



## Lomax A/S

Elsenbakken 37  
3600 Frederikssund  
CVR No. 14749292

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 16.03.2023

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**Peter Korsholm**

Chairman of the General Meeting

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# Entity details

## Entity

Lomax A/S

Elsenbakken 37

3600 Frederikssund

Business Registration No.: 14749292

Registered office: Frederikssund

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Peter Korsholm, Chairman

Johanne Christiane Frazer Riegels Østergård

Morten Strømsted

## Executive Board

Kenneth Tjørnelunde Borup, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Lomax A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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

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

Frederikssund, 16.03.2023

## Executive Board

**Kenneth Tjørnelunde Borup**  
CEO

## Board of Directors

**Peter Korsholm**  
Chairman

**Johanne Christiane Frazer Riegels Østergård**

**Morten Strømsted**

# Independent auditor's report

## To the shareholder of Lomax A/S

### Opinion

We have audited the financial statements of Lomax A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

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

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the 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 in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required 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.

Copenhagen, 16.03.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Eskild Nørregaard Jakobsen**

State Authorised Public Accountant  
Identification No (MNE) mne11681

**Christian Dahlstrøm**

State Authorised Public Accountant  
Identification No (MNE) mne35660

# Management commentary

## Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
<b>Key figures</b>					
Revenue	943,692	923,612	754,713	542,201	522,353
Gross profit/loss	171,295	168,763	164,198	101,372	109,266
EBITDA (adjusted)	83,101	87,486	87,104	41,024	51,830
Operating profit/loss	54,564	59,343	68,149	25,249	40,522
Net financials	(3,081)	(2,405)	(2,515)	1,645	1,471
Profit/loss for the year	40,167	44,382	51,330	20,954	32,630
Total assets	344,534	314,778	303,555	175,666	205,943
Investments in property, plant and equipment	3,038	2,617	1,313	2,395	578
Equity	195,609	155,441	111,059	59,751	88,798
Average number of employees	191	169	154	144	132
<b>Ratios</b>					
Gross margin (%)	18.15	18.27	21.76	18.70	20.92
EBIT margin (%)	5.78	6.43	9.03	4.66	7.76
Net margin (%)	4.26	4.81	6.80	3.86	6.25
Return on equity (%)	22.88	33.31	60.10	28.21	45.02
Equity ratio (%)	56.77	49.38	36.59	34.01	43.12

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

The merger between Lomax, K/S Elsenbakken and Komplementarselskabet Elsenbakken as of 01.01.2020 have not been adjusted in the comparative figures for 2017 to 2019.

**EBITDA (adjusted):** Operating profit + depreciation, amortization and impairment losses + other operating expenses

**Gross margin (%):**

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

**EBIT margin (%):**

$\frac{\text{Operating profit/loss} * 100}{\text{Revenue}}$



Revenue

**Net margin (%):**

Profit/loss for the year \* 100

Revenue

**Return on equity (%):**

Profit/loss for the year \* 100

Average equity

**Equity ratio (%):**

Equity \* 100

Total assets

### Primary activities

The Group provides office equipment, office technology, furniture and accessories via web sales throughout the country.

### Development in activities and finances

Lomax A/S' revenue in 2022 amounts to DKK 943 million, which corresponds to an increase of 2,2% compared to the revenue in 2021.

Earning Before Interest Taxes Depreciation and Amortisation (EBITDA) amounted to DKK 83,1 million compared to DKK 87,5 million in 2021. Result after tax amounted to DKK 40 million compared to DKK 44 million in 2021.

The Company has had an increase in EBITDA and result after tax, which is considered very satisfactory. At consolidated Lomax Group level, EBITDA totals DKK 83,1 million for 2022, which is also considered very satisfactory.

### Profit/loss for the year in relation to expected developments

In a year where supply/freight conditions were still challenging, the profit of the year is below initial expectations, but are considered satisfactory under the conditions.

### Outlook

The Company expects for 2023 an increase in revenue and net result after tax, however, this cannot be substantiated by specific percentage at this time.

### Statutory report on corporate social responsibility

A statement regarding the Company's policies, actions and results within matters relating to CSR appears from the annual report of the ultimate Parent, Lion Danmark I ApS.

The Group has on-going focus on its CSR policy including clear visions on environmental and climate protection and human rights. The Group has identified the following risks as the most relevant based on our business model:

**Human rights:** risk of not providing equal opportunity disregarding sex, gender and religion towards employees and business partners. If the risk materializes, this could impact our reputation and our ability to attract and retain employees.

**Social/employee matters:** risk of not behaving in an ethical manner in general across the entire organization, risk of not putting enough effort into engaging with the local community, and risk of not providing proper work conditions for the employees of the company. If the risk materializes, this could impact our ability to attract and retain employees.

**Environment:** risk of not having sufficient green alternatives in product assortment, and risk of not improving satisfactory on carbon footprint on the company premises including warehouse facilities. If the risk materializes, this may impact the local environment.

**Anti-corruption:** risk of not being compliant with anti-corruption rules when having transactions with partners in various countries. If the risk materializes, this could impact our reputation and lead to criticism from stakeholders.

The Group takes the CSR policy very seriously and has clear ambitions and strategy for the efforts within. The concrete efforts and strategy of the Group are explained in detail below.

**Environment:**

The overall strategy is year by year to take various actions, which will have positive effects on climate and environment in general. Earlier LED lighting was implemented in the entire warehouse, which has reduced CO2 emission, and the use of plastic bottles for own consumption of water was cancelled and replaced by durable bottles for each employee. Earlier the consumption of plastic was further diminished through various actions connected to internal cleaning of the premises. These actions are recent examples, which support the strategy. We have been very satisfied with the 2022 results, especially concerning CO2 emission.

**Social/employee matters & human rights:**

The Group also works very focused with social- and employee matters. Specific objectives have been defined in a number of relevant areas. It is our company policy to secure diversity in aspects such as gender, education, and work experience. As part of the yearly strategy planning, the constitution of the board- and management layers are discussed. This aspect is also an integrated part of both the recruitment processes and the daily work. We believe in equal opportunity disregarding sex, gender and religion etc., and integrate this belief in all aspects of our daily business. Our policy is to treat customers, suppliers, employees and all other business partners professionally, with respect and with high level of ethical standards. This means also that we accept no disrespect to rules, laws and agreements hereunder also corruption, and that potential breaks will not be accepted. We have implemented strong business controls and standards, which should also serve to prevent any misconduct. We have not experienced any incidents of misconduct in 2022.

The Group pays great attention to creating a strong and motivating company culture. We believe that strong culture and strong leadership are the foundation for securing continued growth in our company. In this perspective, we work with various objectives, which support employee growth and development and, at the same time, create a fun and interesting workplace. We believe that the continuous efforts in 2022 in this area has resulted in the Group maintaining its position as an attractive workplace.

**Anti-corruption:**

The Group pays high attention to securing high ethical standards across the entire organization. This also implies strong focus on always dealing at arms lengths principles and staying within the boundaries of laws and regulations in all countries which we have transactions within. In areas such as bribe, fraud and money laundering there is a zero acceptance policy within the Group. The entire organization is well aware the company´s policy in this area. We have designed our business procedures to support the overall strategy in the above mentioned areas. As an example of this, we have very clear procedure for the entire recruitment process, which secures equal opportunity for all applicants, and which seeks to encourage diversity. The Group evaluates the results of the efforts on an on-going basis. We will continue our focus on implementing various improvements year by year, and evaluation of results will continuously be made during strategy/management meetings.

**CSR-report:**

The company has decided to increase the focus on CSR even further. Therefore, the preparations for a detailed CSR-report have been carried out during the last part of 2021 and the work has continued during 2022.

### Statutory report on the underrepresented gender

It is our company policy to hire employees on the basis of their professional qualifications, regardless of sex, age, religion and nationality. At the same time, Lomax also seeks to achieve a good gender balance, both at Management level and in the operating positions of the Company. We believe that our terms of employment provides equal opportunities for employees in managing positions of both gender. More specifically, we encourage our employees with management ambitions and talent, regardless of gender, to take on managerial tasks, and we support their development without gender bias.

We are also conscious of using gender-neutral language in our job advertisements. In the coming years, we will follow the gender balance in the management levels and consider the need for further specific initiatives in this area.

Currently, our Board of Directors constitutes three members, of which one is a woman. We have thereby fulfilled our goal from previous years of having at least one female member of the board by end of 2019.

### Statutory report on data ethics policy

#### Introduction:

Integrity and transparency are two key factors at Lomax A/S. We strive to comply with all requirements, including section 99d of the Danish Financial Statements Act governing data ethics. However, our attention is focused on the fact that legislation does not necessarily always follow technological developments. As a company, we have a responsibility to act ethically in data collection and data use, both in our customers' and own interests. The data ethics policy aims to account for the data collection and data use of Lomax A/S. The data ethics policy is supplemented by Lomax's personal data policy, which is available on Lomax.dk and to all Lomax employees.

#### Data overview:

Lomax uses private customer and business customer information to manage marketing, invoicing, tendering, etc, including names, addresses and email addresses. Lomax also uses staff information of a more personal nature for recruitment, payment of salaries, wages, and similar payments. Lomax collects data directly from customers, business partners and staff. It is important to point out that Lomax does not own the stored customer data.

#### Data storage:

Data is stored on servers in Denmark. Some personal data are handled by a third party (data processor) who keeps and processes personal data on behalf of Lomax A/S following this data ethics policy and the applicable data protection legislation. Data is stored in an active customer relationship as long as necessary to provide the best service. If the customer relationship is interrupted, data is kept for up to two years, depending on the nature of the data. For example, email addresses used for marketing are deleted or automatically retained based on customer behaviour – if marketing emails are not opened, data is automatically deleted after six months. Customers can request access to or deletion of their personal data at any time. According to other legislation (the Danish Bookkeeping Act and the Danish Anti-Money Laundering Act), all transactional data, including contact and company information, is kept for five years.

**Use of data:**

- For logging on to the website. By default, phone numbers are used for logging in and searching for addresses. If this option is unwanted, the customer can contact customer service and request that only username and password be used for logging in.
- For personalizing customer experience in emails and on the website through personalized recommendations based on purchase history.
- For improving www.lomax.dk and marketing material from Lomax A/S.
- For serving customers better when contacting customer service.
- For managing competitions, customer surveys, etc.
- For being able to handle customer orders as quickly as possible.
- For delivering goods.
- For gathering product and Trustpilot reviews.
- For following-up on inquiries.
- For general marketing.
- For recruitment and employment.

Lomax does not purchase or resell customer data or any other data to third parties.

**Data processing:**

Lomax A/S collects only the personal data necessary to provide a service or deliver a product, market services and products, or process queries.

Lomax A/S does not purchase personal data from third parties.

Lomax A/S uses DIBS for handling online payment card transactions and does not store details about payment cards. However, by invoice payment, invoicing and banking details are kept following applicable laws in this area, including the Danish Anti-Money Laundering Act and the Danish Bookkeeping Act.

The Lomax website is continuously scanned for security breaches and weaknesses to exclude potential data leaks as quickly as possible and thereby make our website as secure as possible. Similarly, we regularly check the website for malware.

Personal data is stored on secured networks and can only be accessed by a limited number of employees with rights to this type of data. These employees are also subject to Lomax's internal personal data policy, which ensures rights and compliance with applicable laws in this area.

In addition to the above, all sensitive data and payment details are processed using encrypted servers that cannot be accessed from the outside. Payment card details are processed by DIBS and cannot be accessed by either Lomax A/S or DIBS employees. These transactions are not stored on internal servers and are not processed at any time by Lomax A/S.

Lomax takes security breaches and data leaks very seriously. For example, suppose a data leak is suspected from internal servers at Lomax A/S or external partners. In that case, several measures will be launched to ensure the best possible security for our customers and users.

These measures include identifying the potential damage, notifying potentially affected customers and users, notifying the Danish Data Protection Agency, and actions trying to contain the extent of the damage.

If Lomax suspects a data leak from Lomax A/S or its external partners, all involved, including the user, will be informed within 72 hours. If you suspect that data has been leaked from Lomax A/S, you can always contact Lomax.

**New technologies:**

In connection with the purchase and implementation of new technologies, the head of IT at Lomax will be involved at all times to ensure that IT security is as good as possible and complies with other Lomax codes of practice. Similarly, the manager in charge of GDPR will be involved when implementing new systems that will contain sensitive personal data to ensure an adequately high level of security in data management.

**Responsibility and follow-up:**

This policy applies to all executives and employees at Lomax. Executives have a special responsibility to lead the way as a good example and ensure that all employees know and comply with the policy. In situations requiring extraordinary focus on data ethics, the head of IT and the manager in charge of GDPR at Lomax will be available. Lomax prioritises employees to be well-informed about data ethics, data security, and proper handling of personal data. Consequently, the employees are regularly informed about data management, either if a need arises or if the employee so wishes.

**2022 results:**

In 2022, we have continued our internal focus on educating and informing employees about current rules and processes. Employees are also informed on an ongoing basis when there is a need to adjust behavior and processes.

In 2022, we have not had any data breaches involving personal data.

**Events after the balance sheet date**

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

# Income statement for 2022

	Notes	2022 DKK	2021 DKK
Revenue	2	943,692,032	923,612,300
Cost of sales		(581,934,881)	(579,210,139)
Other external expenses	3	(190,462,576)	(175,638,692)
<b>Gross profit/loss</b>		<b>171,294,575</b>	<b>168,763,469</b>
Staff costs	4	(88,193,370)	(81,277,140)
Depreciation, amortisation and impairment losses	5	(20,092,068)	(19,315,084)
Other operating expenses	6	(8,444,821)	(8,828,174)
<b>Operating profit/loss</b>		<b>54,564,316</b>	<b>59,343,071</b>
Income from investments in group enterprises		10,575	188,931
Other financial income	7	435,371	508,872
Other financial expenses	8	(3,516,544)	(2,913,641)
<b>Profit/loss before tax</b>		<b>51,493,718</b>	<b>57,127,233</b>
Tax on profit/loss for the year	9	(11,326,352)	(12,745,400)
<b>Profit/loss for the year</b>	10	<b>40,167,366</b>	<b>44,381,833</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	12	32,982,875	38,493,899
Acquired trademarks		280,780	339,892
<b>Intangible assets</b>	11	<b>33,263,655</b>	<b>38,833,791</b>
Land and buildings		33,343,448	34,040,669
Other fixtures and fittings, tools and equipment		5,411,186	4,637,158
Leasehold improvements		346,662	181,867
<b>Property, plant and equipment</b>	13	<b>39,101,296</b>	<b>38,859,694</b>
Investments in group enterprises		280,935	270,360
<b>Financial assets</b>	14	<b>280,935</b>	<b>270,360</b>
<b>Fixed assets</b>		<b>72,645,886</b>	<b>77,963,845</b>
Manufactured goods and goods for resale		95,460,647	85,809,251
Prepayments for goods		10,276,293	14,604,568
<b>Inventories</b>		<b>105,736,940</b>	<b>100,413,819</b>
Trade receivables		56,985,488	68,995,924
Receivables from group enterprises		93,166,404	42,749,462
Other receivables		12,384,868	20,963,805
Prepayments	15	3,207,007	3,598,741
<b>Receivables</b>		<b>165,743,767</b>	<b>136,307,932</b>
<b>Cash</b>	16	<b>407,055</b>	<b>92,806</b>
<b>Current assets</b>		<b>271,887,762</b>	<b>236,814,557</b>
<b>Assets</b>		<b>344,533,648</b>	<b>314,778,402</b>



## Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		1,063,627	1,063,627
Reserve for net revaluation according to the equity method		188,931	188,931
Reserve for development expenditure		25,730,620	30,025,241
Retained earnings		168,625,500	124,163,513
<b>Equity</b>		<b>195,608,678</b>	<b>155,441,312</b>
Deferred tax	17	9,778,540	10,963,000
<b>Provisions</b>		<b>9,778,540</b>	<b>10,963,000</b>
Bank loans		14,107,020	16,654,830
<b>Non-current liabilities other than provisions</b>	18	<b>14,107,020</b>	<b>16,654,830</b>
Current portion of non-current liabilities other than provisions	18	1,599,913	1,553,314
Trade payables		66,197,886	85,259,034
Tax payable		25,930,212	13,419,400
Other payables		31,311,399	31,487,512
<b>Current liabilities other than provisions</b>		<b>125,039,410</b>	<b>131,719,260</b>
<b>Liabilities other than provisions</b>		<b>139,146,430</b>	<b>148,374,090</b>
<b>Equity and liabilities</b>		<b>344,533,648</b>	<b>314,778,402</b>
Events after the balance sheet date	1		
Contingent liabilities	19		
Assets charged and collateral	20		
Related parties with controlling interest	21		
Transactions with related parties	22		
Group relations	23		

# Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,063,627	188,931	30,025,241	124,163,513	155,441,312
Transfer to reserves	0	0	(4,294,621)	4,294,621	0
Profit/loss for the year	0	0	0	40,167,366	40,167,366
<b>Equity end of year</b>	<b>1,063,627</b>	<b>188,931</b>	<b>25,730,620</b>	<b>168,625,500</b>	<b>195,608,678</b>

No change in contributed capital in the last 5 years.

# Notes

## 1 Events after the balance sheet date

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

## 2 Revenue

Revenue distributed into activities and geographic markets are omitted in the financial statements since the Company has its primary revenue in Denmark in accordance with the Danish Financial Statements Act, section 96.

## 3 Fees to the auditor appointed by the Annual General Meeting

With reference to section 96(3) of the Danish Financial Statement Act and to the fee to auditors appointed at the general meeting included in the consolidated financial statements of Lion Danmark I ApS. (largest group), the Company has not disclosed fee to auditors appointed at the general meeting.

## 4 Staff costs

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	81,177,041	76,680,735
Pension costs	2,290,309	1,297,355
Other social security costs	1,483,742	1,232,051
Other staff costs	3,242,278	2,066,999
	<b>88,193,370</b>	<b>81,277,140</b>
Average number of full-time employees	191	169

Pursuant to the Danish Financial Statements Act section 98 B (3 no 2), remuneration of the Company's Management has not been disclosed.

## 5 Depreciation, amortisation and impairment losses

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	17,295,369	17,202,961
Depreciation of property, plant and equipment	2,796,699	2,172,040
Profit/loss from sale of intangible assets and property, plant and equipment	0	(59,917)
	<b>20,092,068</b>	<b>19,315,084</b>

## 6 Other operating expenses

Other operating expenses consist of other external costs of a non-recurring nature.

## 7 Other financial income

	2022 DKK	2021 DKK
Financial income from group enterprises	0	215,282
Other financial income	435,371	293,590
	<b>435,371</b>	<b>508,872</b>

## 8 Other financial expenses

	2022 DKK	2021 DKK
Financial expenses from group enterprises	970,440	792,132
Other financial expenses	2,546,104	2,121,509
	<b>3,516,544</b>	<b>2,913,641</b>

## 9 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	12,510,812	13,419,400
Change in deferred tax	(1,184,460)	(674,000)
	<b>11,326,352</b>	<b>12,745,400</b>

## 10 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Retained earnings	40,167,366	44,381,833
	<b>40,167,366</b>	<b>44,381,833</b>

## 11 Intangible assets

	Completed development projects DKK	Acquired trademarks DKK
Cost beginning of year	91,663,964	413,782
Additions	11,725,233	0
<b>Cost end of year</b>	<b>103,389,197</b>	<b>413,782</b>
Amortisation and impairment losses beginning of year	(53,170,065)	(73,890)
Amortisation for the year	(17,236,257)	(59,112)
<b>Amortisation and impairment losses end of year</b>	<b>(70,406,322)</b>	<b>(133,002)</b>
<b>Carrying amount end of year</b>	<b>32,982,875</b>	<b>280,780</b>

## 12 Development projects

Lomax's development projects relate to homepage and ERP-systems. The projects contribute to improving processes in the Company and are therefore capitalized.

### 13 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	35,435,111	36,074,782	1,123,422
Additions	0	1,778,908	1,259,393
<b>Cost end of year</b>	<b>35,435,111</b>	<b>37,853,690</b>	<b>2,382,815</b>
Depreciation and impairment losses beginning of year	(1,394,442)	(31,437,624)	(941,555)
Depreciation for the year	(697,221)	(1,004,880)	(1,094,598)
<b>Depreciation and impairment losses end of year</b>	<b>(2,091,663)</b>	<b>(32,442,504)</b>	<b>(2,036,153)</b>
<b>Carrying amount end of year</b>	<b>33,343,448</b>	<b>5,411,186</b>	<b>346,662</b>

### 14 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	270,360
<b>Cost end of year</b>	<b>270,360</b>
Share of profit/loss for the year	10,575
<b>Revaluations end of year</b>	<b>10,575</b>
<b>Carrying amount end of year</b>	<b>280,935</b>

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Lomax Sweden AB	Helsingborg	AB	100

### 15 Prepayments

Prepayments consist of prepaid expenses relating to distribution, licences agreements, catalogues, freight etc.

### 16 Cash

The Company participates in a cash pool scheme with other entities within the Lion Denmark Group. Cash include bank accounts affiliated with cash pool agreement with Nykredit. Lion Danmark 2019 ApS is the legal owner of the main cash pool agreement with Nykredit.

Consequently, DKK 113,966 thousand of the Company's bank deposits is included in receivables from group enterprises. Lomax A/S is jointly and severally liable with other participating Group entities for the total debt of DKK 100,844 thousand within the cash pool scheme.

## 17 Deferred tax

	2022	2021
	DKK	DKK
<b>Changes during the year</b>		
Beginning of year	10,963,000	11,637,000
Recognised in the income statement	(1,184,460)	(674,000)
<b>End of year</b>	<b>9,778,540</b>	<b>10,963,000</b>

Deferred tax comprises to intangible assets, property, plant and equipment, inventories and other provisions.

## 18 Non-current liabilities other than provisions

	Due within 12 months	Due within 12 months	Due after more than 12 months	Outstanding after 5 years
	2022	2021	2022	2022
	DKK	DKK	DKK	DKK
Bank loans	1,599,913	1,553,314	14,107,020	7,465,515
	<b>1,599,913</b>	<b>1,553,314</b>	<b>14,107,020</b>	<b>7,465,515</b>

## 19 Contingent liabilities

Rent obligation amounts to DKK 1,624 thousand (2021: DKK 530 thousand).

The Company participates in a Danish joint taxation arrangement in which Lion Danmark I ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is, therefore, liable for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. 0

## 20 Assets charged and collateral

The Company has pledged the Company's intangible assets, tangible assets, investments in group enterprises, inventory, and receivables as security for the loan agreement.

## 21 Related parties with controlling interest

The following shareholder is recorded in the Company's register of shareholders as holding at least 5 % of the votes or at least 5 % of the share capital:

Lion Danmark 2019 ApS

## 22 Transactions with related parties

Transactions with related parties are carried out on market conditions.

## 23 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Lion Danmark I ApS, Denmark

The consolidated financial statements for the smallest group is also the largest group.

# Accounting policies

## Reporting class

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

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

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

## Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Recognition and measurement

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

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

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

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

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

## Business combinations

The book-value method is applied on demergers where the enterprises concerned are controlled by the parent, under which method the combination is considered completed at the date of restructuring without restatement of comparative figures. Under the book-value method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

### Income statement

#### Revenue

Revenue from sales of goods is recognised in the income statement when delivery and transfer of risk has been made and when it can be measured reliably. Revenue is recognised exclusive of VAT and net of discounts relating to sales.

#### Cost of sales

Cost of sales comprises cost of goods, freight, inventory write-downs, taxes and other delivery costs.

#### Other external expenses

Other external expenses include expenses relating to indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

#### Staff costs

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

#### Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year.

#### Other operating expenses

Other operating expenses include certain staff and other external costs of a non-recurring nature.

#### Income from investments in group enterprises

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

#### Other financial income

Other financial income comprises interest income on receivables from group enterprises, foreign currency transactions, amortisation of financial assets, etc.

#### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, foreign currency transactions, amortisation of financial liabilities etc.



### Tax on profit/loss for the year

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

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

### Balance sheet

#### Intellectual property rights etc

Intellectual property rights etc comprise of development projects in progress which relate to the development the of the Entity's new homepage and new external storage setup.

Development projects on clearly defined and identifiable processes, for which the technical rate of utilisation, adequate resources and development opportunity in the Entity can be established, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

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

#### Property, plant and equipment

Tangible assets are measured at cost less accumulated depreciation and less any accumulated impairment losses.

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

Depreciation is based on cost less the expected residual value based on the useful lives of the assets.

The depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are:

	<b>Useful life</b>
Buildings	50 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Assets with a cost less than DKK 13,500 are expensed in the year of the acquisition.

Profit or loss from sale of property, plant and equipment is measured as the difference between the actual sales price less sales cost and the booked value. Profit or loss from sale of property, plant and equipment is recognised in the income statement under depreciation, amortisation and impairment losses.

### **Investments in group enterprises**

The item "Investments in group enterprises" in the balance sheet includes the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries, which is structured as ApS, A/S or similar, is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the parent company and adjusted for other equity movements in subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the parent company to cover the negative balance of the enterprise will be recognised in provisions. If the carrying amount of the negative equity value exceeds receivables, the remaining amount is recognised under provisions, to the extent that the parent company has a legal or actual obligation to cover the subsidiaries' obligations.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method. Whenever cost exceeds net realisable value, cost is adjusted to the net realisable value.

The cost of goods for resale includes cost and other delivery expenses.

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

### **Cash pool**

The Company is part of a cash pool scheme with other companies within the Group. Consequently, a considerable portion of the Company's bank deposits and debt is included in receivables from group enterprises.

### **Receivables**

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

### **Prepayments**

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

**Cash**

Cash comprises cash in hand and bank deposits.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

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

**Other financial liabilities**

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

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

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

**Tax receivable or payable**

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

**Cash flow statement**

In accordance with the Danish Financial Statements Act §86, 4, the Company has chosen to omit the cash flow statement.