profit (EBIT)	62,721	2,207	-	64,928
Share of profit after tax in joint ventures	121	-	-	121
Finance income	20,992	-	-92	20,900
Finance costs	-4,872	-571	92	-5,351
Segment profit before tax	78,962	1,636	-	80,598
Tax on profit for the year	-22,078	-360	-	-22,438
Segment profit after tax	56,884	1,276	-	58,160
Addition of non-current assets	41,209	1,816	-	43,025
Investments in joint ventures	32,037	-	-	32,037
Segment assets	789,427	79,122	-	868,549
Segment liabilities	465,997	53,550	-9,747	509,800

Major customers

Revenue from two customers, totalling DKK 220 million, accounts for more than 10% of Group revenue (2021/22: two customers totalling DKK 282 million).

1

Segment information

contd.

Geographical information

Geographical information specifies revenue by territory, based on the geographical location of the customers.

Revenue and non-current assets except financial assets etc. are distributed across markets as follows:

tDKK	CONSOLIDATED			
	Revenue		Non-current assets	
	2022/23	2021/22	2022/23	2021/22
Denmark, fabrics	158,059	177,042	38,980	35,186
Denmark, rental properties	3,231	3,352	79,502	78,246
Other European countries	542,466	611,530	161,700	164,710
USA and Mexico	183,332	209,643	46,297	46,681
Asia and other territories	44,065	63,445	13,994	3,272
	931,153	1,065,012	340,474	328,095

2

Other operating income

tDKK	CONSOLIDATED		PARENT COMPANY	
	2022/23	2021/22	2022/23	2021/22
Gains on disposals of non-current assets	231	340	-	-
Other income	788	1,142	-	-
	1,019	1,482	-	-

Other operating costs

Losses on disposals of non-current assets	-112	-493	-111	-490
Other costs	-777	-117	-	-
	-889	-610	-111	-490

3

Cost of sales

Cost of sales for the year	-526,944	-621,845	-	-
Write-down of inventories for the year	-293	-293	-	-
Reversal of write-downs on inventories	346	363	-	-
Production wages etc.	-94,104	-96,760	-	-
	-620,995	-718,535	-	-

4

Other external costs

Other external costs include fees for the auditors appointed by the general meeting as follows:

Statutory audit services	-721	-721	-212	-179
Other assurance engagements	0	0	-	-
Tax advice	0	0	-	-
Other services	-83	-19	-74	-19
	-804	-740	-286	-198

tDKK	CONSOLIDATED		PARENT COMPANY	
	2022/23	2021/22	2022/23	2021/22
5 Staff costs				
Wages and salaries etc.	-230,070	-228,738	-12,941	-12,108
Defined contribution pension schemes	-5,456	-4,619	-984	-943
Other social security costs	-15,883	-14,973	-48	-53
Other payroll-related costs	-5,884	-6,437	-40	-667
	-257,293	-254,767	-14,013	-13,771
Payroll costs capitalised regarding development projects	8,347	5,085	-	-
Payroll costs transferred to cost of sales	94,104	96,760	-	-
	-154,842	-152,922	-14,013	-13,771
Remuneration of the Board of Directors of the parent company	-1,988	-1,575	-1,988	-1,575
Remuneration of the Executive Board of the parent company	-6,855	-6,540	-6,855	-6,540
Pension contributions for the parent company's Executive Board	-672	-626	-672	-626
Remuneration of other managerial employees	-8,656	-8,477	-3,292	-3,124
Pensions for other managerial employees	-340	-327	-222	-217
Average number of employees	1,242	1,358	6	7
6 Finance income				
Dividends from subsidiaries	-	-	25,000	27,536
Interest income, cash etc.	116	334	-	-
Interest income from subsidiaries	-	-	-	-
Net foreign exchange gain	525	20,566	-	2,858
	641	20,900	25,000	30,394
7 Finance costs				
Interest expenses	-11,640	-3,913	-4	-11
Interest expenses on lease assets	-2,595	-1,277	-	-
Interest expenses from subsidiaries	-	-	-2,816	-268
Amortisation of borrowing costs	-8	-8	-	-
Net foreign exchange loss	0	0	-6,667	-
Other finance costs	-151	-153	-19	-15
	-14,394	-5,351	-9,506	-294

tDKK	CONSOLIDATED		PARENT COMPANY	
	2022/23	2021/22	2022/23	2021/22
8 Tax on profit for the year				
Current tax	-10,721	-26,770	-	-
Joint taxation contribution	-	-	3,640	549
Adjustment of deferred tax	3,818	4,332	-2	-68
	-6,903	-22,438	3,637	481
Tax on profit for the year is specified as follows:				
Computed tax on profit before tax, 22%	-566	-17,732	-1,891	-5,198
Tax effect of:				
Non-taxable income	129	-	-	-
Non-deductible costs	-	-180	-3	-2
Non-taxable dividends	-	-	5,531	5,680
Share of profit after tax in joint venture	88	27	-	-
Adjustment for tax rates other than 22% on foreign subsidiaries	-1,859	762	-	-
Deferred tax not recognised	-4,694	-5,315	-	-
Adjustment in respect of previous years	-	-	-	-
	-6,903	-22,438	3,637	481
Effective tax rate	268.1%	27.8%	-42.3%	-2.0%

The primary reason for the development in the tax rate is that management has chosen not to recognise realised deferred tax assets arising in the 2022/23 financial year.

tDKK	CONSOLIDATED		PARENT COMPANY	
	2022/23	2021/22	2022/23	2021/22
9 Earnings per share				
Profit/loss for the year after tax	-4,329	58,160	-	-
Average number of shares	1,890,000	1,890,000	-	-
Average number of treasury shares	-	-	-	-
Average number of shares in circulation	1,890,000	1,890,000	-	-
Earnings per share (EPS), basic	-2.3	30.8	-	-
Earnings per share (EPS-D), diluted	-2.3	30.8	-	-

CONSOLIDATED						
tDKK	Goodwill	Acquired product technology assets	Customer relationships	Completed internal development projects	Internal development projects in progress	Software
Intangible assets						
2022/23						
Cost at 01.10.2022	50,698	15,323	14,451	40,945	10,260	15,117
Value adjustment	530	197	-510	-309	169	-63
Brought forward	-	-	-	5,332	-5,332	-
Additions during the year	-	-	-	-	13,452	2,461
Disposals during the year	-	-	-	-930	-36	-
Cost at 30.09.2023	51,228	15,520	13,941	45,039	18,513	17,515
Amortisation at 01.10.2022	-	7,477	7,415	23,850	-	8,965
Value adjustment	-	91	-239	11	-	37
Disposals during the year	-	-	-	-	36	-
Amortisation for the year	-	1,917	1,982	4,466	-	1,426
Impairment losses for the year	-	-	-	34	-36	-
Amortisation at 30.09.2023	-	9,485	9,158	28,361	-	10,428
Carrying amount at 30.09.2023	51,228	6,035	4,783	16,677	18,513	7,087
2021/22						
Cost at 01.10.2021	51,027	15,512	13,364	37,734	10,468	13,533
Value adjustment	-329	-189	1,087	579	1	-20
Brought forward	-	-	-	9,131	-9,131	-
Additions during the year	-	-	-	-	9,271	1,604
Disposals during the year	-	-	-	-6,499	-349	-
Cost at 30.09.2022	50,698	15,323	14,451	40,945	10,260	15,117
Amortisation at 01.10.2021	-	5,695	4,975	26,000	-	7,654
Value adjustment	-	-125	472	35	-	-33
Disposals during the year	-	-	-	-6,499	-349	-
Amortisation for the year	-	1,907	1,968	4,314	-	1,344
Impairment losses for the year	-	-	-	-	349	-
Amortisation at 30.09.2022	-	7,477	7,415	23,850	-	8,965
Carrying amount at 30.09.2022	50,698	7,846	7,036	17,095	10,260	6,152

10 Intangible assets

contd.

Goodwill

The carrying amount of goodwill of DKK 51.2 million is allocated between the cash-generating units (CGUs) Screen Solutions (DKK 5.6 million), FurnMaster (DKK 22.2 million), UAB Gabriel Textiles (DKK 5.3 million), Gabriel A/S (DKK 15.9 million), Grupo RyL (DKK 0.7 million) and Gabriel North America (DKK 1.5 million).

The carrying amount of goodwill was impairment-tested using discounted cash flow models based on a "value in use" approach, on 2023/24 budgets approved by the Board of Directors and on projections for subsequent periods (a total of five years). Terminal value must be added to this.

Impairment testing of the cash-generating units compares the recoverable amount, equivalent to the net present value of projected future free cash flows, with the carrying amounts of the individual cash-generating units.

The key assumptions are revenue growth, EBIT-margin and discount rate. Projected revenue growth for all CGUs is generally in line with the Group's realised growth. The expected EBIT rates are also supported by the EBIT rates realised for comparable Group activities.

The discount rates (WACC) used to calculate net present value are after tax and reflect the risk-free interest rate plus specific risks in the individual geographical cash-generating units. Due to the capital structure that was assumed when computing WACC, the computed discount rate before tax is not significantly higher.

Growth equivalent to the expected inflation rate (1.5%) was recognised in the terminal period. Growth rates for the terminal value thus do not exceed the average long-term growth rate for the Group's products/markets.

Management prepared sensitivity analyses for the key assumptions.

Key assumptions and sensitivities are summarised as follows for cash-generating units:

10 Intangible assets
contd.

CONSOLIDATED					
2022/23					
	Discount rate (after tax)	Discount rate (before tax)	Av. annual revenue growth until terminal period	Av. EBIT rate until terminal period	Sensitivity revenue/ EBIT (minimum index)*
Screen Solutions (UK)	11.4%	11.9%	16%	7%	92
FurnMaster (Poland/Lithuania)	10.8%	11.5%	8%	9%	89
UAB Gabriel Textiles (Lithuania)	10.8%	11.5%	12%	12%	84
Gabriel A/S (Denmark)	11.0%	11.7%	10%	4%	88
Grupo RyL (Mexico)	11.0%	11.6%	21%	8%	90
Gabriel North America (USA)	11.0%	11.6%	10%	22%	89

* The sensitivity for revenue shows the minimum share of expected revenue that must be realised to avoid impairment charges.

Based on the current market price, the Group's market capitalisation significantly exceeds book equity. The end-of-year price at 30 September 2023 was DKK 306, the equivalent of a market capitalisation of DKK 578 million.

CONSOLIDATED					
2021/22					
	Discount rate (after tax)	Discount rate (before tax)	Av. annual revenue growth until terminal period	Av. EBIT rate until terminal period	Sensitivity revenue/ EBIT (minimum index)**
Screen Solutions (UK)	11.4%	11.9%	14%	5%	93
FurnMaster (Poland/Lithuania)	10.8%	11.5%	10%	14%	43
UAB Gabriel Textiles (Lithuania)	10.8%	11.5%	10%	9%	88
Gabriel A/S (Denmark)	11.0%	11.7%	10%	22%	12
Grupo RyL (Mexico)	11.0%	11.6%	27%	8%	45
Gabriel North America (USA)	11.0%	11.6%	20%	18%	62

** The sensitivity for revenue shows the minimum share of expected revenue that must be realised to avoid impairment charges.

Based on the current market price, the Group's market capitalisation significantly exceeds book equity. The end-of-year price at 30 September 2022 was DKK 515, the equivalent of a market capitalisation of DKK 973 million.

10 Intangible assets
contd.

Screen Solutions (UK)

The CGU comprises revenue from customers on the UK market, royalties, and sale of design services to the FurnMaster companies. In accordance with the business case, FurnMaster companies produce Screen Solutions products and sell them to the Group's major furniture customers. The UK company receives royalty income which is also part of the impairment test for Screen Solutions. The impairment test is therefore sensitive to the projected revenue development in the FurnMaster companies and the royalty income derived from it.

In management's view, the UK market may generate greater revenue growth than assumed but, due to general uncertainty related to Brexit and increasing inflation, management considers that limited growth is more likely in the coming year.

Management also sees opportunities for increased sales of acoustic products over and above the revenue assumed.

Brexit and declining demand due to the increasing inflation continued to affect earnings in 2022/23, and the company therefore did not yield the expected profit for 2022/23. Provided the interest rate level is stable, and based on the implemented cost-cutting measures and sales strategy, the CGU is expected to yield profits from 2024/25.

On the basis of these assumptions, revenue and EBIT sensitivity is within the high interval.

FurnMaster (Poland and Lithuania)

New customers and expansion of existing customer relationships are expected to drive revenue growth, backed by a significant increase in sales of Screen Solutions products. Strong growth over the last few years underpins the expectation that continued growth is realistic.

Production capacity has increased significantly over the last few years in both Poland and Lithuania.

As a result of the ample margin, sensitivity is within the low interval.

UAB Gabriel Textiles (Lithuania)

UAB Gabriel Textiles has been the main weaving partner in the European fabrics production for several years and has produced most of the sales promotion materials that are marketed via Gabriel's business unit SampleMaster.

The aim of purchasing the shares in the Lithuanian company was to support the Group's growth in both the fabric business and SampleMaster and to ensure continued high reliability of supply, quality and competitiveness.

In accordance with the business case, management considers that the acquisition continues to have a positive synergetic effect on Gabriel's earnings from fabrics. On this basis most of the goodwill has been allocated to the CGU Gabriel A/S. In addition, part of the goodwill is related to the SampleMaster activities, which are also expected to have significant growth potential.

The growth assumed is in line with generally expected revenue growth in the Group's sales of fabrics.

Production capacity increased significantly over the last few years and management considers that it supports the expected growth.

Overall, revenue and EBIT sensitivity is judged to be moderate.

Gabriel A/S

New customers and expansion of existing customer relationships are expected to drive revenue growth. Strong growth over the last few years underpins the expectation that continued growth is realistic.

Production capacity has increased significantly over the last few years.

As a result of the ample margin, probable changes in key assumptions are judged not to result in impairment charges.

10 Intangible assets

contd.

Grupo RyL

The share capital in the Mexican company was acquired to support Gabriel Group's growth in North America, including to reduce production costs.

Based on the business case and takeover of the production activity from the North American company, Grupo RyL will primarily sell to American customers via the parent company, Gabriel North America, with an expected positive effect on earnings at Gabriel North America. On this basis, part of the goodwill has been allocated between Grupo RyL and Gabriel North America. This strategy forms the basis for projected significant revenue growth and earnings increase.

As a result of the ample margin, sensitivity is within the low interval.

Gabriel North America

New customers and expansion of existing customer relationships are expected to drive revenue growth and an earnings increase, backed by the significant increase in the production capacity from Grupo RyL.

As a result of the ample margin, sensitivity is within the low interval.

Development projects

Re-evaluation of the project portfolio resulted in impairment charges totalling tDKK 36 (2021/22: tDKK 349).

The Group also performed an impairment test on the carrying amounts of the recognised development projects. The test included an evaluation of the project development sequence, in the form of expenses paid and results obtained relative to the approved project and business plans. The values of a few finalised development projects will be maintained if sales are realised as expected in the coming years.

It was judged on this basis that the recoverable amount exceeds the carrying amount. As in 2021/22, no public subsidies were received in 2022/23.

tDKK	CONSOLIDATED			PARENT		
	Land and buildings	Improvements to rented premises	Plant, fixtures, fittings and equipment	Lease assets	Plant, fixtures, fittings and equipment	Lease assets
11 Property, plant and equipment 2022/23						
Cost at 01.10.2022	125,237	26,258	129,903	97,513	2,947	862
Value adjustment	845	-912	-673	-145	-	-
Brought forward	-	-	-	-	-	-
Additions during the year	2,448	5,834	15,428	23,436	585	-
Disposals during the year	-162	-782	-2,828	-14,290	-	-862
Cost at 30.09.2023	128,368	30,398	141,830	106,515	3,532	-
Depreciation at 01.10.2022	32,774	10,315	60,965	45,849	97	274
Value adjustment	116	-134	1,585	6	-	-
Brought forward	-	-	-	-	-	-
Disposals during the year	-196	-	-2,200	-13,736	-	-283
Depreciation for the year	1,418	2,879	11,819	21,320	545	9
Depreciation at 30.09.2023	34,113	13,060	72,169	53,440	642	-
Carrying amount at 30.09.2023	94,256	17,339	69,661	53,075	2,890	-

Assets held for sale (DKK 1.2 million) concern land and buildings expected to be sold in 2023/24.

tDKK	CONSOLIDATED		PARENT	
	Land and buildings	Plant and fixtures and fittings	Group total	Plant and fixtures and fittings
Lease assets 2022/23				
Cost at 01.10.2022	87,455	10,058	97,513	862
Value adjustment	-	-145	-145	-
Brought forward	-	-	-	-
Additions during the year	20,929	2,507	23,436	-
Disposals during the year	-12,953	-1,337	-14,290	-862
Cost at 30.09.2023	95,431	11,083	106,515	-
Depreciation at 01.10.2022	42,113	3,736	45,849	274
Value adjustment	-	6	6	-
Brought forward	-	-	-	-
Disposals during the year	-12,951	-785	-13,736	-283
Depreciation for the year	17,720	3,600	21,320	9
Depreciation at 30.09.2023	46,882	6,557	53,440	-
Carrying amount at 30.09.2023	48,549	4,526	53,075	-

Additions for the year includes DKK 2.9 million regarding exercise of an extension option for leased premises.

Low-value leased assets not recognised represent an insignificant amount.

The weighted interest rate for lease assets is 1-4%.

11

tDKK	CONSOLIDATED			PARENT		
	Land and buildings	Improvements to rented premises	Plant, fixtures, fittings and equipment	Lease assets	Plant, fixtures, fittings and equipment	Lease assets
Property, plant and equipment 2021/22						
Cost at 01.10.2021	119,375	21,714	103,881	96,993	250	1,793
Value adjustment	-598	1,645	2,376	250	-	-
Brought forward	-	-	7,197	-7,197	-	-
Additions during the year	6,460	2,993	22,697	15,376	3,238	-
Disposals during the year	-	-94	-6,248	-7,909	-541	-931
Cost at 30.09.2022	125,237	26,258	129,903	97,513	2,947	862
Depreciation at 01.10.2021	31,539	7,734	48,817	39,467	78	413
Value adjustment	-112	299	1,020	42	-	-
Brought forward	-	-	4,299	-4,299	-	-
Disposals during the year	-	-94	-4,149	-7,679	-71	-359
Depreciation for the year	1,347	2,376	10,978	18,318	90	220
Depreciation at 30.09.2022	32,774	10,315	60,965	45,849	97	274
Carrying amount at 30.09.2022	92,463	15,943	68,938	51,664	2,850	588

tDKK	CONSOLIDATED		PARENT		
	Land and buildings	Plant and fixtures and fittings	Group total	Plant and fixtures and fittings	
Lease assets 2021/2022					
Cost at 01.10.2021		82,235	14,758	96,993	1,793
Value adjustment		-	250	250	-
Brought forward		-	-7,197	-7,197	-
Additions during the year		10,832	4,544	15,376	-
Disposals during the year		-5,612	-2,297	-7,909	-931
Cost at 30.09.2022		87,455	10,058	97,513	862
Depreciation at 01.10.2021		31,344	8,123	39,467	413
Value adjustment		-	42	42	-
Brought forward		-	-4,299	-4,299	-
Disposals during the year		-5,612	-2,067	-7,679	-359
Depreciation for the year		16,381	1,937	18,318	220
Depreciation at 30.09.2022		42,113	3,736	45,849	274
Carrying amount at 30.09.2022		45,342	6,322	51,664	588

Additions for the year includes DKK 2.9 million regarding exercise of an extension option for leased premises.

Low-value leased assets not recognised represent an insignificant amount.

The weighted interest rate for lease assets is 1-4%.

12

tDKK	PARENT COMPANY	
	2022/23	2021/22
Investments in subsidiaries		
Cost at 01.10	107,623	107,623
Capital contribution, subsidiaries	34,861	-
Cost at 30.09	142,484	107,623
Impairment write-down 01.10	7,000	7,000
Impairment write-down for the year	-	-
Cost at 30.09	7,000	7,000
Carrying amount at 30.09	135,484	100,623

Name and registered office	Stake	Share capital tDKK	Equity tDKK	Profit/loss for the year tDKK	Carrying amount tDKK
2022/23					
Gabriel A/S, Aalborg	100%	25,600	240,281	8,256	36,645
Gabriel Ejendomme A/S, Aalborg	100%	1,000	25,250	983	30,932
Gabriel (Tianjin), China	100%	1,593	30,072	-4	1,211
Gabriel North America Inc., USA	100%	8	-19,571	-10,537	66,696
			276,032	-1,301	135,484
2021/22		tDKK	tDKK	tDKK	tDKK
Gabriel A/S, Aalborg	100%	25,600	257,904	53,338	36,645
Gabriel Ejendomme A/S, Aalborg	100%	1,000	24,268	1,276	30,932
Gabriel (Tianjin), China	100%	1,772	33,417	6,153	1,211
Gabriel North America Inc., USA	100%	8	-5,353	-8,953	31,835
			310,236	51,814	100,623

The loss realised by Gabriel North America Inc. in 2022/23 was due to the continued start-up of activities in Mexico resulting from the purchase of Grupo RyL S.A. de C.V. For this reason, and based on impairment testing and on expected future earnings, management considered that there is no indication of impairment.

There are no indicators of impairment for other investments.

Amounts owed by subsidiaries are tDKK 40,318 (tDKK 58,575 in 2021/22).

tDKK	CONSOLIDATED	
	2022/23	2021/22
13 Investments in joint ventures		
Cost at 01.10	13,811	13,811
Cost at 30.09	13,811	13,811
Adjustments at 01.10	18,226	19,626
Share of profit for the year	612	306
Adjustment, beginning of period	-62	7
Dividends distributed	-142	-1,521
Intra-group profit	-80	-135
Value adjustment, property	-71	-57
Adjustments for the year	257	-1,400
Adjustments at 30.09	18,483	18,226
Carrying amount at 30.09	32,294	32,037

The Group holds 49.3% of the voting rights in UAB Scandye, Lithuania. UAB Scandye is co-owned with two other shareholders. The shareholders' agreement provides that all material decisions concerning the company's activities must be unanimous, which means that all shareholders have a joint controlling interest. Given that all shareholders of UAB Scandye are entitled to a proportionate share of the company's net assets, the investment is accounted for as a joint venture.

Financial information for UAB Scandye in accordance with the Group's accounting policies:

Net revenue	49,282	54,218
Depreciation	-4,333	-4,755
Finance costs	-320	-193
Tax on profit for the year	-	-
Profit/comprehensive income for the year	1,241	574
Non-current assets	45,781	43,079
Current assets	21,361	25,062
Cash and cash equivalents	7,298	12,130
Non-current liabilities	3,471	5,253
Non-current liabilities excluding trade and other payables	3,471	5,253
Current liabilities	7,130	7,334
Current liabilities excluding trade and other payables	1,796	1,740
Equity	55,697	54,592

Reconciliation of carrying amount at 30 September:

The Group's share of equity	27,438	27,044
Value adjustment, property	575	632
Intra-group profit	-518	-438
Goodwill	4,799	4,799
Carrying amount at 30.09	32,294	32,037

Management has impairment-tested the carrying amount of goodwill. The test was based on the budget for 2023/24 and projection for the years 2024/25 to 2027/28 using projected cash flows and a discount rate after tax of 10.5%. The test has not resulted in any impairment, and the margin is considerable. Probable changes in key assumptions are therefore judged not to result in impairment.

tDKK	CONSOLIDATED		PARENT COMPANY	
	2022/23	2021/22	2022/23	2021/22
14 Inventories				
Raw materials and consumables	140,884	174,029	-	-
Work in progress	16,268	13,435	-	-
Finished goods and goods for resale	66,680	58,866	-	-
	223,832	246,330	-	-

Goods with a value of tDKK 9,909 (2021/22: tDKK 6,000) have been written down by tDKK 4,346 (2021/22: tDKK 2,930) to projected net realisable value.

As part of usual Group operations, the Group has entered into purchase agreements for future raw material supplies amounting to tDKK 22,909 (30 September 2022: tDKK 28,917) to ensure raw material supplies in 2023/24.

tDKK	CONSOLIDATED		PARENT COMPANY	
	2022/23	2021/22	2022/23	2021/22
15 Receivables				
Trade receivables	99,954	120,016	-	-
Amounts owed by subsidiaries	-	-	8,136	7,073
Other receivables	34,520	25,416	26,155	16,633
	134,474	145,432	34,290	23,706

Credit risks associated with the individual receivables depend primarily on the location of the debtors. On the basis of the Group's internal credit rating procedures and external credit ratings, the creditworthiness of receivables not written down is assessed to be high and to pose a low risk of loss. See also note 22 for information on credit risks.

The Group's trade receivables are distributed as follows by geographical area:

Denmark	17,720	17,799
Europe	57,934	69,597
USA	19,248	26,083
Asia	4,110	5,515
Other countries	942	1,022
	99,954	120,016

The Group's trade receivables at 30 September 2023 include receivables totalling tDKK 629, written down by tDKK 626. Receivables included in 2021/22 were tDKK 621, written down by tDKK 619. Bad debts were due to customer bankruptcy or anticipated payment default.

Write-downs on trade receivables and loss rates are specified as follows:

2022/23	Loss rate	Trade receivables	Write-down	Total
Not overdue	0.0%	77,875	-	77,875
Up to 30 days	0.0%	13,331	-	13,331
Between 30 and 60 days	0.0%	2,350	-	2,350
Over 60 days	8.9%	7,024	626	6,398
	0.6%	100,580	626	99,954

Interest income arising from receivables written down is not recognised.

Write-downs of the Group's trade receivables concern Europe.

15 **Receivables**
contd.

2022/23	Loss rate	Trade receivables	Expected loss based on	
			historical loss rates	
Denmark	0.0%	17,720	-	
Europe	1.1%	57,934	626	
USA	0.0%	19,248	-	
Asia	0.0%	4,110	-	
Other countries	0.0%	942	-	
		99,954	626	

The Gabriel Group does not have a past record of major bad debts, and bad debts are therefore also expected to be limited in the future.

2021/22	Loss rate	Trade receivables	Write-down	Expected loss based on	
				historical loss rates	
Not overdue	0.0%	98,135	-	98,135	
Up to 30 days	0.0%	12,981	-	12,981	
Between 30 and 60 days	0.0%	2,334	-	2,334	
Over 60 days	7.1%	7,069	503	6,566	
	0.4%	120,519	503	120,016	

Interest income arising from receivables written down is not recognised.

Write-downs of the Group's trade receivables concern Europe.

2021/22	Loss rate	Trade receivables	Expected loss based on	
			historical loss rates	
Denmark	0.0%	17,799	-	
Europe	0.7%	70,100	503	
USA	0.0%	26,083	-	
Asia	0.0%	5,515	-	
Other countries	0.0%	1,022	-	
		120,519	503	

16 **Research and development costs**

The correlation between research and development costs incurred and expensed is specified as follows:

tDKK	CONSOLIDATED	
	2022/23	2021/22
Research and development costs incurred	28,067	25,701
Development costs recognised as intangible assets	-13,452	-9,271
Research and development costs for the year recognised in the income statement under staff and other external costs	14,615	16,430

17 **Share capital**

	SHARES ISSUED			
	Number		Nominal value (tDKK)	
	2022/23	2021/22	2022/23	2021/22
1 October	1,890,000	1,890,000	37,800	37,800
30 September	1,890,000	1,890,000	37,800	37,800

The share capital comprises 1,890,000 shares of DKK 20 each. No shares carry special rights and the share capital is fully paid up.

Neither the Group nor the parent company holds any treasury shares.

Capital management

The Group's ordinary activities still generate reasonable cash flows, enabling it to maintain solid financial resources. The Group regularly assesses the need for adjusting its capital structure. A high equity ratio has always been a top priority for Gabriel in order to maximise room for manoeuvre in all situations. The Group's equity ratio was 40.1% on 30 September 2023 (30 September 2022: 41.3%).

The Group always wishes to provide its shareholders with regular returns on their investments, while maintaining an appropriate level of equity to ensure the company's future operations. However, the Board of Directors recommends that no dividends be paid for the 2022/23 financial year. (Dividends in 2021/22 were DKK 20.3 million).

Against this background, the present capital resources are deemed adequate in the present economic climate.

tDKK	CONSOLIDATED		PARENT COMPANY	
	2022/23	2021/22	2022/23	2021/22
18 Deferred tax				
Deferred tax at 01.10	-15,014	-7,949	166	98
Exchange rate adjustment	-2,938	-2,726	-	-
Deferred tax for the year recognised in the income statement	6,903	-4,332	2	68
Adjustment in respect of previous years	-147	-7	-	-
Deferred tax at 30.09	-11,196	-15,014	168	166
Deferred tax is recognised as follows in the statement of financial position:				
Deferred tax assets	-23,227	-25,003	-	-
Deferred tax liabilities	12,031	9,989	168	166
Deferred tax at 30.09, net	-11,196	-15,014	168	166
Deferred tax concerns:				
Intangible assets	7,919	7,973	-	-
Plant, fixtures and fittings and equipment	5,221	3,060	168	166
Financial assets	-11	-13	-	-
Current assets	-1,097	-1,043	-	-
Tax loss carryforwards	-23,227	-24,991	-	-
	-11,196	-15,014	168	166

18 **Deferred tax**
contd.

Deferred tax assets primarily concern the Group companies Gabriel North America (DKK 6.4 million), Grupo RyL (DKK 15.4 million) and Screen Solutions Ltd (DKK 0.8 million) and mainly relate to the tax loss carryforwards.

All three companies realised losses in 2022/23, and management therefore made a detailed assessment of the possibilities of utilising the tax assets.

Gabriel North America and Grupo RyL

On the strength of major customer potential on the North and South American markets, including via the acquisition of the production facility in Mexico and based on budgets/forecasts, management considered that there is every probability that the tax assets in the USA and Mexico can be utilised within the next four or five years. The full value of the tax asset for Gabriel North America is DKK 11.3 million, of which DKK 6.4 million is recognised in the deferred tax asset. Similarly, the full value of the tax asset for Grupo RyL is DKK 16.7 million, of which DKK 15.4 million is recognised in the deferred tax asset.

Budgets/forecasts have been prepared for Gabriel North America for the next five years. Projected earnings support utilisation within four or five years, based on expected annual revenue growth in fabric sales of the order of 20%, plus additional earnings from goods produced by Grupo RyL for American customers. Covid-19 naturally continued to have an adverse effect on earnings for the year, increasing prices of raw materials and carriage.

The FurnMaster production activities in Grupo RyL will have a positive effect on the American company's earnings due to cost reductions and on Grupo RyL due to better utilisation of capacity. In accordance with a transfer pricing agreement, trading between the companies will give both companies positive earnings from sales.

Please see note 10 on impairment testing of goodwill and expected earnings for Grupo RyL. Projected development is supported by expanded as well as new customer partnerships, including by better capacity utilisation via the production activities taken over from Gabriel North America, and other production optimisation initiatives.

Screen Solutions

The tax asset totals DKK 6.0 million, primarily concerning a tax loss carryforward. Via the potential for Screen Solutions products, management expects to continue to utilise tax losses in the UK company within four or five years. On this basis, a deferred tax asset of DKK 0.8 million has been recognised.

Please see note 10 on impairment testing and expected earnings.

Positive earnings for the UK company are expected to be driven mainly by income from the FurnMaster companies' sale of Screen Solutions products. Customer agreements entered into in the 2021/22 and 2022/23 financial years support projected sales. Intensified focus on revenue from fabrics in England is also planned with a view to increasing income from storage and logistics activities. Cost-cutting measures have also been implemented.

tDKK	CONSOLIDATED		PARENT COMPANY	
	2022/23	2021/22	2022/23	2021/22
19 Credit institutions				
Amounts owed to credit institutions relate to:				
Mortgage debt, mortgage lender	38,983	41,570	-	-
Mortgage debt, bank	-	-	-	-
Increase in credit facility (not regarded as cash or cash equivalents)	97,500	97,500	-	-
Drawing on credit facility at bank	209,628	193,253	-	-
Total carrying amount	346,111	332,323	-	-
Amounts owed to credit institutions were recognised in the statement of financial position as follows:				
Non-current liabilities	36,324	38,923	-	-
Current liabilities	309,787	293,400	-	-
Total carrying amount	346,111	332,323	-	-
Fair value is calculated at market value (level 1)	346,111	332,323	-	-
Contractual cash flows from the mortgage debt are due as follows:				
0-1 years	2,659	3,148		
1-5 years	10,066	9,323		
> 5 years	26,258	33,535		

As a result of the open credit, current liabilities to credit institutions are not expected to be repaid in the 2022/23 financial year. The Group still has undrawn credit facilities.

Mortgage debt to mortgage lender comprises two loans: A fixed-rate annuity loan in DKK with interest of 0.75% p.a. and principal of tDKK 42,780, and a floating-rate bond loan with interest at present of 3.57% p.a. and principal of tDKK 6,162.

The maturity analysis is based on all undiscounted cash flows, including estimated interest payments. Interest payments are estimated on the basis of existing market conditions.

tDKK	CONSOLIDATED			
	2022/23		2021/22	
20 Lease liabilities				
Lease liabilities are recognised as follows in the statement of financial position:				
	Minimum lease payment	Carrying amount	Minimum lease payment	Carrying amount
0-1 years	18,526	18,164	19,688	19,303
1-5 years	29,761	29,177	29,641	29,064
> 5 years	6,664	6,534	5,395	5,289
	54,951	53,875	54,724	53,656
Interest component	-1,076	-	-1,068	-
Net present value of minimum lease payments	53,875	53,875	53,656	53,656

		CONSOLIDATED			
tDKK		2022/23			
21	Cash flows from financing activities			Lease	
		Mortgage	Credit	commitment	Changes in
		debt	facility	s	cash flows
	1 October 2022	41,570	97,500	53,656	
	Value adjustment	-	-	-1,807	
	Repayment of debt to credit institutions	-2,587	-	-21,088	-23,675
	Increase in lease commitments	-	-	23,114	
	30 September 2023	38,983	97,500	53,875	-23,675
		CONSOLIDATED			
tDKK		2021/22			
	Cash flows from financing activities			Lease	
		Mortgage	Credit	commitment	Changes in
		debt	facility	s	cash flows
	1 October 2021	49,044	97,500	56,754	
	Value adjustment	-	-	1,949	
	Repayment of debt to credit institutions	-7,474	-	-19,316	-26,790
	Increase in lease commitments	-	-	14,269	
	30 September 2022	41,570	97,500	53,656	-26,790

22 Financial risks and financial instruments

Given its operations, investments and financing, the Gabriel Group is exposed to a number of financial risks, including market (currency, interest rates and raw materials), credit and liquidity. Gabriel's policy is not to engage in active speculation on financial risks. The Group's financial management thus covers only the management and reduction of the financial risks arising directly from its operations, investments and financing. The Group has a finance policy covering currency, investing, financing and credit policy relative to the Group's financial partners. The policy also describes approved financial instruments and risk limits.

The Group occasionally hedges currency risks, considering projected future cash flows and projected future exchange rate movements and decides whether each transaction qualifies for hedge accounting. The majority of sales in Europe, America and China are settled in the customer's functional currency, while EUR is primarily used for settlement with other international customers. Currency risks generated by income thus primarily concern USD and RMB but, as most income is invoiced in the Scandinavian currencies or EUR and net income and cost items are equalled out as far as possible, the risk is judged to be relatively limited. The Group's most important purchases are settled in DKK, EUR or USD.

Management monitors the Group's risk concentration broken down by customers, geographical areas, currencies etc. Management also monitors whether the Group's risks are correlated, and whether its risk concentration has undergone any changes.

Following the acquisitions in England and Mexico and the expansion of activities in North America, the Group's financial risk exposure to the respective currencies has increased. Except for the above, the Group's risk exposure and risk management have not changed materially since 2021/22.

The Group's categories of financial assets and liabilities are given below:

tDKK	CARRYING AMOUNT	
	2022/23	2021/22
Receivables	134,474	145,432
Cash and cash equivalents	38,506	77,091
Financial assets measured at amortised cost	172,980	222,523
Amounts owed to credit institutions	346,111	332,323
Financial lease liabilities	53,875	53,656
Trade payables	40,392	62,534
Amounts owed to joint venture	1,259	1,203
Other payables	33,512	30,105
Financial liabilities measured at amortised cost	475,148	479,821

The fair value of financial assets and liabilities is in line with the carrying amounts.

22 Financial risks and derivative financial instruments

contd.

Currency risk

The Group's foreign exchange positions in Danish kroner were as follows on 30 September 2023:

Currency (tDKK)	Cash and cash equivalents/trade receivables	Bank loans/trade payables/credit institutions	Open forward contracts
DKK	1,669	-320,890	-
EUR	80,203	-75,533	-
SEK	3,545	-1,287	-
NOK	407	-101	-
GBP	6,302	-8,124	-
USD	26,887	-21,824	-
PLN	206	-554	-
RMB	18,168	-12,052	-
MXN	96	-95	-
Other	1,048	-17	-
Abroad	136,862	-119,587	-

The Group's foreign exchange positions in Danish kroner were as follows on 30 September 2022:

Currency (tDKK)	Cash and cash equivalents/trade receivables	Bank loans/trade payables/credit institutions	Open forward contracts
DKK	1,190	-304,183	-
EUR	115,301	-89,617	-
SEK	3,810	-2,809	-
NOK	500	-159	-
GBP	6,949	-10,300	-
USD	36,411	-34,105	-
PLN	237	-2,632	-
RMB	31,106	-2,873	-
MXN	195	-1,835	-
Other	1,409	-	-
Abroad	195,918	-144,330	-

The net position was computed recognising future transactions in foreign currency which are hedged via the above open forward contracts.

The Group did not use forward exchange transactions in 2021/22 and 2022/23.

A probable change in the exchange rates at 30 September 2023 may have an impact on results and equity, because of the currency exposure at 30 September 2022. The Group also experienced major exchange rate fluctuations in the 2022/23 financial year, in particular attributable to the USD, GBP and RMB and, if this development continues in the next financial year, the effect will be as follows for selected, major currencies (a change in the opposite direction will have the opposite effect on profit for the year before tax and equity):

22 Financial risks and derivative financial instruments

contd.

Currency exposure at 30 September 2023

Currency	Net position	Probable change in exchange rate	Effect on profit for the year before tax	Effect on equity
USD/DKK	5,063	-3%	-152	-118
EUR/DKK	4,670	0%	0	0
RMB/DKK	6,116	0%	0	0
GBP/DKK	-1,822	1%	-18	-15

Currency exposure at 30 September 2022

Currency	Net position	Probable change in exchange rate	Effect on profit for the year before tax	Effect on equity
USD/DKK	2,306	-3%	-69	-54
EUR/DKK	25,684	0%	0	0
RMB/DKK	28,233	0%	0	0
GBP/DKK	-3,351	1%	-34	-27

In 2023/24, the Group's foreign currency exposure is expected to be essentially unchanged relative to 2022/23.

Liquidity and interest rate risks

At 30 September 2023, the Group had net cash at bank of a negative of DKK 171.1 million (2021/22: of a negative of DKK 116.2 million) plus still undrawn lines of credit. The Group is thus deemed to have adequate liquidity to ensure the ongoing financing of future operations and investments.

Ongoing operating credits are available to the Group. Mortgage loans are also taken out with mortgage lenders. The loans are in DKK and at fixed and floating rates of interest. Finance leasing agreements for vehicles and machinery were drawn up: in DKK with a floating interest rate; in EUR with a fixed interest rate and in USD with a fixed interest rate. The agreements have terms of one to four years.

Group financial receivables carry a contractual fixed interest rate throughout their lives. On this basis, an isolated rise or fall of one percentage point in the market rate is judged not to be of major significance for the Group's profit.

Risks relating to raw materials

The Group typically enters into cooperation agreements with its key suppliers to ensure reliability of delivery and to lock prices. As indicated in note 14, Gabriel has concluded purchase agreements for raw material supplies for 2023/24. The Group is not exposed to any major price risks arising from its use of raw materials.

Credit risks

In line with Group credit risk policy, all major customers and other business partners are regularly credit rated. Credit risk management is based on internal credit lines for customers. Prompted by the financial crisis, the Group has intensified its focus on the approval of customer credit lines and strengthened its customer management and monitoring. Group trade receivables are distributed across numerous customers, countries and markets, ensuring a high degree of risk diversification. On the basis of the Group's internal credit procedures, it is judged that the quality of the Group's trade receivables depends primarily on the debtor's home country. The creditworthiness of debtors from Scandinavia and the EU is usually higher than that of debtors from other countries.

The Group aims to reduce risk through efficient monitoring, follow-up and credit insurance of major foreign and domestic receivables or alternative collateral. Credit insurance was taken out for all major foreign and domestic receivables at 30 September 2022. The Group's trade receivables are usually paid no later than one to two months after delivery. The Group has a past record of minor bad debts and is usually exposed to only a limited risk of major losses. We refer to note 15.

23 Contingent liabilities and collateral**PARENT COMPANY**

The parent company has issued a letter of subordination to the bankers of the subsidiary Gabriel A/S covering the subsidiary's current bank loans.

The parent company is jointly taxed with other Danish companies in the Gabriel Holding Group. In its capacity as the administrative company, the parent company has unlimited joint and several liability with the other companies in the joint taxation unit for Danish corporation taxes and withholding taxes on dividends and interest within the joint taxation unit. Any subsequent corrections to corporation and withholding taxes could result in a change in the amount of the company's liability.

CONSOLIDATED

Land and buildings have been provided as collateral for mortgage debt to the mortgage lender. The carrying amount of land and buildings was tDKK 94,303 at 30 September 2023 (30 September 2022: tDKK 92,463), while mortgage debt to the mortgage lender was tDKK 38,983 (30 September 2022: tDKK 41,570). Land and buildings have been provided as collateral for the mortgage debt relating to Gabriel Ejendomme A/S. The carrying amount was tDKK 79,502 (30 September 2022: tDKK 78,028).

The Group also has a few pending or potential claims or legal actions which cannot significantly affect its financial position.

24 Transactions with Group companies, major shareholders, Board of Directors and Executive Board

The parent company's related parties comprise subsidiaries and joint ventures, their Boards of Directors and Executive Boards. Related parties also comprise companies over which the above persons have significant influence. Gabriel Holding A/S has no related parties exercising control.

The parent company is jointly taxed with other Danish companies in the Gabriel Holding Group, which means that the parent company is liable for Danish corporation and withholding taxes etc. within the joint taxation unit.

tDKK	PARENT COMPANY	
	2022/23	2021/22
Administration fee from subsidiaries	11,340	11,340
Net interest income from subsidiaries	-2,816	-268
Rent from subsidiaries	363	341
Dividends from subsidiaries	25,000	27,536

Transactions with subsidiaries were eliminated in the consolidated financial statements, in accordance with the accounting policy.

The related parties include a joint venture over which Gabriel exercises joint control. Trading with the joint venture business UAB Scandye comprised the following:

tDKK	CONSOLIDATED	
	2022/23	2021/22
Purchases from joint venture	38,089	43,314

Apart from the executives' and directors' remuneration disclosed in note 5, the Group and parent company effected no transactions with the Board of Directors, Executive Board, executive employees, major shareholders or other related parties during the year.

25 Accounting estimates and judgments

The carrying amount of certain assets and liabilities is stated on the basis of management's estimated impact of future events on the value of these assets and liabilities at the statement of financial position date. Estimates of importance to the financial reporting mainly concern acquisitions of subsidiaries, valuation of goodwill and deferred tax assets. Estimates are also made when calculating write-downs for inventory obsolescence and impairment tests on development projects.

On acquisition of enterprises, the acquired identifiable assets, liabilities and contingencies are recognised at fair value, in accordance with the acquisition method. For a majority of the assets and liabilities acquired, no active market exists which can be used to determine the fair value. This applies in particular to acquired intangible assets. Methods typically used are based on the net present value of expected future cash flows, e.g. royalty payments or other expected net cash flows associated with an asset. Management therefore estimates the fair value of acquired assets, liabilities and contingencies. Depending on the nature of the item, the fair value may therefore be uncertain and could require subsequent adjustment.

When the annual impairment test of goodwill is performed, or when there is an indication of impairment, an estimate is made of how the enterprise's individual cash-generating units, to which the goodwill relates, will be able to generate sufficient positive net cash flows to support the value of goodwill and other net assets of the unit. Estimates of future cash flows for many years going forward will be subject to some degree of uncertainty. This uncertainty is reflected in the selected discount rate. Impairment testing is described in note 10.

Management assessed the recognised tax assets based on expected future earnings in the countries to which the tax assets relate. For recent losses, it also assessed whether there was a convincing basis for recognising the deferred tax assets. It concluded on the basis of budgets and projections of budgets that the recognised deferred tax assets can be used within four to five years. We refer to note 18.

The uncertainty of estimates of inventories is connected to write-downs to net realisable value. The need for write-downs is deemed to be unchanged and assessment is still based on the development within colour and product combinations and associated raw materials and consumables. Write-downs on inventories follow the Group's practice for write-downs, which includes an assessment of the inventory turnover ratio and possible losses as a result of obsolescence, quality problems and economic conditions. Total inventory write-down was tDKK 4,346 at 30 September 2023, compared to tDKK 2,930 last year.

Development projects in progress are impairment-tested at least once a year. Development projects are projects based on future expectations for fashion, colours and design, and the test is thus based on future expectations for customer and market demands. Innovation projects are established for the purpose of identifying new products within associated business areas. These circumstances form the basis for management's estimates of the recoverable amount of the ongoing development and innovation projects in the form of expected future net cash flows including costs of completion.

Judgments in applying accounting policies

In the application of accounting policies, management made no special judgments of major significance to the financial reporting.

26 Subsequent events

No events of significance to the 2022/23 financial statements have occurred since the statement date.

27 Accounting policies

Gabriel Holding A/S is a limited liability company domiciled in Denmark. The financial section of the annual report for the period 1 October 2022 – 30 September 2023 comprises the consolidated financial statements for Gabriel Holding A/S and its subsidiaries (the Group) and separate parent company financial statements.

The consolidated financial statements and the parent company financial statements of Gabriel Holding A/S for 2022/23 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and with the Danish disclosure requirements for listed companies.

The Board of Directors and the Executive Board discussed and approved the annual report for 2022/23 of Gabriel Holding A/S on 16 November 2023. The annual report will be presented to the shareholders of Gabriel Holding A/S for approval at the annual general meeting on 14 December 2023.

Basis for preparation

The consolidated financial statements and the parent company financial statements are presented in DKK rounded to the nearest DKK 1,000.

The accounting policies described below were applied consistently during the financial year and for the comparative figures.

Implementation of new standards and IFRICs

Gabriel Holding A/S has implemented the standards and IFRICs which entered into force for 2022/23. None of the new standards or IFRICs is deemed to influence financial reporting for the Group or the parent company.

27 Accounting policies

contd.

ACCOUNTING POLICIES APPLIED

Consolidated financial statements

The consolidated financial statements comprise the parent company Gabriel Holding A/S and subsidiaries over which Gabriel Holding A/S exercises control, i.e. the power to govern the financial and operating policies so as to obtain benefits from its activities. An investor is deemed to control another enterprise when the investor exercises control (power) over it and has the possibility or right to receive variable returns from it and the ability to affect the size of the returns through this control. When control is assessed in the terms of IFRS 10, an investee must be consolidated when the parent has de facto control over it, even if the parent does not own the majority of shares or votes.

On the basis of the absolute sizes of stakes and the other shareholders' proportionate stakes, including votes and mutual relationships, the Group's management considers its ownership interest to be sufficient to constitute de facto control.

Joint arrangements are activities or businesses over which the Group has a controlling interest, through cooperation agreements with one or more parties. Joint controlling interest means that decisions about the relevant activities require the unanimous consent of all parties holding a joint controlling interest. Joint arrangements are classified as joint ventures or joint operations. Joint operations are activities in which the participants have direct rights over assets and direct obligations for liabilities, while joint ventures are activities where the participants only have rights over the net assets.

The consolidated financial statements include the parent company Gabriel Holding A/S and the subsidiaries Gabriel A/S, Gabriel Ejendomme A/S, Gabriel Innovation A/S, Gabriel (Tianjin) International Trading Co. Ltd., UAB FurnMaster, FurnMaster Sp. z o.o., Screen Solutions Ltd, Gabriel GmbH, Gabriel Sweden AB, Gabriel North America Inc., Gabriel Iberica SL, UAB Gabriel Textiles, UAB Gabriel Baltics, UAB SampleMaster, Grupo RyL S.A. de C.V. and Visiotex GmbH. UAB Scandye is considered a joint venture and was recognised under investments in joint ventures in the annual report.

The consolidated financial statements were prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, in accordance with the Group's accounting policies, with elimination of intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains on intra-group transactions. Unrealised gains on transactions with joint ventures are eliminated in proportion to the Group's ownership share of the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, unless impairment has occurred.

The items of subsidiaries are fully recognised in the consolidated financial statements. The non-controlling parties' share of the profit for the year, and of the equity in subsidiaries which are not 100% owned, is included as a part of the Group's result or equity, but shown separately.

Business combinations

Enterprises acquired or formed during the year are included in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated financial statements until the date of disposal. Comparative figures are not restated for acquisitions.

The acquisition method is used on acquisitions of new businesses where the Gabriel Holding A/S Group gains control. The acquired company's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Deferred tax on the revaluations made is recognised.

The acquisition date is the date on which Gabriel Holding A/S effectively gains control of the acquired business.

Costs attributable to business combinations are recognised directly in the profit for the year when incurred.

27 Accounting policies

contd.

Foreign currency translation

For each of the reporting entities in the Group, a functional currency is determined. The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions denominated in currencies other than the functional currency are foreign currency transactions. On initial recognition, foreign currency transactions are translated into the functional currency at the exchange rates on the transaction date. Foreign exchange differences arising between the transaction date and the date of payment are recognised in profit or loss as finance income or finance costs. Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates applicable at the end of the reporting period. The difference between the exchange rates at the end of the reporting period and on the date on which the receivable or payable arose or was recognised in the latest annual report is recognised in profit or loss as finance income or finance costs.

On recognition in the consolidated financial statements of subsidiaries with a functional currency other than the DKK, the income statements are translated at the exchange rates of the transaction date, and the items in the statement of financial position are translated at the exchange rates applicable at the end of the reporting period. An average exchange rate for each month is used as the transaction date exchange rate, unless this would significantly distort the presentation of the underlying transactions.

Foreign exchange differences arising on translation of the opening balance of equity of such foreign operations at the exchange rates applicable at the end of the reporting period, and on translation of the income statements from the exchange rates of the transaction date to the exchange rates applicable at the end of the reporting period, are recognised in other comprehensive income, in a separate translation reserve under equity.

On recognition in the consolidated financial statements of joint ventures with a functional currency other than the DKK, the share of profit/loss for the year is translated at average exchange rates. The share of equity, including goodwill, is translated at the exchange rates applicable at the end of the reporting period. Foreign exchange differences arising on the translation of the share of the opening equity of foreign joint ventures, at the exchange rates applicable at the end of the reporting period, and on translation of the share of profit/loss for the year from average exchange rates to the exchange rates applicable at the end of the reporting period, are recognised in other comprehensive income in a separate translation reserve under equity.

Exchange rate adjustments to the exchange rates applicable at the end of the reporting period of balances which are considered part of the net investment in foreign activities are recognised in other comprehensive income in the consolidated financial statement as a separate translation reserve under equity.

Derivative financial instruments

Derivative financial instruments are recognised and measured in the statement of financial position at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively. Fair values for derivative financial instruments are measured on the basis of current market data and acknowledged valuation methods.

Changes in the fair value of derivative financial instruments designated, and qualifying for recognition, as a hedge of the fair value of a recognised asset or liability are recognised in the results, together with changes in the value of the hedged asset or liability as regards the portion hedged.

Changes in the fair value of derivative financial instruments designated, and qualifying for recognition, as a hedge of future cash flows, and which effectively hedge changes in future cash flows, are recognised in equity under a separate reserve for hedging transactions until the hedged cash flows affect the results. At this time, any gain or loss regarding such hedging transactions is transferred from equity and recognised in the same item as the hedged item.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement as finance income or finance costs.

27 Accounting policies

contd.

INCOME STATEMENT

Net revenue

Revenue from the sale of goods for resale and finished goods is recognised as revenue, provided that delivery and transfer of risk to the buyer have taken place before the year end, that the income can be reliably measured, and that it is expected to be received. Rental income is accrued and recognised on a straight-line basis over the period, in accordance with contracts entered into.

Net revenue is measured ex-VAT, taxes and discounts in relation to the sale.

The terms of payment in the Group's sales agreements with customers depend on the product, the performance obligation and the underlying customer relationship. Payment terms are typically 1-2 months.

The Group generally has no refund liabilities and only usual guarantee obligations on the sale of goods.

Other operating income and costs

Other operating income and costs comprise items secondary to the principal activities of the enterprise, including gains on the sale of intangible assets and property, plant and equipment.

Public subsidies

Public subsidies comprise subsidies and financing of development projects. Public subsidies are recognised in the income statement under other operating income in step with payment/amortisation of the costs eligible for subsidy. In the statement of financial position, public subsidies are recognised under deferred income.

Cost of sales etc.

These costs include costs paid to achieve the year's net revenue, including direct and indirect costs of raw materials and consumables, goods for resale and energy etc.

The cost of sales etc. also includes direct and indirect costs of wages and consumables in connection with Group production.

Other external costs

Other external costs relate mainly to sales, distribution, maintenance, premises and administration.

Profit/loss from investments in joint ventures in the consolidated financial statements

The Group's proportionate share of the results after tax of the joint venture business is recognised in the consolidated income statement after elimination of the proportionate share of intra-group profits/losses.

27 Accounting policies
contd.

Finance income and finance costs

Finance income and finance costs comprise interest income and expenditure, gains and losses as well as write-downs on payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities and surcharges and refunds under the on-account tax scheme etc. Realised and unrealised gains and losses on derivative financial instruments which are not designated as hedging arrangements are also included.

Dividends received from investments in subsidiaries are recognised in the parent company income statement in the financial year when the dividends are declared. If distributed dividends exceed comprehensive income for the relevant period, an impairment test is carried out.

Tax on profit for the year

Gabriel Holding A/S is jointly taxed with all Danish subsidiaries. The current Danish corporation tax is allocated between the jointly taxed Danish companies in proportion to their taxable incomes (full absorption with deduction for tax losses). The jointly taxed companies are included in the on-account tax scheme.

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit for the year is recognised in the income statement, and the tax expense relating to changes directly recognised in equity is recognised directly in equity.

STATEMENT OF FINANCIAL POSITION

Goodwill

Goodwill is recognised at cost on initial recognition in the statement of financial position as described under Business combinations. Goodwill is subsequently measured at cost less cumulative impairment losses. Goodwill is not amortised.

Acquired product technology assets

Acquired product technology assets are acquired patents, technologies and trademarks in connection with the acquisition of a business. Assets are calculated at fair value on the acquisition date using the relief from royalty method, i.e. by discounting royalty savings through owning, rather than identifying the technology in question. Acquired product technology assets are amortised over an expected useful life of seven to ten years.

Development projects

Development costs comprise costs, salaries and amortisation which are directly or indirectly attributable to the company's development activities.

Clearly defined and identifiable development projects are recognised as non-current, intangible assets where there is evidence of the degree of technical utilisation, sufficient resources and a potential future market or development opportunities in the company. The company must intend to produce, market or use the project, the cost must be reliably measured and there must be sufficient assurance that future earnings will cover administrative, production, distribution and development costs.

Other development costs are recognised in the income statement as incurred.

Capitalised development costs are measured at the lower of cost less cumulative amortisation and impairment losses and recoverable amount.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The usual amortisation period is five years.

27 Accounting policies
contd.

Property, plant and equipment

Land and buildings, plant and machinery, fixtures and fittings, and other plant and equipment are measured at cost less cumulative depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, suppliers, wages and salaries as well as borrowing costs arising from specific and general borrowing directly relating to the construction of the individual asset.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items which are depreciated separately.

The cost of finance leases is stated at the lower of fair value and the net present value of future minimum lease payments. When the net present value of the future lease payments is calculated, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor.

Subsequent costs arising, for example, from the replacement of components of property, plant and equipment, are recognised in the carrying amount of the relevant asset when it is probable that future economic benefits will flow to the Group. The components replaced will no longer be recognised in the statement of financial position and the carrying amount will be transferred to the income statement. All other ordinary costs of repair and maintenance will be recognised in the income statement as incurred.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets/components as follows:

Buildings	10-50 years
Leasehold improvements	Term of the lease
Plant, fixtures and fittings and equipment	3-15 years
Land is not depreciated.	

Depreciation is calculated as residual value less impairment losses. Depreciation period and residual value are determined on the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

When the depreciation period or the residual value is changed, the effect on depreciation is recognised prospectively as a change in accounting estimates.

Gains and losses on the disposal of non-current property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount on the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs.

Impairment test of non-current assets

The carrying amount of non-current assets is tested annually for indicators of impairment. When there is an indication that assets may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of an asset's fair value less anticipated costs of disposal and its value in use. The value in use is calculated as the net present value of forecast future cash flows from the asset or from the cash-generating unit to which the asset belongs.

An impairment loss is recognised if the carrying amount of the net asset exceeds its recoverable amount.

Investments in joint ventures in the consolidated financial statements

Investments in joint ventures are measured according to the equity method.

Investments in joint ventures are measured in the statement of financial position as the Group's share of the enterprises' equity values, calculated in accordance with the Group's accounting policies, plus or minus the proportionate share of unrealised intra-group profits and losses and plus the carrying amount of goodwill. Investments in joint ventures are tested for impairment when there is an indication of impairment.

27 Accounting policies
contd.

Investments in subsidiaries in the parent company's financial statements

Investments in subsidiaries are measured at cost. Where the recoverable amount is lower than cost, investments are written down to this lower value.

A distribution of reserves other than retained earnings in subsidiaries will reduce the cost of investments when the distribution is characterised as repayment of the parent company's investment.

Inventories

Inventories are measured at cost by the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale, raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages/salaries and indirect production overheads. Indirect production costs comprise indirect materials, wages/salaries and maintenance as well as depreciation of production equipment, buildings and equipment and factory administration and management.

The net realisable value of inventories is calculated as the sale amount less costs of completion and costs necessary to make the sale. It is determined taking into account marketability, obsolescence and development in expected sale price.

Receivables

Receivables are measured at amortised cost. Impairment allowances are made using the simplified expected credit loss model, under which the total loss is recognised immediately in the income statement at the same time as the receivable is recognised in the statement of financial position based on the expected loss over the receivable's lifetime.

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are approved at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Translation reserve

The translation reserve in the consolidated financial statements comprises foreign exchange differences arising on translation of financial statements of foreign enterprises from their functional currencies to Danish kroner.

Current tax and deferred tax

Current tax payable and receivable is recognised in the statement of financial position as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the statement of financial position liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability.

Deferred tax assets are recognised at the expected value of their utilisation, either as a set-off against tax on future earnings or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

27 Accounting policies
contd.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the statement of financial position date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Financial liabilities

Financial liabilities are recognised at the date of borrowing, as the net proceeds received, less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. The difference between the proceeds and the nominal value is accordingly recognised in the income statement as finance costs over the term of the loan. Financial liabilities include the capitalised residual obligation on finance leases measured at amortised cost.

Other liabilities are measured at net realisable value.

Leasing

The Group recognises a lease asset and a lease liability on the commencement date of the lease. On initial recognition, the lease asset is measured at cost, which comprises the value of the lease liability adjusted for any lease payments made at or before commencement, any initial direct costs incurred and an estimate of any costs to be incurred in dismantling and removing the underlying asset or in restoring the underlying asset or the site on which it is located to a required condition, less any lease incentives received.

The lease asset is subsequently depreciated by the straight-line method over the lease asset's useful life, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost price of the right-of-use asset reflects that the Group will exercise an option to purchase. In that case the lease asset is depreciated over the underlying asset's useful life, which is determined on the same basis as property and equipment.

In addition, the lease asset is reduced regularly by any impairment losses and adjusted by certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not payable on commencement, discounted at the rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group generally uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining rates from different external sources of finance and making certain adjustments to reflect the terms of the lease and the type of leased asset.

Lease payments included in measuring the lease liability comprise the following:

Fixed payments, variable lease payments that depend on an index or a rate measured initially using the index or rate at the commencement date, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option if it is reasonably certain that the Group will exercise that option, lease payments in an optional extension period if it is reasonably certain that the Group will exercise that option, and penalties for early termination of a lease unless it is reasonably certain that the Group will not terminate it early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured if there is a change in future lease payments resulting from a change in an index or a rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option, or if in-substance fixed lease payments are revised.

The Group has chosen not to recognise lease assets and lease liabilities for low-value items and short-term leases. The Group recognises lease payments attached to such leases as a cost on a straight-line basis over the lease term.

27 Accounting policies

contd.

CASH FLOW STATEMENT

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, and cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are recognised as the share of profit/loss adjusted for non-cash operating items, changes in working capital and corporation taxes paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of businesses, of activities, of intangible assets, property, plant and equipment and other non-current assets as well as acquisition and disposal of securities not classified as cash and cash equivalents.

Cash flows from financing activities

Cash flows from financing activities comprise the raising of loans, repayment of interest-bearing debt, acquisition of treasury shares and payment of dividends to shareholders.

Bank loans/cash and cash equivalents

The item covers cash and cash equivalents and bank loans (overdraft facilities).

SEGMENTS

The segment information was prepared in accordance with the Group's accounting policies and follows the internal management reporting.

Segment income and expenses and segment assets and liabilities comprise the items which are directly attributable, or which can reliably be allocated, to the individual segment.

Addition of non-current assets in the segment comprises non-current assets which are used directly in the segment's operation, including intangible assets and property, plant and equipment.

28 New financial reporting regulations

On the date of publication of this annual report, a number of new or revised standards and IFRICs are available, which have not yet entered into force and are consequently not incorporated into the report. The new standards and IFRICs will be implemented as they become mandatory.

None of the new standards or IFRICs is expected to materially influence financial reporting for the Group or the parent company.

Definitions of financial ratios

Invested capital: Working capital plus property, plant and equipment and intangible assets, excluding goodwill, less provisions for liabilities and other non-current operating liabilities.

Working capital: Current assets less current liabilities, which are used or necessary for the Group's operation.

EBITDA margin: Earnings before depreciation, amortisation and impairment losses (EBITDA) as a percentage of net revenue.

EBIT margin: Operating profit (EBIT) as a percentage of net revenue.

Return on invested capital (ROIC): Operating profit (EBIT) as a percentage of average invested capital.

Earnings per share (EPS): Profit/loss after tax divided by average number of shares

Earnings per share, diluted (EPS-D): Profit/loss after tax divided by average number of diluted share.

Return on equity: Profit after tax as a percentage of average equity.

Equity ratio: Equity's share of total assets.

Book value per share at year end: Equity relative to share capital in percent.

Market price at year end: Listed price of the shares on Nasdaq Copenhagen.

Price/book value: Market price relative to book value.

Price Earnings (PE): Market price relative to earnings per share.

Price Cash Flow (PCF): Market price relative to cash flow per share (excluding treasury shares).

Dividend yield: Yield relative to market price at year end.

Payout ratio: Yield relative to profit after tax.

Gabriel[®]

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