DYVIGHOLDINGS

Dyvig Holdings A/S

CVR-nr. 35 84 77 31

C.F. Tietgens Boulevard 32C

5220 Odense SØ

Annual Report 2022

The annual report was presented and approved at the company's ordinary general meeting

8 June 2023

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Chairman of the General Meeting Christian Peter Dyvig

Contents

Management's review

Principal activities of the Group

Dyvig Holdings has majority shareholdings in the KOMPAN Group and The Cotton Group. In addition, Dyvig Holdings invests in listed and private financial assets. Private securities are i.a. owned through Dyvig Holdings' investment in Noon Ventures, where some investments are with an ownership percentage between 24 and 45%, and thus considered associated companies.

The KOMPAN Group's main activity is the development, production and sale of playgrounds, and outdoor sports and fitness facilities. The Group sells globally and is a global market leader.

The Cotton Group operates a portfolio of businesses in the European professional wear market:

- B&C, the market leader within promotional wear in Continental Europe with products sold across 30 European countries. The company is headquartered in Waterloo, Belgium.
- Wenaas, the Norwegian market leader in heavy workwear, expanding across Northern Europe. The company is also the European market leader offshore and shipping, expanding outside Europe. The company is headquartered in Måndalen, Norway.
- Clinic Dress, an e-commerce based healthcare apparel company, sells directly to clinics and individual care workers across Central Europe. The company is headquartered in Bramsche, Germany.
- Sverre W. Monsen, the market leader in garments and textiles to the healthcare and leisure industry in Norway, expanding across the Nordic region. The company is headquartered in Bergen, Norway.
- Martinson, the market leader in Sweden within garments for hospitals. The company is headquartered in Torsbo, Sweden.
- Hejco designs and develops workwear for employees in the care industry across the Nordic region. The company is headquartered in Borås, Sweden.

Development in activities and economics

Dyvig Holdings' revenue increased from DKK 3,893.3 mio. in 2021 to DKK 5,394.2 mio in 2022. Operating profit (EBIT) increased from DKK 567.8 mio. in 2021 to DKK 745.7 mio. in 2022 and net income for the year increased from DKK 551.1 mio. in 2021 to DKK 637.1 mio. in 2022. Some of the increase is due to The Cotton Group only being consolidated for a period of 9 months in 2021.

Profit for the year is in line with expectations.

Outlook for 2023

The Dyvig Holdings Group expects an operating profit before special items (EBIT) in 2023 around the level of the 2022 operating profit before special items (EBIT).

Forward-looking statement

The forward-looking statements referred to in this annual report, including expectations on earnings, involve risks and uncertainties and may be affected by factors such as global economic conditions and other significant factors, including developments in price of raw materials, freight, credit market, interest rates and foreign exchange rates. Actual developments and results may consequently differ significantly from the expectations in the Annual Report.

Events after the reporting period

In relation to the Financial statement, no significant events took place after 31 December 2022.

Key figures

DKK mio.	2022	2021	2020	2019	2018*
Financial ratios					
Revenue	5,394.2	3,893.3	1,983.4	2,179.0	1,935.0
Operating profit/loss before special items (EBIT)	747.2	567.8	307.7	312.8	204.1
Financial income and expenses	71.7	31.4	-14.6	-43.3	-38.0
Net income for the year	636.5	551.5	224.4	187.5	97.3
Total assets	4,699.9	3,624.9	2,367.7	2,419.4	2,047.6
Equity	1,831.7	1,375.0	1,044.5	942.1	741.5
Cash flows from investment in tangible assets	-60.6	-37.4	-14.2	-26.2	-25.0
Financial ratios **					
Gross margin	37.8%	40.2%	44.5%	43.7%	43.2%
Operating profit margin (EBIT margin)	13.8%	14.6%	15.5%	14.4%	10.5%
Solvency ratio	39.0%	37.9%	44.1%	38.9%	36.2%
Return on equity	39.7%	45.6%	22.6%	19.9%	14.0%
Average number of employees:	2,255	1,955	1,419	1,387	1,293

* The figures are not adjusted to the effect of implementation of IFRS 16.
** The financial ratios are calculated in accordance with the financial ratio definitions referred to on page 85.
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Financial review

Income statement

Revenue

The revenue in Dyvig Holdings increased in 2022 by DKK 1,500.9 mio. compared to 2021, equivalent to 38.6%. KOMPAN Group revenue increased by DKK 747.0 mio. The Cotton Group revenue increased by DKK 753.9 mio. DKK 491.5 mio. of the increase is due to The Cotton Group only being part of the Dyvig Holdings Group for 9 months during 2021.

Cost of sales

Cost of sales increased by DKK 1,020.7 mio. from DKK 2,281.7 mio. to DKK 3,302.4 mio. The gross margin decreased from 41.4% in 2021 to 38.8% in 2022.

Cost of sales include costs related to the production of own products and services, as well as costs for the purchase of goods and services intended for resale.

Research and development costs

Total development expenditures incurred amount to DKK 55.8 mio. in 2022 (DKK 45.6 mio.). Expenditures incurred relate to Kompan Group's development of outdoor strength training equipment, but also traditional play structures, setting new standards in physical play and sensory experiences. Additionally, there was a high level of development in sustainable solutions. Of the expenditures incurred during the year, DKK 25.3 mio. is recognised in the balance sheet (DKK 22.2 mio.), which is offset by depreciation of DKK 24.5 mio. (DKK 21.8 mio.). Development costs recognised in the income statement including depreciation amount to DKK 55.0 mio. in 2022 (DKK 45.2 mio.).

Distribution and administration costs

Distribution costs increased from DKK 799.1 mio. to DKK 1,028.2 mio., equivalent to an increase of DKK 229.1 mio.

Administration costs increased from DKK 199.5 mio. to DKK 261.4 mio., equivalent to an increase of DKK 61.9 mio.

Other operating income/expenses and special items

Special items amount to DKK 0.0 mio. (DKK 94.9 mio.), equivalent to a decrease of DKK 94.9 mio.

Financial income and expenses

The financial items comprise a net income of DKK 71.7 mio. (net income DKK 31.4 mio.). The increase relates to fair value adjustment of foreign exchange derivatives.

Excluding foreign exchange rate adjustments and value adjustments on derivatives, financial items comprise a net expense of DKK 30.4 mio. (net expense DKK 27.6 mio.).

The parent company's financial items comprise a net expense of DKK 10.8 mio. (DKK 15.2 mio.).

Financial review

Tax on profit/loss for the year

The Group's effective tax rate increased from 20.6% in 2021 to 22.0% in 2022. The increase relates to Non-taxable income that declined in 2022 compared to 2021.

The differences in the accounting- and tax depreciation of non-current assets relate mainly to intangible assets in relation to tax liabilities, while the tax assets are broadly based.

Profit/loss for the year

In 2022 Dyvig Holdings Group achieved an operating profit before interest and tax of DKK 747.2 mio., compared to DKK 662.7 mio. in 2021.

The Group’s net income for the year amounts to DKK 636.5 mio. (DKK 551.5 mio.).

Balance sheet

Intangible assets

The recognised value of intangible assets - goodwill, design & concept, trademarks, IT software and development projects - at year-end amount to DKK 1,317.4 mio. (DKK 1,313.4 mio.). This item includes a cumulative negative exchange rate adjustment of DKK 7.1 mio., ordinary acquisitions during the year for DKK 50.3 mio and ordinary amortisation of DKK 39.3 mio.

Property, plant, and equipment

Tangible assets amount to DKK 257.8 mio. (DKK 156.0 mio.). The increase is mainly caused by the investment in real estate of DKK 70.6 mio., but also due to expansion of the Group's production facilities in 2022.

The remaining work in progress included in tangible assets relates to other operating materials.

Right-of-use assets

Right-of-use assets amount to DKK 290.0 mio., of which DKK 263.5 mio. relate to the Group's lease of properties. In 2022, the total addition of right-of-use assets amounted to DKK 104.0 mio., while there was depreciation of right-of-use assets of DKK 77.8 mio.

Inventories

Total inventories increased by DKK 336.3 mio. to DKK 1,076.8 mio. The increase is mainly due to increased purchases of materials to meet the higher demand and increases in purchase prices.

Trade receivables

Trade receivables increased by DKK 219.0 mio. to DKK 903.8 mio., reflecting increased revenue.

Equity

The Group's equity as of 31 December 2022 amounts to DKK 1,831.7 mio., compared to DKK 1,375.0 mio. at the end of 2021. The development is positively affected by operations and negatively affected by exchange rate adjustments and dividend payments to minority shareholders (DKK 123.8 mio). Equity in the parent company amounts to DKK 618.6 mio. as of 31 December 2022, compared to DKK 454.2 mio. on 31 December 2021. No dividend has been distributed to the shareholders in Dyvig Holdings A/S.

The Group's equity had a return of 39.7%, compared to a return of 45.6% in 2021.

Financial review

Statement of cash flow

Cash flows from operations amount to DKK 284.2 mio. Changes in working capital have a negative impact on cash flows of DKK -460.4 mio.

Cash flows for investment activities amount to DKK -391.4 mio., comprising investments in development projects and other intangible assets of DKK 50.3 mio., production facilities and properties of DKK 60.6 mio., purchase of subsidiaries and associated companies of DKK 68.9 mio., proceeds from sale of companies of DKK 70.3 mio., and DKK 282.2 mio. investment in listed securities.

Over the course of 2022, the Dyvig Holdings Group has increased its net debt to credit institutions by DKK 327.6 mio.

Cash flow for the year after the distribution of dividends increased by DKK 31.1 mio. to DKK 25 mio.

Human resources and knowledge resources

At the end of 2022, 1,146 (1,024) employees were employed in design, development, installation, marketing, or sales work. Production employees totalled 843 (771) and the number of employees in other and administrative positions totalled 279 (257).

Share capital

Share capital consists of 15,050 A-shares and 484,950 B-shares, for a total of 500,000 shares at a nominal value of 1 DKK. B-shares are non-voting.

Corporate social responsibility

The following constitutes the statutory statement regarding corporate responsibility cf. section 99a of the Danish Financial Statements act., across Environment, Climate, Social, Human Rights and Anti-Corruption components for the two main subgroups in Dyvig Holdings Group.

Dyvig Holdings' principal activities are explained on page 2 of the Annual report. As Kompan Group and The Cotton Group constitute the major activities of Dyvig Holdings Group, the CSR initiatives and policies of those two businesses are addressed in this CSR statement.

Dyvig Holdings A/S Group is pleased to confirm that we reaffirm our support of the Ten Principles of the United Nations Global Compact in the areas of Environment, Climate, Social, Human Rights and Anti-Corruption. In this annual Communication on Progress, we describe the Group's actions to continuously improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication. In 2022 our business ethics policy implementation, including the anti-bribery policy for the entire group of companies continued. In addition, The Group maintained its environmental profile as reported in earlier COPs and planned new initiatives, which will be implemented in the coming years.

Environment and Climate

Kompan Group

For a brighter future, we never stop investigating ways of reducing our environmental footprint. In sourcing, every effort is made to use totally sustainable resources or raw materials generated through recycled waste. In manufacturing, what little waste we have is recycled. Being a global manufacturer of playgrounds and fitness

equipment, the main risk related to the environment is the footprint caused by production and usage of raw materials, as well as transportation. In play, 100% safe products are the target and the number one priority.

As a manufacturer of outdoor playground equipment, KOMPAN has an integrated approach to environmental considerations. KOMPAN aims to produce sustainable products with a long lifespan, which require a low level of maintenance. We aim to use materials and technologies that have minimal impact on the environment. We source as much as possible from recycled materials from post-consumer sources, like textiles, plastic bags and components made in post-consumer ocean waste collected from the maritime industry, such as fishing nets and ropes. Whenever possible we aim to use FSC-certified wood sources.

KOMPAN's production plants in the Czech Republic are ISO 9001, ISO 45001, ISO 50001 and ISO 14001 certified, which implies a specific and structured management approach to environmental issues. The plants in the Czech Republic have furthermore implemented control systems that work for compliance with requirements on active substances in accessible components. Independent third-party tests are run to certify this.
KOMPAN's choice of materials are always carefully considered. Robinia is amongst the most prolific of trees, it is strong, it grows rapidly, it has a long lifetime outdoors and it is soft for children to touch – the perfect partner for our wood products. Our Robinia suppliers come from European plantations and from natural forests operating under responsible sustainable forest management. We also offer other types of wood certified by FSC®.

Our use of plastics is greatly reduced, but until a satisfactory alternative is found it retains a part of production; hence it is important to be aware of certain elements. A great playground interacts with children, and children touch, jump, slide, kick and might even kiss or lick the playground. That is why all surfaces need to be safe. We go beyond the required outdoor playground standards and comply with the toy standard EN71- 3 for Migration of Certain Elements.

Since 2021 Kompan made it possible to receive a full carbon footprint per standard product together with CO_2 e pr. kg and the recycle % of the total product to make it easy to compare with other type of products. The information is available in our standard Product Sheets, where the total CO_2 e consumption can be found. The calculation method is validated by Bureau Veritas.
In the years to come, KOMPAN will focus even more on how we can minimize the waste of resources and reduce environmental hazards.

Corporate social responsibility

One way to minimize waste is to focus on recycling. In the workshop, material usage is optimized, and the rest is recycled. For example, the cutting-out process of panels is computer generated to minimize residue. Every offcut of plastic, every speck of sawdust is gathered and recycled. The KOMPAN EcoCoreTM panel, made of layers of HDPE, has many applications in playgrounds and outdoor fitness, such as sides, roofs and seats. It is a highly durable, eco-friendly panel, which is not only recyclable after use, but also has a core of 100% post-consumer recycled material.

All KOMPAN standard panels now have a core made from 80% post-consumer recycled waste. All decks for one of our bestselling ranges, MOMENTS™, are now as a new standard made of 75% ocean recycled waste.

The development in output of wooden waste, plastic waste and iron and steel waste from the main production facility in Brno, Czech Republic, has been kept on an almost steady level and in some years even decreasing. The waste ratio is measured as waste in tons relatively to the production volume.

Each year we will strive to reduce the waste ratio annually by at least 3%. The ambition was met in 2022.
In KOMPAN we have an overall strategy to minimize our impact on the climate and we constantly focus on how to reduce our climate footprint. It is our ambition and part of our core value to show responsibility in all our actions. KOMPAN aims to reduce the discharge of CO2 e caused by our own operations, like the raw materials we purchase, we prefer using recycled sources wherever possible. But also, within transportation, travel, company cars and energy consumption, and KOMPAN has strict policies within these areas.

It is KOMPAN policy for employees only to travel when it is strictly necessary, hence all travel needs approval by management. To minimize travel KOMPAN uses conference rooms and technology to execute virtual meetings via video conference to the largest extent possible.

At the main production site in the Czech Republic, we constantly work with optimizing in all areas, not only in terms of waste and use of raw materials, but also in terms of energy consumption during production. This optimization is driven using modern production machinery, optimizing workflows and planning of production. In 2022, KOMPAN managed to lower its electricity consumption ratio, even though the production volume increased in comparison with last year. The electricity consumption ratio is measured as electricity consumption in MWh relatively to the production volume.

The Cotton Group

The Cotton Group cooperates with third party suppliers to produce garments that are sold via the entities in the Group. Sustainability work builds upon the structures already established by the former owner of the brands. The key focus during 2022 has been on analysing areas where the environmental impact can be reduced the most and preparing the sustainability compliance structure.

A decentralized structure has been established to ensure that sustainability decisions are taken at the same level as business decisions, and to realize the highest possible effect from initiatives, rather than following a generic set of actions.

The sustainability approach applied to the individual business segments is based on an overall vision for conducting our business, which sets out a high ethical standard with a focus on minimizing the environmental footprint and being a fair and equitable company respecting everybody’s rights. As a cornerstone of our sustainability commitment, we follow the UN Global Compact and its guiding principles for Corporate Responsibility on human rights, labour, environment, and anti-corruption.

Most of our impact on society comes from the suppliers we work with, which continue to be a focus for our sustainability work. We have a high focus on ensuring that all our suppliers are subject to audits either through certifications or through a membership of Amfori-BSCI. It is our aim that 100% of our key suppliers and 95% of our tier one suppliers are subject to compliance audits by third party organisations. Currently 90% of all tier one suppliers are subject to sustainability audits.

By conducting audits via associations and certification agencies, we strengthen our leverage thanks to cooperation with other member brands in risk prevention and remediation.

In addition to requiring certifications or compliance audits from our suppliers, we seek to create continuous improvements by establishing long-lasting relationships with our suppliers and to treat them with respect and dignity to create business relationships that are mutually beneficial. Together with our suppliers we follow up on audits

Corporate social responsibility

performed, working to improve the way our suppliers work. The organisations that we are a member of also make whistle-blower systems available, so the employees or other partners of our suppliers have the possibility to report issues. This gives us further possibilities to follow up and act on potential issues.

We have during 2022 been analysing training programmes and whistle blower systems and expect to implement improvements to this during 2023.

During 2023 we will also start analysing the Corporate Sustainability Reporting Directive adopted by the EU in 2022, to be prepared for complying with and reporting in accordance with the requirements, which will become mandatory for The Cotton Group in 2025.

Social and Human Rights

Kompan Group

Occupational health and safety are an integral part of all activities of KOMPAN and remains as one of our permanent top priorities. Our Occupational Health and Safety policy focuses on preventing injuries and illness, ensuring that we comply with all legal regulations and that we efficiently and actively involve our employees in the matter. This implies that the operating practices are up to date and in compliance with health and safety requirements. It further enables our organization to control and gain knowledge of all relevant risks and hazards, and consequently improves our performance.

The latest surveillance audit for our Safety Management System was performed by Bureau Veritas in September 2022 and passed without any non-conformity findings. The Brno manufacturing plant is also certified according to ISO 45001:2018 Occupational health and safety management system (OH&SMS). This management system provides safe and healthy working conditions for the prevention of work-related injury and ill health. It entails constant and qualified research, assessment, reduction and elimination of OH&S risks and hazards. Besides that, it reduces costs associated with accidents and incidents and satisfies applicable legal requirements and other requirements. At the main production site in the Czech Republic, the number of lost hours related to accidents (LTA: Lost Time Accidents) in our production team remained at a low level in 2022, despite an increase in new members of our production teams. LTA ratio increased slightly to 0.53% in 2022 (0.48% in 2021) of the total production time. LTA ratio is measured as lost hours related to accidents relatively to the total production time.

To focus even more on safety, KOMPAN over recent years has upheld the ideals of the 6 Safety standards (6S standards). This continued throughout 2022. The sustainability of the 6S standards will be ensured through regular audits to identify possible risks. Our aim is to prevent accidents and production time loss in the entire plant. We will continue a structured and managed approach to work actively for a safe and healthy working environment for our employees and strive to retain our low level of LTA below 0.55% in 2023.

At KOMPAN, each work-related injury that leads to absence is evaluated thoroughly by our quality and continuous improvement management, and we unceasingly adopt health and safety measures to prevent and eliminate accidents. KOMPAN is a workplace with a focus on the employees' physical and mental working environment conditions. A good example of this is the health insurance, which is offered to all our employees. The health insurance provides, among other things, the opportunity to receive treatment, physiotherapy, and stress management. A great area of focus for KOMPAN is sick leave, where we strive to reduce short-term and long-term sick leave through preventative actions and close dialogue with sick-leaved employees. All our actions are put in place to facilitate a comfortable recovery and a quick return to work. Sick leave in KOMPAN is defined as absence due to illness, whereas child's illness, absence due to private appointments and maternity leave are not included. Sick leave is measured as sick leave in days relatively to total working days. In 2022, sick leave at KOMPAN headquarters slightly increased to 1,6% (1,1%), which is below the target of 2% for white-collar employees. In our main production unit, sick leave for white collars slightly increased to 2,1% (1,5%), which is slightly above the target of 2% for white-collar employees. For blue collars in the main production, sick leave was 7,3% in 2022 (8,0%), with an ambition of maximum 7%. We have seen decreasing sick leave for blue collars since our highest level in 2020 and we are again on a pre-corona level. Sick leave for white-collar is usually lower compared to blue-collar because of the possibility to work from home. At KOMPAN, we are committed to support and respect internationally declared human rights, and not to be complicit in any human rights abuses. Our largest challenges and risks in terms of human rights are found within our global value chain. To manage these risks KOMPAN has developed a supplier code of conduct, which all suppliers must commit to and sign.

Corporate social responsibility

Our supplier code of conduct describes the requirements KOMPAN expects all suppliers to adhere to and comply with. The code of conduct is based on the principles of the United Nations' Global Compact and covers the following areas:

Child labour, discrimination, forced labour, working environment, working hours and salary, the right to organize and collective bargaining, right to privacy, environment (pollution prevention and resource reduction, chemicals and hazardous materials, air emissions, wastewater and solid waste, recycling and reuse of materials and products), and corruption.

When making new or renewing contracts the supplier must confirm and commit to work in compliance with the code of conduct. If the supplier cannot or will not sign the code of conduct, the engagement will not be made, or the existing agreement will be terminated.

KOMPAN takes a risk-based approach to our suppliers. This means that our suppliers are grouped according to the risks associated with the characteristics of their geographical location. We have suppliers from Asia, which we associate with higher risks than suppliers located in Europe. To manage this, we work to audit the major high-risk suppliers at least every second year. At the supplier audits, which are either carried out by KOMPAN employees or by third party auditors, a standardized questionnaire is developed to support the auditor in evaluating all aspects of our code of conduct.

As of 2022, we estimate that more than 95% our suppliers of raw materials or components have signed the code of conduct. In the end of 2022, we have reached out to our supplies for a confirmation/reconfirmation of the code of conduct. The ambition is to reach 100%. Through our business activities, KOMPAN supports the UN's Convention on the Rights of the Child. Every day, our products encourage and enable children to play and be active, and this has beneficial impact on their development in terms of motor coordination, intellect, and social skills. Our playgrounds also play an important role in the efforts against physical inactivity, overweight and obesity among children and teenagers. Currently and in the future, KOMPAN wishes to develop playgrounds that will help improve the physique of children in safe and fun surroundings.

KOMPAN continuously develops and advances our concepts and products. We do this based on the knowledge we gather in KOMPAN Play Institute where, among other things, we study the methods and manners of children's play.

In 2022, KOMPAN expanded its outdoor sport and fitness concept even further. KOMPAN's playgrounds and fitness sites are therefore designed for all people, regardless of age. Inclusive play is at the very core of everything KOMPAN aims for. The result is universal designs that embrace the needs of all. In universal playgrounds, all children can play on their own together with peers or with their parents. There is no need for segregated areas, which might have a stigmatizing effect. For example, the top frame and spacious platform of the Tipi Carousel makes it highly inclusive as it

supports a wide variety of body positions: children and adults can sit, lie, or stand while spinning. The transparency of the Galaxy products and the varied ground-level access and activities also create centres of play across the play unit.

This makes possible play interaction for all, everywhere in the structure. The open design further ensures wheelchair accessibility.

The Cotton Group

In The Cotton Group, we are committed to respecting and supporting internationally declared human rights, and not to be complicit in any human rights abuses. To ensure that we uphold high standards, our policies are based on the Code of Conduct for Amfori-BSCI and similar organisations, the standards of the International Labour Organisation (ILO) and the United Nations Universal Declaration of Human Rights, in relation to forced labour, child labour, freedom of association, compensation, working hours, occupational health and safety, and a legally binding employment relationship. Due to the breaches of human rights in Uighur we have implemented a decision not to use cotton originating from this region.

Our main challenges and risks in terms of human rights is in our global supply chain. To manage these risks, the Group has developed a set of Supplier code of conducts, which all suppliers must commit to and sign. The compliance with these guidelines is tested through audits conducted by Amfori-BSCI or other certification agencies as described earlier.

As with human rights, the Group's primary risks regarding the fundamental labour standards are in our supply chain. During 2022 the share of suppliers being audited has increased, and our audit partners have in 2022, through on-site

Corporate social responsibility

audits continued to test, that our suppliers are not using for example: child labour, forced labour or prohibiting the right to association and collective bargaining. Suppliers are typically audited every second year.

We aim at establishing strong long-lasting relationships with our supplies, where we through cooperation and support maintain high social standards, which include improving working and living conditions for workers and communities, paying decent wages, promoting gender equality, eliminating child labour, discrimination, and harassment.

For the Group's own activities, we aim to make sure that we provide our employees with a safe working environment for both warehouse and office workers trough training and analysing best practices.

Governance

KOMPAN Group

Corruption and bribery are recognized as barriers to sustainable development and free trade. At KOMPAN, we do not accept these practices and therefore do not accept any kind of undue payment in any of our business transactions. It is our policy that all elements of our supply chain and sale must be completely transparent to everyone interested in knowing more. Principles to work for anti-corruption are integrated in the KOMPAN supplier code of conduct.

KOMPAN executes continuous training in our business ethics policy, including an anti-bribery policy for all employees in the group. The policy concerns bribery, facilitation payments, gifts/entertainment, political contributions, and charity contributions. Furthermore, the policy concerns conflicts of interest, treatment of confidential information and competition law compliance.

In 2021 KOMPAN rolled out a global whistle-blower system to support the efforts in anti-corruption and related areas within the CSR agenda. This system is open for all to report on any irregularities related to CSR issues. In 2022 there has not been recorded any incidents. KOMPAN will continue to develop its focus on compliance issues through the coming years.

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In 2021 KOMPAN rolled out a global whistleblower system to support the effort in anti-corruption and related areas within the CSR agenda. Now this system is open for all to report on any irregularities related to CSR issues. So far there have not been any recorded incidents. KOMPAN will continue to develop its focus on compliance issues in the coming years.

The Cotton Group

The Cotton Group recognises corruption and bribery as barriers to sustainable development and free trade. We believe that business should always be conducted with integrity, treating all business partners fairly and equitably. Any form of corruption destroys confidence in the marketplace and business relationships, weakens democracy, changes economic and social development, and damages transparency in the transaction of businesses. Business should be based on the quality of products and fairness.

The Cotton Group follows a policy of zero tolerance for all forms of corruption, including extortion and bribery. We do not permit any undue payments, nor do we engage in any political activity or contribution contrary to the laws in countries, where we do business. The acceptance of any kind of kickbacks, rebates, or other values to obtain an advantage or personal benefit in relation to our business is prohibited and is a breach of our policies.

Gender distribution of management

The following constitutes Dyvig Holdings' statutory statement regarding gender diversity cf. section §99b of the Danish Financial Statement act.

In accordance with the Danish Act on Public and Private Limited Companies, the Supervisory Board has set a target for the percentage of the underrepresented gender on the supervisory board. With three women out of six (50%) appointed as members of the Board of Directors of Dyvig Holdings A/S, the goal of 25% representation of women on the Board of Directors by 2021 is met.

Dyvig Holdings A/S have less than 50 employees, as such there is no reporting for the Management.

Data ethics

The following constitutes Dyvig Holdings' statutory statement regarding gender diversity cf. section §99d of the Danish Financial Statement act.

Dyvig Holdings A/S is aware of good Data Ethics, but does not have a policy for Data Ethics, as there is limited data in the company.

In Dyvig Holdings' subsidiaries, Kompan and The Cotton Group, data policies are in place and can be found in the company annual reports.

Company details

Name	Dyvig Holdings A/S
Address. postal code, city	C. F. Tietgens Boulevard 32C 5220 Odense SØ
CVR (Central Business Register)	35 84 77 31
Established	9 May 2014
Registered office	Odense
Financial year	1 January – 31 December
Board of Directors	Fritz Henrik Schur (chairman) Vagn Ove Sørensen Mia Dyvig Andreas Peter Dyvig Sybille Cathrine Dyvig Philippa Elisabeth Zoe Dyvig
Executive Board	Christian Peter Dyvig
Audit	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, 2000 Frederiksberg

Consolidated financial statements 1 January – 31 December

Income statement

Note	DKK mio.	2022	2021
3	Revenue	5,394.2	3,893.3
4,5,7	Cost of sales	-3,302.4	-2,281.7
6	Research and development costs	-55.0	-45.2
	Gross profit	**2,036.8**	**1,566.4**
5,7	Distribution costs	-1,028.2	-799.1
5,7,8	Administrative expenses	-261.4	-199.5
	Operating profit/loss	**747.2**	**567.8**
9	Other operating income/expenses and special items	0.0	94.9
	Profit/loss before financial items and tax	**747.2**	**662.7**
17	Share of profit in associated companies, after tax	-2.1	0.0
10	Financial income	123.4	83.6
11	Financial expenses	-51.7	-52.2
	Profit before tax	**816.8**	**694.1**
12	Income tax	-180.2	-142.6
	Net income for the year	**636.5**	**551.5**

Statement of comprehensive income

Note	DKK mio.	2022	2021
	Net income for the year	**636.5**	**551.5**
	Other comprehensive income		
	Items that can later be reclassified to the income statement:		
	Exchange rate adjustments on translation of foreign entities	-36.5	24.7
	Actuarial adjustment of defined benefit pension obligation	3.9	1.4
12	Taxes	0.9	-0.2
	Other comprehensive income after tax	**- 31.7**	**25.9**
	Total comprehensive income for the year	**604.8**	**577.4**

Allocation of total comprehensive income:

Note	*DKK mio.*	2022	2021
	Comprehensive income		
	Dyvig Holdings A/S shareholders	*364.6*	*398.4*
	Non-controlling interests	*240.2*	*179.1*
	Total comprehensive income	*604.8*	*577.4*

Consolidated financial statements 1 January – 31 December

Balance sheet

Note	DKK mio.	2022	2021
	ASSETS		
	Non-current assets		
13,14	Intangible assets	1,317.4	1.313.4
15	Property, plant, and equipment	257.8	156.0
17	Associated companies	42.1	0.0
16	Right-of-use assets	290.0	263.5
18	Trade receivables	0.5	0.8
18	Other receivables	45.5	87.4
12	Deferred tax assets	41.3	47.9
	Total non-current assets	**1,994.6**	**1,869.0**
	Current assets		
18	Inventories	1,076.8	740.5
19	Trade receivables	903.8	684.8
20	Contract assets	48.2	17.2
	Income tax receivables	6.0	5.1
21	Prepayments	62.5	52.1
19	Other receivables	97.7	61.6
	Securities	282.8	0.0
33	Cash and cash equivalents	227.2	194.6
	Total current assets	**2,705.1**	1,755.9
	TOTAL ASSETS	**4,699.9**	**3,624.9**

Consolidated financial statements 1 January – 31 December

Balance sheet

Note	DKK mio.	2022	2021
	EQUITY AND LIABILITIES		
22	**Equity**		
	Share capital	0.5	0.5
	Reserve for currency translation	-32.5	-8.5
	Retained earnings	1,167.3	821.5
	Equity attributable to owners of Dyvig Holdings A/S	1,135.2	813.6
	Non-controlling interests	696.6	561.4
	Total equity	**1,831.7**	**1,375.0**
	Liabilities		
	Long-term liabilities		
24	Pensions and similar commitments	11.9	15.9
12	Deferred tax liabilities	43.5	42.9
25	Provisions	18.2	15.4
28	Loans from related parties	361.7	238.7
27	Other debt	50.4	63.8
26	Borrowings	713.7	562.7
16	Lease liabilities	234.7	205.4
	Total non-current liabilities	**1,434.1**	**1,144.8**
	Current liabilities		
24	Pensions and similar commitments	0.0	0.6
26	Borrowings	416.6	247.1
16	Lease liabilities	71.5	66.0
20	Contract liabilities	121.9	83.0
33	Trade payables	533.7	471.1
27	Other debt	242.6	207.9
	Company tax payable	39.9	20.8
25	Provisions	7.7	8.8
	Total current liabilities	**1,434.0**	**1,105.2**
	Total liabilities	**2,868.1**	**2,250.0**
	TOTAL EQUITY AND LIABILITIES	**4,699.9**	**3,624.9**

Consolidated financial statements 1 January – 31 December

Statement of cash flow

Note	DKK mio.	2022	2021
	Profit/loss before interest and tax	747.2	662.7
	Adjustment for non-cash items, etc:		
7	Depreciation and impairment	146.6	121.3
24,25	Provisions	2.0	2.1
			-112.9
	Other non-cash items	4.5	4.2
	Cash flows from operating activities before movements in working capital	900.3	677.4
29	Change in working capital	-462.1	-131.0
	Cash flows from operating activities	438.2	546.4
	Income tax paid	-154.0	-155.8
	Cash flows from operating activities	**284.2**	**390.6**
13	Purchase of intangible assets	-50.3	-34.0
15,30	Purchase of property, plant, and equipment, net	-60.6	-37.4
31	Acquisition of subsidiaries, associated companies and activities	-68.9	-308.0
	Proceeds from sale of companies	70.3	58.9
	Change in other long term assets	0.3	2.9
	Purchase of securities	-282.2	0.0
	Cash flows used in investing activities	**-391.4**	**-317.6**
	External financing		
30	Repayment of borrowings	-1.1	-1.001.1
30	Proceeds from borrowings	328.7	550.0
30	Change in business credit	0.0	243.7
	Repayment of lease liabilities	-79.9	-60.3
	Interest paid	-22.7	19.1
	Shareholders:		
	Loan from related parties	54.4	238.5
	Distributed dividends	-123.2	-136.6
	Proceeds on issue of shares	7.8	59.3
	Repurchase of treasury shares	-17.2	0.0
	Purchase/sale of minority shares	-14.8	8.3
	Cash flows used in financing activities	**132.2**	**-79.1**
	Cash flows for the year	**25.0**	**-6.1**
32	Cash and cash equivalents at 1 January	194.6	197.4
	Cash obtained in business combination	3.4	0.0
	Effect of foreign exchange rate changes	4.2	3.3
32	**Cash and cash equivalents at 31 December**	**227.2**	**194.6**

Consolidated financial statements 1 January – 31 December

Statement of changes in equity

DKK mio.	Share capital	Retained earnings	Reserve for currency translation	Total equity	Non-controlling interests	Total equity
Equity as at 1 January 2022	**0.5**	**821.3**	**-8.5**	**813.5**	**561,4**	**1,375.0**
Capital decrease, subsidiary		-24.0		-24.0	24.0	0.0
Equity after capital decrease	**0.5**	**797.3**	**-8.5**	**789.5**	**585.4**	**1,375.0**
Comprehensive income in 2022						
Net Income for the year	-	385.7	-	385.7	250.8	636.5
Other comprehensive income						
Exchange rate adjustment on translation of foreign entities	-	-	-24.2	-24.2	-12.3	-36.5
Actuarial adjustment of defined benefit pension obligation	-	2.7	-	2.7	1.3	4.0
Tax on other comprehensive income	-	0.5	-	0.5	0.4	0.9
Total other comprehensive income	-	3.2	-24.2	-21.0	-10.6	-31.6
Total comprehensive income for the period	**-**	**388.9**	**-24.2**	**364.6**	**240.2**	**604.8**
Distributed dividends	-	-	-	-	-123.8	-123.8
Non-controlling interests' part of capital increase in subsidiaries.					5.7	5.7
Buy-back of own shares		-9.7		-9.7	-7.4	-17.2
Purchase of non-controlling interests	-	-10.9	-	-10.9	-4.9	-15.8
Sale of non-controlling interests	-	1.6	-	1.6	1.5	3.0
Equity as at 31 December 2022	**0.5**	**1,167.3**	**-32,5**	**1,135.2**	**696.6**	**1,831.7**

Consolidated financial statements 1 January – 31 December

Statement of changes in equity

DKK mio.	Share capital	Retained earnings	Reserve for currency translation	Total equity	Non controlling interests	Total equity
Equity as at 1 January 2021	**0.5**	**561.8**	**-20.6**	**541.5**	**502.9**	**1.044.5**
Comprehensive income in 2021						
Net income for the year	-	385.1	-	385.1	166.4	551.5
Other comprehensive income						
Exchange rate adjustment on translation of foreign entities	-	-	12.4	12.4	12.4	24.8
Actuarial adjustment of defined benefit pension obligation	-	1.0	-	1.0	0.4	1.4
Tax on other comprehensive income	-	-0.1	-	-0.1	-0.1	-0.2
Total other comprehensive income	-	0.9	12.4	13.3	12.7	26.0
Total comprehensive income for the period	**-**	**385.9**	**12.4**	**398.4**	**179.1**	**577.5**
Distributed dividends	-	-	-	-	-136.8	-136.8
Non-controlling interests' part of capital increase in subsidiaries.					59.7	59.7
Buy-back of own shares						
Purchase of non-controlling interests	-	-129.0	-	-129.0	-51.9	-180.9
Sale of non-controlling interests	-	2.8	-	2.8	8.4	11.0
Equity as at 31 December 2021	**0.5**	**821.5**	**-8.5**	**813.6**	**561.4**	**1,375.0**

Consolidated financial statements 1 January – 31 December

Summary of notes to the consolidated financial statements

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Consolidated financial statements 1 January – 31 December

Notes

1 Accounting policies

Dyvig Holdings A/S is a limited liability company domiciled in Denmark. The financial part of the annual report for the period 1 January - 31 December 2022 comprises consolidated financial statements for Dyvig Holdings A/S and its subsidiaries (the Group) along with a separate financial statement for the parent company.

The consolidated financial statements of Dyvig Holdings A/S for 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and additional requirements of the Danish Financial Statements Act applying to enterprises of reporting class C (large).

On 8 June 2023 the Board of Directors and the Executive Board reviewed and approved the 2022 annual report for Dyvig Holdings A/S. The annual report will be presented to the shareholders of Dyvig Holdings A/S for approval at the Annual General Meeting on 8 June 2023.

Basis for preparation

The consolidated financial statements are presented in Danish kroner (DKK)

The accounting policies described below have been applied consistently throughout the financial year and to the comparative figures. Comparative figures are not adjusted for standards implemented going forward.

Comparative figures encompass the period from 1 January - 31 December 2021

As a non-listed company, the company has chosen not to implement IFRS 8 and the financial statements therefore do not include segment details.

Statement on going concern

When preparing the accounts, the Board of Directors and the Executive Board have made an assessment as to whether the going concern assumption is justified. The Board of Directors and the Executive Board have concluded that, as at the reporting date, there are no factors giving rise to doubts as to whether the Group and the Company can and will continue as a going concern at least until the next balance sheet date. The conclusion is reached based on knowledge of the Group and the Company, the estimated future prospects and the identified uncertainties and risks associated with the same (discussed in the directors' report and note 2) and after review of budgets, including expectations of cash flow developments and changes in capital base, etc., existing credit facilities with related contractual and expected maturity periods and other conditions. It is therefore considered reasonable, objective and justified to use the going concern assumption for financial reporting purposes.

Change in accounting policies

Effective 1 January 2022, the Group has implemented the following amended standards and interpretations:

- Reference to the Conceptual Framework – Amendments to IFRS 3.
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16.
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37.
- Annual improvements (2018-2020 cycle).

The changes have not had any impact on recognition and measurement in the annual report.

Consolidated financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Consolidated financial statements

The consolidated financial statements include the parent company Dyvig Holdings A/S (the Company) and entities controlled by Dyvig Holdings A/S.

Control is achieved by direct or indirect acquisition or disposal of more than 50% of the voting rights or otherwise controlling the company in question.

Entities in which the Group has significant, but not controlling, influence over operating and financial decisions are classified as associated companies. Significant influence exists when the Group directly or indirectly owns or controls more than 20% but less than 50% of the voting rights.

The consolidated financial statements are prepared as a summary of the accounts of the parent company and each individual subsidiary drawn up in accordance with the Group's accounting policies, eliminating intragroup revenues and expenses, shareholdings, internal outstanding balances and dividends, and realised and unrealised gains on transactions between the consolidated companies. Unrealised gains on transactions with associated companies are eliminated in proportion to the Group's equity interest in the company. Unrealised losses are eliminated in the same way as unrealised gains to the extent that they do not represent an impairment.

In the consolidated financial statements, the subsidiaries are recognised in full. Non-controlling interests' share in the year's profit or loss and in equity in subsidiaries not wholly owned are included as part of the Group's profit or loss and equity, respectively, but are presented separately as non-controlling interests.

External Business combinations

Companies acquired or newly formed are recognised in the consolidated financial statement from the date of acquisition or formation. Companies disposed are recognised in the consolidated financial statements until the date of disposal. Comparative figures are not adjusted for newly acquired companies. Any suspended activities and assets held for sale are presented separately.

For acquisitions of new companies, where Dyvig Holdings A/S obtains control over the acquired company, the acquisition method is applied. The identifiable assets, liabilities and contingent liabilities of the acquired companies are measured at fair value on the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax from the re-valuations made is recognised.

The acquisition date is the date on which Dyvig Holdings A/S obtains control of the acquired company.

Positive differences (goodwill) between, on the one hand, the purchase consideration, the value of non-controlling interests in the acquired company and the fair value of any previously acquired equity interests and, on the other hand, the fair value of the identifiable assets, liabilities and contingent liabilities acquired are recognised as goodwill under intangible assets. Goodwill is not amortised but tested at least annually for impairment. The initial impairment test is performed before the end of the year of acquisition.

On acquisition, goodwill is allocated to the cash-generating units that subsequently form the basis of the impairment test. Goodwill and fair value adjustments in conjunction with acquisition of a foreign entity with a functional currency other than the presentation currency of the Dyvig Holdings A/S are treated as assets and liabilities belonging to the foreign entity and are translated on initial recognition into the functional currency of the foreign entity using the exchange rate valid on the date of transaction.

Negative goodwill is recognised in the year’s profit or loss at the acquisition date.

The purchase consideration for the acquisition of a company consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed, and equity instruments issued. If part of the purchase consideration is contingent on future events or the fulfilment of contractual conditions, that part of the purchase consideration is recognised at fair value on the acquisition date.

Costs incurred in conjunction with company acquisitions are recognised under other operating expenses and special items in the year of expenditure.

Consolidated financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

If, at the acquisition date, there is uncertainty about the identification or measurement of assets, liabilities or contingent liabilities assumed or the determination of the purchase consideration, initial recognition is based on provisional values. Should it subsequently become apparent that the identification or measurement of the purchase consideration, assets acquired, liabilities or contingent liabilities was incorrect on initial recognition, the statement is retroactively adjusted, including goodwill, until 12 months after acquisition, and comparative figures are adjusted. After this goodwill is not adjusted. Subsequent changes in estimates of contingent purchase consideration are recognised in profit or loss.

Gains or losses on disposal or liquidation of subsidiaries and associated companies are stated as the difference between the disposal amount or the settlement amount on liquidation and the carrying amount of net assets, including goodwill, on the date of disposal and anticipated disposal costs.

Goodwill arising from the purchase of non-controlling interests is immediately written off directly to equity.

Foreign currency translation

The parent company's functional currency is DKK.

A functional currency is defined for each of the Group's reporting entities. The functional currency is the currency used in the primary economic environment in which each reporting entity operates. Transactions in currencies other than the functional currency are foreign currency transactions.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates valid on the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement under financial income or expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rates at the balance sheet date.

The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or the rate in the latest annual report is recognised in the income statement under financial income or financial expenses.

When companies with a functional currency other than Danish kroner are included in the consolidated financial statements, the income statement and other comprehensive income are translated at the exchange rate valid on the transaction date and the balance sheet items are translated at the exchange rates valid on the balance sheet date. The average rate for the individual months is used as the rate for the transaction date to the extent that this does not result in a significantly different picture.

Exchange differences arising from the translation of these companies' equity at start of year to exchange rates valid on the balance sheet date and on translation comprehensive income from the exchange rate valid on the date of transaction to exchange rates valid on the balance sheet date are recognised in other comprehensive income in a separate currency translation reserve under equity.

Exchange differences arising on outstanding balances considered to be part of the total net investment in companies with a functional currency other than Danish kroner are recognised in the consolidated financial statements as other comprehensive income in a separate reserve for exchange differences in equity.

Exchange differences arising from the translation of the share of equity of foreign associated companies and joint ventures at the beginning of the year to exchange rates at the balance sheet date, and from the translation of the share of profit or loss for the year from average exchange rates to exchange rates at the balance sheet date are recognised in other comprehensive income in a separate currency translation reserve under equity.

On full or partial disposal of wholly owned foreign entities with loss of control, the cumulative exchange differences recognised in other comprehensive income and attributable to the entity are reclassified from other comprehensive income to profit or loss for the year, together with any gain or loss on the disposal.

On partial disposal of foreign subsidiaries, without loss of control, a proportionate share of the foreign currency translation reserve is transferred from the parent company shareholders' equity to the non-controlling shareholders' equity. Repayment of outstanding balances considered to be part of the net investment is not intrinsically considered to be a partial disposal of the company.

Consolidated financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Derivative financial instruments

Derivative financial instruments are recognised from the trade date and measured at fair value in the balance sheet. Positive and negative fair values of derivative financial instruments are included on separate lines in the balance sheet and offsetting of positive and negative values is only net value when the company has the right and intention to settle several financial instruments net.

Fair value hedging

Changes in the fair value of derivative financial instruments classified as and qualifying for recognition as an instrument used for hedging the fair value of a recognised asset or liability are recognised in the income statement together with changes in the value of the hedged asset or liability as regards the part thereof that is hedged. Hedges of future cash flow under a fixed agreement, other than foreign exchange hedges, are treated as fair value hedges.

The part of the value adjustment of a derivative financial instrument that is not part of a hedging relationship is presented under financial items.

Cash flow hedging

Changes in the fair value of derivative financial instruments that qualify and are classified as hedges of future cash flow and that effectively hedge changes in future cash flow are recognised in other comprehensive income in a separate hedging reserve under equity until the hedged cash flow affect profit or loss. At this time, gains or losses on such hedging transactions are reclassified from other comprehensive income and included in the same item as the hedged item.

If the hedging instrument no longer meets the criteria for hedge accounting, the hedging relationship is discontinued prospectively. The cumulative change in value recognised in other comprehensive income is reclassified to the income statement once the hedged cash flow affects profit or loss or are no longer probable.

If the future cash flow of the hedged item change in such a way that the criteria for hedge accounting are no longer met, the cumulative change in value of the hedging instrument is reclassified immediately from other comprehensive income to the income statement.

The part of the value adjustment of a derivative financial instrument that is not part of a hedging relationship is presented under financial items.

Other derivative financial instruments

For derivative financial instruments that do not meet the conditions to be treated as hedging instruments, changes in fair value are recognised on an ongoing basis in the income statement under financial items.

Revenue

The Kompan Group's revenue comprises sales of playground equipment, outdoor sports and fitness facilities, furnishings, and indoor solutions as well as related installation and services. The Cotton Group's revenue consists of sale of different types of workwear and promotional wear.

The Group's sales contracts are broken down into individually identifiable performance obligations, which are recognised and measured separately at fair value. Where a contract contains several performance obligations, the total fair value of the contract is allocated proportionately to the individual performance obligations of the contract.

Revenue is recognised when control of the individual identifiable performance obligation is transferred to the customer. Revenue recognised is measured at the fair value of the consideration agreed excluding VAT and taxes collected on behalf of third parties. All discounts granted are recognised in revenue. Fair value corresponds to the agreed price discounted to net present value, where the payment terms exceed 12 months.

The portion of the total consideration that is variable is not recognised in revenue until it is reasonably certain that no reversal of this consideration will be required in subsequent periods.

Consolidated financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Sale of goods

Sales of goods include playground equipment, outdoor sports and fitness facilities, furnishings, workwear, and promotional wear are recognised in revenue once control of the individual identifiable performance obligation in the contract is transferred to the customer.

Sale of services

Sales of services includes installation and services related to goods sold and are recognised as revenue as the service is delivered, with control of completed work transferred to the customer on an ongoing basis. Recognition is made using input-based accounting methods based on actual time spent compared to total expected number of hours, as this method is considered the best reflection the ongoing transfer of control.

Rental Income

Rental income includes the letting of investment property. The rent is accrued and recognized in accordance with the contract entered into.

Construction contracts

Construction contracts include contracts under which goods and services are provided with a high degree of customisation and design. Construction contracts typically include a performance obligation that is progressively recognised in revenue as production and/or installation is performed. The ongoing transfer of control of work performed occurs either because the construction takes place on the customer's property, whereby ownership and thus control is transferred to the customer as the work is performed, or because the goods are of such a special nature that they cannot be used for any other purpose without disproportionate cost, while at the same time the customer is obliged to pay on an ongoing basis for work performed, including reasonable profit on the work performed.

Recognition is made using input-based accounting methods based on actual costs incurred compared to total expected costs, as this method is considered the best reflection the ongoing transfer of control.

Payment terms in the Group’s sales contracts

Payment terms in the Group's sales contracts with customers depend partly on the underlying delivery obligation and partly on the underlying customer relationship.

For sales of goods where control is transferred at a specific time, payment terms will typically be 14-30 days. For sales of major construction contracts, where there is a continuous transfer of control, the payment terms will typically be ongoing.

Cost of sales

Cost of sales include costs incurred to generate revenue for the year. Costs includes direct and indirect costs of raw materials and consumables, direct wages and indirect cost of sales, depreciation, and impairment of production assets, and operating, management and administrative costs of production companies.

Research and development costs

Research and development costs include costs that do not meet the criteria for recognition in the balance sheet, such as personnel costs, consumables, and depreciation and write-down of capitalised development costs.

Distribution costs

Distribution costs include costs incurred for the distribution of goods sold over the year and for sales campaigns carried out over the year, etc. This includes costs of sales personnel, advertising and exhibition costs, operation and administration of sales companies and depreciation and impairment of tangible assets in sales companies.

Consolidated financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Administrative expenses

Administrative expenses include costs incurred during the year for management and administration, including costs of administrative staff, management, office facilities and office expenses, and depreciation and impairment of tangible assets. Write-downs of trade receivables are also included.

Special items

Special items comprise significant income and expenses of a secondary or exceptional nature in relation to ordinary activities. Such revenues and costs include costs of restructuring, closure and relocation of production units, ex gratia compensation, transaction costs, contingent purchase consideration and government grants not directly attributable to other operating items.

Financial income and expenses

Financial income and expenses comprise interest income, foreign exchange gain/loss on transactions in foreign currency and impairment losses on securities. Also included is amortisation of financial assets and liabilities, including finance lease liabilities, allowances and reimbursements under the on-account tax scheme and changes in the fair value of derivative financial instruments not designated as hedges.

Income tax

Tax on profit/loss for the year

Dyvig Holdings A/S (Adminstrationsselskabet) is jointly taxed with all Danish subsidiaries. The Danish corporation tax is distributed among the jointly taxed companies in proportion to their taxable income. The jointly taxed companies are included in the on-account tax scheme.

The tax for the year, consisting of current tax and the change in deferred tax, is recognised in profit or loss, other comprehensive income or directly in equity.

Tax payable and tax deferred

Income tax liabilities and receivables are recognised in the balance sheet 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 balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Deferred tax on temporary differences concerning amortisation of goodwill non-deductible for tax purposes and office buildings and other items where temporary differences – except for company acquisitions - have occurred at the date of acquisition without having any effect on the results or taxable income are not, however, recognised.

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

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognised under other non-current assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax assets are assessed annually and recognised only to the extent that they are likely to be utilised.

Deferred tax assets and liabilities are presented net if the Group has a legal right to offset current tax liabilities and tax assets or intends either to settle current tax liabilities and assets on a net basis or to realise the assets and liabilities simultaneously.

Adjustments are made to deferred tax relating to the elimination of unrealised intra-group profits and losses.

Consolidated financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries on the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rates are recognised in the comprehensive income statement for the year.

Goodwill and trademarks

Goodwill and trademarks are recognised upon first recognition in the balance sheet at cost, as described under business combinations. Goodwill and trademarks are subsequently measures at cost less accumulated impairment losses. Goodwill and trademarks are not subject to amortisation. Trademarks are assumed to have an indefinite lifetime.

The carrying amount of goodwill and trademarks is allocated to the Group's cash-generating units on the acquisition date. The definition of cash-generating units follows the managerial structure and internal financial management.

Development projects, concepts, software, patents, and licences, etc.

Development projects that are clearly defined and identifiable, where technical feasibility, adequate resources and a potential future market or opportunity for use within the Group can be demonstrated, and where there is an intention to manufacture, market or use the project, are recognised as intangible assets if the cost can be measured reliably and there is sufficient certainty that the future earnings or the net sales price can cover the costs of production, sales, administration and development costs. Other development costs are recognised in the income statement under development costs as the costs are incurred.

Intangible assets

Recognised development costs are measured at cost less accumulated depreciation and impairment losses. The cost includes remuneration and other costs attributable to the Group's development activities.

After completion of the development work, development projects follow straight-line depreciation over their estimated useful economic lives from the date the asset becomes available for use. The amortisation period is usually 2-5 years. The basis for depreciation is reduced by any impairment losses. Depreciation is included in Cost of sales.

Designs, patents, software, and licences are measured at cost less accumulated depreciation and impairment losses.

Concepts are subject to linear depreciation over useful life. The amortisation period is usually 6 years.

Patents, software, and licences are amortised on a straight-line basis over the remaining patent or contract term or the useful life, whichever is shorter. The amortisation period is usually 3-10 years.

Property, plant, and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries. To the cost is added the net present value of estimated liabilities for decommissioning and removal of the asset and for restoration of the site on which the asset was installed.

Subsequent costs, such as replacing components of a tangible asset, are recognised in the carrying amount of the asset in question when it is probable that future economic benefits associated with the asset will flow to the Group. The replaced components are derecognised from the balance sheet and their carrying amount is transferred to the income statement. All other general maintenance and repair costs are recognised on the income statement at time of payment.

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1 Accounting policies (continued)

The cost of a total asset is divided into separate components that are depreciated separately if the useful lives of the individual components differ. Tangible assets are subject to straight-line depreciation over the estimated useful lives of the assets/components, which are:

Building envelope (administration)	50 years
Building envelope (production)	25-40 years
Technical installations	10 years
Timeframes	20 years
Roof	30 years
Plant and machinery	3-10 years
Leasehold improvements	Up to 10 years

Land is not depreciated.

The depreciation base is calculated in consideration of the residual value of the asset less any impairment loss. The depreciation period and the residual value are determined at the time of acquisition and reassessed annually. If the residual value exceeds the asset's carrying amount, depreciation is discontinued.

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

Depreciation is recognised in the income statement under production, distribution, administrative and research and development costs respectively, to the extent that depreciation is not included in the cost of assets constructed in house.

Gains and losses on the sale of intangible and tangible assets are calculated as the selling price less selling costs and the carrying amount at the date of disposal.

Investment property

Properties are classified as investment properties when they are held for the purpose of obtaining rental income and/or capital gains. Investment properties are measured on initial recognition at cost price, and subsequently measured at the cost less depreciation in line with the Groups other properties as described above.

Investments in Associated companies

The Group's investments in associated companies are accounted for using the equity method.

Under the equity method, the investment in the associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results from operations of the associate. Any change in OCI of those investees is presented as part of the OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Lease agreements

A right-of-use asset and a corresponding lease liability are recognised in the balance sheet when the Group, pursuant to a concluded lease agreement regarding a specific, identifiable asset, when the right-of-use asset is available in the leasing period, and when the Group obtains the right to virtually all the financial benefits from the use of the identified asset, and the right to determine the use of the identified asset.

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1 Accounting policies (continued)

Lease liabilities are initially measured at the current value of the future lease payments, discounted at an alternative borrowing rate. The following lease payments are recognised as part of the lease liabilities:

- Fixed payments.
- Variable lease payments that depend on an index or interest rate.
- Payments due under a residual value guarantee.
- The exercise price of options to purchase that management expects with reasonable certainty to exercise.
- Payments subject to an extension option that the Group reasonably expects to exercise.
- Fines related to a termination option, unless the Group expects with reasonable certainty not to exercise the option.

The lease liability is measured at amortised cost using the yield to maturity method (YTM). The lease liability is recalculated when there are changes in the underlying contractual cash flow, from changes in an index or an interest rate, if there are changes to the Group's estimate of a residual value guarantee, or if the Group changes its assessment of whether a purchase, extension or termination option can with reasonable assurance be expected to be exercised.

On initial recognition, the right-of-use asset is measured at cost, which equals the value of the lease liability adjusted for prepaid lease payments with the addition of directly related costs and estimated costs for the decommission, renovation or the like and with the deduction of any discounts received or any other type of incentive payment from the lessor.

Subsequently, the asset is measured at cost less accumulated depreciation/amortisation. The right-of-use asset is depreciated over the shorter of the leasing periods and the useful life of the right-of-use asset. Depreciation is recognised on a straight-line basis in the income statement.

The right-of-use asset is adjusted for any changes in the lease liability because of changes to the lease agreement terms or changes in the cash flow of the contract as the result of changes to an index or an interest rate.

Right-of-use assets are depreciated on a straight-line basis during the expected leasing period, which is:

Vehicles, plant and machinery	1-6 years
Land and buildings	1-10 years

The Group presents right-of-use assets and lease liabilities separately in the balance sheet.

The Group has opted not to recognise low-value right-of-use assets. Lease payments related to these lease agreements are instead recognised on a straight-line basis in the income statement.

Impairment test of non-current assets

Goodwill, intangible assets with indefinite useful lives and development projects in progress

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment, initially before the end of the year of acquisition. Ongoing development projects are similarly tested annually for impairment.

The carrying amount of goodwill is tested for impairment along with the other non-current assets in the cash-generating unit or Group of cash-generating units to which goodwill and trademarks are allocated and written down to recoverable amount through the income statement if the carrying amount is higher. The recoverable amount is generally measured as the present value of expected future net cash flow from the business or activity (cash generating unit) to which goodwill and trademarks relate. Goodwill identified in connection with the purchase of shares from minority shareholders is offset directly against equity.

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1 Accounting policies (continued)

Other non-current assets

The carrying amount of other non-current assets is reviewed annually to determine whether there is any indication of impairment. Where such an indication exists, the recoverable amount of the asset is calculated. The recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use.

Value in use is calculated as the net present value of expected future cash flow from the asset or the cash-generating unit of which the asset is a part.

Recognition of impairment losses in the income statement

An impairment loss is recognised when the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. The impairment loss is recognised in the income statement under production, distribution, administrative and research and development costs respectively.

Impairment loss on goodwill is not reversed. Impairment losses on other assets are reversed to the extent that changes have been made in the assumptions and estimates that led to the impairment loss. Impairment losses are only reversed to the extent that the asset's new carrying amount does not exceed the carrying amount that it would have had after depreciation if the asset had not been impaired.

Inventories

Inventories are measured at the cost determined per the FIFO method or the net present value method, whichever is lower.

Cost of goods for resale and raw materials and consumables comprises cost plus delivery costs.

Cost of finished goods and work in progress includes the cost of raw materials, consumables, direct wages, indirect Cost of sales and borrowing costs from specific and general borrowing directly related to the production of each individual inventory of goods. Indirect Cost of sales comprise indirect materials and labour costs as well as maintenance of and depreciation of the machines, factory buildings and equipment used in the production process and costs for production administration and management.

The net present value of inventories is determined as the selling price less the costs of completion and transaction costs, and is determined considering negotiability, obsolescence, and development of expected selling price.

Receivables

Receivables are measured at amortised cost. Impairments to offset losses are recognised using the simplified expected credit loss model, whereby the total loss is recognised immediately in the income statement while the receivable is recognised in the balance sheet, based on the expected loss on the receivable.

Receivables are continuously monitored according to the Group's risk management until realisation. The impairment is calculated based on expected loss percentage, which is calculated based on historical data, adjusted for estimated effects of expected changes in relevant parameters, such as economic developments, political risk, etc. in the market concerned.

Contract assets

Contracts for the delivery of playground products involving a high degree of customisation and/or installation services are measured at the sales value of the work performed less payments on account.

The selling price is measured based on the stage of completion on the balance sheet date and total expected income from the individual contract. Degree of completion is determined based on an assessment of the work performed, normally calculated as milestones which reflects the ratio between the costs incurred and the total estimated cost of the contract in question.

Consolidated financial statements 1 January – 31 December

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1 Accounting policies (continued)

When it is likely that total contract costs for a contract will exceed total contract revenue, the expected loss on the contract is recognised immediately as an expense and a provision.

If the result of a contract cannot be reliably calculated, the estimated selling price measured at costs incurred, to the extent that it is likely that these will be recovered. Contracts for which the sales value of the work performed exceeds on-account invoices are recognised as a separate asset item. Contracts where on-account payments exceed the sales value are recognised under contract liabilities.

Prepayments

Prepayments are measured at cost.

Employee commitments

Pension obligations and similar non-current liabilities

The Group has entered into pension agreements and similar agreements with most of its employees.

Liabilities in respect of defined contribution schemes, where the Group makes fixed contributions to independent pension funds, are recognised in the income statement in the period in which they are earned and amounts payable are recognised in the balance sheet under other liabilities.

For defined benefit pension schemes, an annual actuarial calculation is made of the net present value of the future benefits earned by employees under the scheme. The net present value is calculated based on assumptions about future developments in, among other things, wage levels, interest rates, inflation, retirement age and mortality. Net present value is calculated only for those benefits to which the employees have become entitled through their previous employment in the Group. Net present value determined on an actuarial basis less fair value of any assets associated with the scheme are recognised in the balance sheet under pension obligations.

Pension costs for the year are assessed based on actuarial estimates at the beginning of the year and are recognised in the income statement. Differences between calculated development of pension assets and liabilities and realised values at year's end are considered actuarial gains or losses recognised in other comprehensive income.

If a pension scheme represents a net asset, the asset is recognised only to the extent that it corresponds to future refunds from the scheme or it will lead to reduced future contributions to the scheme.

Provisions

Provisions are recognised when, as a result of events occurring before or on the balance sheet date, the Group has a legal or a constructive obligation and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at management's best estimate of the required amount expected to settle the obligation.

In measuring provisions, the costs necessary to settle the obligation are discounted if this has a significant effect on the measurement of the provision. A pre-tax discount rate is applied that reflects the general level of interest rates in society and the specific risks associated with the obligation. The shift in the discount element for the year is recognised under financial expenses.

Warranty obligations are recognised based on experience on the level of warranty costs incurred in prior financial years.

Restructuring costs are recognised as liabilities once a detailed, formal plan for the restructuring has been made public to those affected by the plan by no later than the balance sheet date.

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Notes

1 Accounting policies (continued)

Financial liabilities

Borrowings etc. are recognised at fair value less transaction costs incurred. In subsequent periods, the financial liabilities are measured at amortised cost using the "effective interest rate method" so that the difference between the proceeds and the nominal value is recognised in the income statement under financial costs over the term of the loan.

Other financial liabilities are measured at amortised cost.

Fair value measurement

The Group applies the fair value concept in conjunction with certain disclosure requirements and for the recognition of financial instruments. Fair value is defined as the price that can be obtained by selling an asset or that must be paid to transfer a liability in a general transaction between market participants ("exit price").

Fair value is market-based and not a company-specific valuation. The company uses the assumptions that market participants would use in pricing the asset or liability based on existing market conditions, including assumptions about risk. The company's intention to own the asset or settle the liability is not considered in determining fair value.

Determination of fair value is based on the primary market. If a primary market does not exist, the most advantageous market is used as a basis, which is the market that maximises the price of the asset or liability less transaction and transportation costs.

All assets and liabilities measured at fair value, or for which fair value is disclosed, categorised according to the fair value hierarchy, as described below:

- Level 1: Value determined based on the market value of similar assets/liabilities in a well-functioning market
- Level 2: Value determined based on recognised methods of valuation based on observable market information
- Level 3: Value is determined using recognised methods of valuation and reasonable estimates (non-observable market information).

Statement of cash flow

The statement of cash flow presents cash flow from operating, investing, and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of companies is shown separately under cash flow from investing activities. The statement of cash flow recognises the cash flow of acquired companies from the date of acquisition and the cash flow of businesses sold up until the date of sale.

Cash flow from operating activities are calculated according to the indirect method based on profit after tax adjusted for non-cash operating items, changes in working capital and income tax paid.

Cash flow from investing activities include payments related to the purchase and sale of businesses and operations, purchase and sales of intangible, tangible and other non-current assets, and securities not reported as cash.

Cash flow from financing activities include changes in the amount or composition of share capital and related costs as well as Proceeds from borrowings and repayments of borrowings and lease liabilities, interest received and paid, purchase and sale of own shares and payment of dividends to shareholders.

Cash and cash equivalents comprise cash and securities with a residual maturity of less than three months at the time of purchase, which are readily convertible to cash, and which are only subject to an insignificant risk of value fluctuation.

Cash flow in currencies other than the functional currency are translated at average exchange rates unless these rates differ significantly from those prevailing on transaction dates.

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Notes

1 Accounting policies (continued)

Financial ratios

Financial ratios have been prepared in accordance with the recommendations of the CFA Society of Denmark.

Refer to the page with definition of Financial ratios.

2 Significant accounting estimates, and judgements

Determination of the carrying amount of certain assets and liabilities requires judgements, estimates and assumptions about future events.

The estimates and assumptions are based in part on historical experience and other factors that management considers reasonable under the circumstances, but that are inherently uncertain and unpredictable. Assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Because of the risks and uncertainties to which the Group is subject, actual outcomes may differ from the estimates made. Specific risks for the Dyvig Holdings Group are discussed in the directors' report in the section "Non-financial conditions - specific risks" and note 33 to the consolidated financial statements.

It may be necessary to revise previously made estimates because of changes in the prevailing circumstances on which those estimates were based or because of new information or subsequent events.

Estimates that are particularly significant for financial reporting purposes are made on, among other things, impairment tests on goodwill, trademarks, lease liabilities and assets, receivables, and inventories.

Impairment test for goodwill and trademarks

During the annual impairment test of goodwill and trademarks, or when there is an indication of a need for impairment loss, assessment is made of whether the parts of the company (cash-generating units) with which the goodwill or trademark is associated will be able to generate sufficient positive net cash flow in the future to support the value of the goodwill and trademarks and other net assets of that part of the company.

Due to the nature of the business, expected cash flow must be estimated several years out into the future, which naturally results in some uncertainty. The uncertainty is reflected in the chosen discount rate.

The impairment test, the particularly sensitive conditions related to this, and sensitivity analyses are described in more detail in note 14 to the consolidated financial statements.

Lease liabilities and right-of-use assets

The average discount rate amounts to 2.9%. When discounting the lease payments to present value, the Group has used its alternative borrowing rate, which represents the cost of obtaining external financing for an equivalent asset with a financing period equivalent to the term of the lease agreement.

The lease term includes the irrevocable period of the lease, periods covered by an extension option that the Group reasonably expects to exercise, and periods covered by a termination option that the Group reasonably expects not to exercise.

Some of the Group's property leases contain options allowing the Group to extend the lease for a further period, typically 1-10 years. On initial recognition of the right-of-use asset, the Group assesses whether it is reasonably probably that the lease extension option will be exercised. The Group re-evaluates this estimate in the event of significant events or material changes in circumstances within its control.

Receivables

Management uses estimates in assessing the recoverability of receivables as at the balance sheet date. Impairment of expected losses on trade receivables are recognised immediately in the income statement at the same time as the receivable based on a simplified expected credit loss model. The impairment is based on historical data from an expected loss on the receivable, adjusted for estimate and effect of expected changes on relevant parameters such as economic developments, political risk, etc. in the market concerned.

Consolidated financial statements 1 January – 31 December

Notes

2 Significant accounting estimates, and judgements (continued)

No individual doubtful receivables of material significance for the financial statements have been identified when preparing the financial statements for 2022.

See also note 33 for an itemisation of aging of receivables.

Inventories

The uncertainty in estimation for inventories relates to write-down to net realisable value.

Inventories are written down in accordance with the Group's depreciation policy, which includes assessment of inventories individually for possible losses due to obsolescence, poor quality and current usability. A cumulative write-down of DKK 116.0 mio. was made on inventories at the end of 2022 (DKK 105.3 mio.). Refer to note 18 for an itemisation of inventories.

	DKK mio.	2022	2021
3	**Revenue**		
	Sale of goods, installations, and services	5,027.6	3,646.9
	Market value of sales of construction contracts	366.6	246.4
		5,394.2	3,893.3
	Geographic distribution of revenue:		
	Western Europe	4,211.5	3,037.7
	Other	1,182.7	855.6
		5,394.2	3,893.3
	Business segment distribution of revenue:		
	Sale of playground equipment, outdoor fitness, and indoor furniture	3,128.5	2,381.5
	Sale of promotional wear and workwear	2,265.8	1.511.8
		5,394.3	3,893.3
4	**Cost of sales**		
	Cost of goods sold	2,737.4	1,854.0
	Write-down of inventory due to obsolescence for the year	35.6	9.6
	Reversed write-downs due to obsolescence	25.0	2.4
5	**Staff costs**		
	Salaries and wages	848.4	682.5
	Defined contribution pension schemes	29.1	24.4
	Defined benefit pension schemes	0.4	0.1
	Other social security costs	115.0	92.6
	Total staff costs	**992.9**	**799.6**
	Transferred to development projects in the balance sheet	-10.9	-16.1
	Total staff costs included in income statement	**982.0**	**783.5**
	Total average number of employees	2,255	1,955

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5 Staff costs (continued)

Staff costs are thus recognised in the income statement:

Cost of sales	209.6	141.9
Development costs	35.1	26.7
Distribution costs	605.6	467.3
Other operating expenses and special items	0.0	5.7
Administrative expenses	131.7	141.9
Total staff costs	**982.0**	**783.5**

Remuneration of the Board of Directors, Executive Board and key management personnel

	2022		2021	
DKK mio.	**Board of Directors of the parent company**	**Executive Board of the parent company**	**Board of Directors of the parent company**	**Executive Board of the parent company**
Salaries and other remuneration	0.1	2.4	0.1	1.8
Pension contributions	-	0.0	-	0.0
	0.1	**2.4**	**0.1**	**1.8**

6 Development costs

DKK mio.	**2022**	**2021**
The connection between development costs incurred and development costs expensed is:		
Research and development costs incurred	55.8	45.6
Development costs recognised under intangible assets	-25.3	-22.2
Depreciation and impairment	24.5	21.8
Research and development costs recognised in the income statement	**55.0**	**45.2**

7 Depreciation, amortisation, and impairment

Depreciation, amortisation and impairment, intangible assets	40.0	34.1
Depreciation, tangible assets	29.0	25.1
Depreciation, Right-of-use assets	77.8	62.5
Gains/losses on sale of non-current assets	-0.2	- 0.4
	146.6	**121.3**

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Notes

7 Depreciation, amortisation, and impairment (continued)

Thus, recognised in the income statement:		
Cost of sales	49.5	42.6
Development costs	24.5	21.8
Distribution costs	58.7	45.1
Administrative expenses	13.9	11.5
	146.6	**121.3**

Depreciation of intangible assets is recognised in the items Cost of sales DKK 0.8 mio. (DKK 0.7 mio.), development costs DKK 24.4 mio. (DKK 21.9 mio.), distribution costs DKK 0.0 mio. (DKK 0.0 mio.), and administrative costs DKK 14.8 mio. (DKK 12.2 mio.)

	DKK mio.	2022	2021
8	**Fees for auditors elected by the General Meeting**		
	Statutory audit	4.7	4.0
	Other statements on certainty	0.2	0.4
	Tax and VAT advising	1.8	1.2
	Other services	1.1	1.3
		7.7	**6.9**
	The fee breaks down as:		
	Total fee to EY	5.5	3.8
	Total fee to others	2.3	3.2
		7.7	**6.9**
9	**Other operating income/expenses and special items**		
	Negative goodwill on acquisition		112.9
	Costs of restructuring companies and severance pay to employees dismissed in conjunction with restructuring	0.0	-0.3
	Costs for closure/relocation/renovation of sales and production units	0.0	-12.6
	Losses on right-of-use assets	0.0	-4.0
	Other operating income/expenses	0.0	-1.1
		0.0	**94.9**
10	**Financial income**		
	Interest, cash holdings etc.	6.4	10.2
	Exchange rate gains	49.0	68.9
	Value adjustment of derivatives	68.0	4.6
		123.4	**83.7**
	Interest on financial assets measured at amortised cost amounts to	6.4	10.2

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	DKK mio.	2022	2021
11	**Financial expenses**		
	Interest, credit institutions, etc.	20.9	25.7
	Interest, lease liabilities	8.8	7.9
	Foreign exchange losses	13.8	12.6
	Value adjustment of derivatives	1.9	1.8
	Financial expenses, related parties	2.1	2.6
	Other financial items	4.2	1.5
		51.7	**52.1**
	Interest on financial liabilities measured at amortised cost amounts to	29.7	33.6

12 Income tax

	2022	2021
Tax recognised in the income statement.		
Tax for the year can be broken down as follows:		
Tax on profit/loss for the year	180.2	142.6
Tax on other comprehensive income	-0.9	0.2
	179.3	**142.8**
Tax on profit/loss for the year is presented as follows:		
Income tax	179.0	142.6
Deferred tax	6.2	0.2
Adjustment to tax relating to previous years	-5.8	0.0
	179.3	**142.8**

Tax on profit/loss for the year is explained as follows:

	2022	2022	2021	2021
	DKK mio.	%	DKK mio.	%
Estimated 22.0% tax on profit before tax incl. taxable other comprehensive income	179.3	22.0	152.8	22.0
Adjustment of estimated tax in foreign affiliated companies at 22.0%	4.2	0.5	2.1	0.3
Tax effect of adjustments to unrecognised deferrable tax loss	-3.0	-0.4	-5.6	-0.8
Tax effect from changes in not recognised deferred tax assets			8.3	1.2
Other taxes	3.1	0.4	4.9	0.7
Tax effect of:				
Increased deduction for research and development, etc.	-1.9	-0.2	-1.5	-0.2
Non-taxable income	-1.9	-0.2	-25.2	-3.6
Other non-deductible expenses	5.4	0.7	7.0	1.0
Adjustment to tax relating to previous years	-6.6	-0.8	-	-
	179.3	**22.0**	**142.8**	**20.6**

Effective tax rate	22.0%	20.6%

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12 Income tax (continued)

Tax on other comprehensive income

	2022			2021		
DKK mio.	**Before taxes**	**Tax revenue/ -costs**	**After tax**	**Before taxes**	**Tax revenue/ -costs**	**After tax**
Exchange rate adjustments on translation of foreign entities	36.5	-	36.5	-24.8	-	-24.8
Value adjustment pension obligations	-4.0	-0.9	-4.9	-1.4	0.2	-1.1
	32.5	**-0.9**	**31.6**	**-26.2**	**0.2**	**-25.9**

Deferred tax

DKK mio.	**2022**	**2021**
Deferred tax beginning of year	-5.0	47.6
Additions from business combinations	0.0	-53.0
Adjustment related to previous years	0.0	10.6
Deferred tax for the year recognised in profits for the year	8.1	-10.4
Deferred tax for the year recognised other comprehensive income	-0.9	0.2
Deferred tax 31 December	**2.2**	**-5.0**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	-41.3	-47.9
Deferred tax liabilities	43.5	42.9
Deferred tax 31 December, net	**2.2**	**-5.0**
Deferred tax relating to:		
Intangible fixed assets	36.5	32.8
Property, plant and equipment	-6.2	-3.5
Receivables	10.7	2.1
Inventories	-17.3	-10.0
Provisions	-6.2	-2.6
Other liabilities	-1.6	-3.2
Tax loss carried forward	-18.0	-28.6
Re-taxation balances related to foreign losses	4.3	8.0
	2.2	**-5.0**

Tax losses recognised in the statement of financial position are related to the Cotton Group's activities in Norway. These entities are showing taxable profits and it is expected that taxable profits will be available going forward against which the tax losses can be utilised.

Deferred tax assets not recognised in the balance sheet

Tax loss carried forward	16.5	27.2
Other tax assets	0.0	3.9
	16.5	**31.1**

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12 Income tax (continued)

The value is not recognised in the balance sheet, as its utilisation is associated with significant uncertainty. In the current financial year DKK 12.4 mio. (DKK 5.6 mio.) of the unrecognised tax loss has been utilised. The tax losses expire after 20 years. The oldest losses, with a tax value of DKK 4.0 mio., expire in 1-5 years.

All deferred tax liabilities are recognised in the financial statements.

13 Intangible fixed assets

DKK mio.	Goodwill	Design and concept	Trademarks	Licensing, usage rights, and IT-software	Completed develop-ment projects	Develop-ment projects in progress etc.	Total
Cost as at 01.01.2022	1,136.4	123.2	72.3	64.3	74.4	13.8	1,484.5
Additions from business combinations							
Foreign exchange adjustment	-6.1	-	-0.4	-0.6	-	-	- 7.1
Additions	-	-	-	25.0	-	25.3	50.3
Disposals	-	-	-	-2.2	-0.1	-	- 2.3
Transfers	-	-	-	-	22.6	-22.6	0.0
Cost as at 31.12.2022	1,130.4	123.2	71.9	86.6	96.9	16.5	1,525.5
Depreciation and impairment 01.01.2022	-	123.2	-	26.0	22,0	-	171,2
Foreign exchange adjustment				-0.2			-0,2
Depreciation and amortisation	-	-	-	14.8	24.5	-	39.3
Depreciation and impairment of disposed assets	-	-	-	-2.2	-0.1	-	- 2.3
Depreciation and impairment 31.12.2022	-	123.2	-	38.4	46.4	-	208.0
Carrying amount 31.12.2022	**1,130.4**	**-**	**71.9**	**48.2**	**50.5**	**16.5**	**1,317.4**
Cost as at 01.01.2021	1,118.8	123.2	71.2	47.8	56.9	17.5	1,435.4
Additions from business combinations	-	-	-	12.3	-	-	12.3
Foreign exchange adjustment	17.6	-	1.1	-0.1	-	-	18.6
Additions	-	-	-	11.8	-	22.2	34.0
Disposals	-	-	-	-7.5	-8.4	-	-15.8
Transfers	-	-	-	-	25.9	-25.9	-
Cost as at 31.12.2021	1,136.4	123.2	72.3	64.3	74.4	13.8	1,484.5
Depreciation and impairment 01.01.2021	-	123.2	-	21.7	8.5	-	153.4
Foreign exchange adjustment				0.1	-	-	0.1
Depreciation and amortisation	-	-	-	11.9	21.9	-	33.8
Depreciation and impairment of disposed assets	-	-	-	-7.7	-8.4	-	-16.1
Depreciation and impairment 31.12.2021	-	123.2	-	26.0	22.0	-	171.2
Carrying amount 31 December 2021	**1,136.4**	**-**	**72.3**	**38.3**	**52.4**	**13.8**	**1,313.3**

As at 31 December 2022, DKK 5.7 mio. (DKK 3.5 mio.) of licensing and usage rights and IT software related to software development in progress.

Trademarks DKK 71.9 mio. relates to the KOMPAN Group and are considered to have an indefinite life as the KOMPAN trademark is a recognised trademark with a lifetime of more than 40 years from time of purchase.

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14 Impairment test

Goodwill, Design & Concept and Trademarks

Goodwill and trademarks relate to the KOMPAN Group and are tested for impairment at least annually and more frequently if there is an indication of impairment.

Management has as at 31 October 2022 tested the carrying amount of goodwill and trademarks for impairment, based on the cost allocation made to the Groups of cash-generating units, which in the KOMPAN Group comprise the following geographical markets: Western Europe, USA, and Rest of world

	Goodwill		**Trademarks**	
DKK mio.	**2022**	**2021**	**2022**	**2021**
Western Europe	760.9	768.9	49.1	50.0
USA	138.8	130.6	9.3	8.8
Rest of world	236.7	236.9	13.5	13.5
	1,136.4	**1.136.4**	**71.9**	**72.3**

The recoverable amount is determined in each individual case as the higher of value in use and fair value less sales costs.

The recoverable amount is based on the value in use, which is determined using expected net cash flows based on estimates for the years 2023-2027 approved by management and with the following discount factors and growth in the terminal period. Furthermore, the permissible variation in the discount factor (increase) and terminal growth (decrease), respectively, is given for the recoverable amount in 2022 to correspond to the carrying amount. The other variables are assumed to be unchanged.

	Discount rate (after tax)		**Growth in terminal period**	
in %	**Applied**	**Permissible increase - %**	**Applied**	**Permissible decrease - %**
Western Europe	9.2%	11.7%	2.2%	-2.2%
USA	9.7%	18.5%	2.6%	-2.6%
Rest of world	12.5%	5.4%	3.0%	-3.0%

Impairment tests performed on the total value of goodwill and trademarks did not demonstrate any need for impairment, and probable changes in the underlying assumptions would not cause the carrying amount of goodwill and trademarks to exceed their recoverable amount.

Development projects in progress

Development projects in progress include development and refinement of new/existing products. The carrying amount as at 31 December 2022 totals DKK 16.5 mio.

All development projects currently underway are progressing as planned and there is no information from either customers or competitors to indicate that the new products will not be sold in the volumes expected. Based on the amount capitalised, management has determined that there is no need for impairment.

Management did not identify factors for either 2021 or 2022 that indicate any need to perform impairment tests on development projects in progress or other intangible assets.

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15 Property, plant and equipment

DKK mio.	Land and buildings	Plant and machinery	Investment properties	Tangible assets under construction	Total
Cost 1 January 2022	101.7	105.0	-	10.4	217.1
Additions from business combinations	-	2.0	60.4	8.5	70.9
Foreign exchange adjustment	-0.4	1.5	-	-	1.1
Additions	10.9	29.6	-	23.4	63.9
Transfers	0.0	17.5	-	-17.5	-
Disposals	-2.3	-6.8	-	-1.0	-10.1
Cost 31 December 2022	109.9	148.9	60.4	23.8	343.1
Depreciation and impairment 1 January 2022	14,5	46,0	-	0,6	61,1
Foreign exchange adjustment	-	1.9	-	-	1.9
Depreciation and amortisation	5.6	23.4	-	-	29.0
Depreciation and amortisation of disposed assets	-1.4	-4.8	-	-0.6	-6.8
Depreciation and impairment 31 December 2022	18.7	66.5	-	-	85.2
Carrying amount 31 December 2022	**91.2**	**82.4**	**60.4**	**23.8**	**257.8**
Cost 1 January 2021	84.2	92.7	-	2.5	179.4
Additions from business combinations	15.8	4.1	-	2.6	22.5
Foreign exchange adjustment	0.5	4.4	-	0.1	5.0
Additions	1.5	13.9	-	15.3	30.7
Transfers	-	9.7	-	-9.7	0.0
Disposals	-0.3	-19.8	-	-0.4	-20.5
Cost 31 December 2021	101.7	105.0	-	10.4	217.1
Depreciation and impairment 1 January 2021	10.4	41.2	-	-	51.6
Foreign exchange adjustment	0.2	3.0	-	-	3.2
Depreciation and amortisation	4.2	19.9	-	1.0	25.1
Depreciation and amortisation of disposed assets	-0.3	-18.1	-	-0.4	-18.8
Depreciation and impairment 31 December 2021	14.5	46.0	-	0.6	61.1
Carrying amount 31 December 2021	**87.2**	**59.0**	**-**	**9.8**	**156.0**

Of the carrying amount on land and buildings, furnishing of rented premises represents DKK 13.2 mio.

No changes have been made to significant estimates concerning tangible assets.

As Investment properties were acquired close to year-end the fair value of the properties are estimated at their book value of DKK 68.9 mio. including assets under construction. For the same reason, there are no rental income or cost related to investment properties recognized in 2022.

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16 Right-of-use assets

DKK mio.	Land and buildings	Vehicles, plant and machinery	Total
Cost 1 January 2022	331.1	58.7	389.8
Additions from business combinations			
Foreign exchange adjustment	1.1	-0.4	0.7
Additions	83.5	20.5	104.0
Disposals	-18.5	-13.3	- 31.8
Cost 31 December 2022	397.2	65.5	462.7
Depreciation and impairment 1 January 2022	97.7	28.6	126.3
Foreign exchange adjustment	0.3	-0.3	0.0
Depreciation and amortisation	58.8	19.0	77.8
Depreciation and amortisation of disposed assets	-18.5	-12.9	-31.4
Depreciation and impairment 31 December 2022	138.3	34.4	172.7
Carrying amount 31 December 2022	**258.9**	**31.1**	**290.0**
Average discount rate	3.0%	1.9%	
Cost 1 January 2021	256.0	43.2	299.2
Additions from business combinations	45.0	7.4	52.4
Foreign exchange adjustment	3.7	0.3	4.0
Additions	42.2	14.8	57.0
Disposals	-15.8	-7.0	-22.8
Cost 31 December 2021	331.1	58.7	389.8
Depreciation and impairment 1 January 2021	57.9	18.7	76.6
Foreign exchange adjustment	1.0	0.2	1.2
Depreciation and amortisation	45.8	16.7	62.5
Depreciation and amortisation of disposed assets	-7.0	-7.0	-14.0
Depreciation and impairment 31 December 2021	97.7	28.6	126.3
Carrying amount 31 December 2021	**233.4**	**30.1**	**263.5**
Average discount rate	3.0%	2.2%	

Significant accounting estimates, and judgements

For a description of the Group's estimates, assumptions and valuations related to leasing contracts, see note 2.

Land and buildings

In Kompan Group the buildings and land leased by the Group can be broken down into land and buildings for production and distribution and are distributed among the sales and production units of the Group. Distribution offices comprise most of the company's building leases and typically have a lease term of between 1-5 years. Buildings used for production have a typical lease term of 5-10 years.

In The Cotton Group the group leases offices and warehouses. A non-negligible number of the company's building leases contain options to extend the lease term by between 1-10 years. To the extent that management has found it reasonably certain that these options will be exercised, the option periods are recognised as part of the lease period. Extension options are recognised based on a specific contract-by-contract. As of 31 December 2022, a right-of-use asset of DKK 129.4 mio. related to extension options has been recognised, as management expects to exercise these with reasonable certainty. As of 31 December 2022, there are extension options with a value of DKK 155.0 mio. that are not recognised as a lease obligation. The Group has not provided any residual value guarantees in conjunction with the conclusion of leasing contracts for this asset category.

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16 Right-of-use assets (continued)

Vehicles, plant, and machinery

This asset category consists predominantly of leased vehicles made available to the Group's sales force, as well as installation and service teams. The Group currently leases 340-400 vehicles, which have a typical term of between 3-6 years. For individual vehicles used for service and installation, the company has purchase options to acquire the vehicles at the expiration of the leasing period.

At the present time, however, management has not determined that these are reasonably likely to be used. The Group also leases printers, copiers, coffee machines and other similar equipment, typically with a term of 1-5 years, for each of its sales and production offices as well as for the administration office. The company has not provided significant residual value guarantees in conjunction with the conclusion of leasing contracts for this asset category.

Short-term leases and low-value assets

In 2022, the company expensed DKK 6.7 mio. in the income statement for leasing of assets classified as low value. The assets include mobile phones and smaller office supplies.

Leases not yet commenced to which the group is committed

The group has entered into a new rental agreement for office facilities in Belgium, which commence on 1 January 2023. The rental agreement has a fixed term of 9 years with an annual rent of DKK 1.9 mio.

Lease liabilities

	2022	**2021**
Lease liabilities recognised in the balance sheet	306.2	271.4
Current	71.5	66.0
Non-current	234.7	205.4

For 2022 the Group paid DKK 81.6 mio. (DKK 69.9 mio.) in leasing contracts.

Refer to note 32 for maturity analysis of the Group’s lease liabilities.

Interest expenses

Refer to note 11, for recognised interest costs related to the Group’s lease liabilities.

17 Associated companies

	Domicile	Ownership %	Voting rights %
Enduro Genetics ApS	Denmark	35.59 %	35.59 %
Spectro Inlets ApS	Denmark	24.09 %	24.09 %
Lotus Microsystems ApS	Denmark	25.34 %	25.34 %

The associated companies are companies that have been invested in through a venture fund and the result is calculated as the group's proportionate part of the result according to the equity value principle. For more details look in note 31.

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17 Associated companies (continued)

Accumulated financial information for all associated which individually are not significant, and which are accounted for using the equity method.

	2022	2021
Profit and loss for ongoing activities, for the year	-2.1	-
Profit and loss for activities not ongoing, for the year	-	-
Other comprehensive income	-	-
	-2.1	-

18 Inventories

	2022	2021
Raw materials and consumables	96.9	77.5
Work in progress and semi-finished goods	93.5	81.6
Finished goods and goods for resale	886.3	581.4
	1,076.8	**740.5**

19 Receivables

	2022	2021
Trade receivables	903.8	685.6
Receivables from sale of companies	15.8	86.1
Other receivables	127.4	62.8
	1,047.0	**834.5**
Of which the following is due after 12 months		
Trade receivables	0.5	0.8
Receivables from sale of companies	0.0	82.3
Other receivables	45.5	4.9
	46.0	**88.0**

Based on historical experience, the credit risk on customers is assessed to be low. Credit risks linked to the individual receivables partly depend on the debtors' place of residence and whether they are public or private customers.

A large part of the KOMPAN Group's sales is to customers in the public sector, where the risk of loss is generally low, but where payment, particularly on receivables in Southern Europe, sometimes occurs after the normal due date. Based on the Group's internal credit procedures, the credit quality of unimpaired bad debts is therefore considered to be good, and the impairments made as at 31 December 2022 are considered adequate. See note 32 for information on the credit check process.

Receivables in The Cotton Group are distributed among a significant number of customers throughout Europe and within several different industries, including public customers as well as larger and smaller private customers. Within the individual business segments, however, there is a concentration of receivables from individual customers. The credit risk is mitigated through internal assessments of the customers' creditworthiness.

The carrying amount of receivables is estimated to be equal to their fair value.

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20 Contract assets

	2022	2021
Receivables from sales included in the item receivables, cf. note 19	903.8	685.6
Contract assets	48.2	17.2
	952.0	**702.8**

Contract liabilities

Prepayments from customers	121.9	83.0
	121.9	**83.0**

Recognised revenue related to contract assets

Contract assets include the sales value of work performed where the Group has not yet obtained unconditional right to payment because the work performed has not yet been accepted by the customer, as well as bill-and-hold projects where delivery to the customer has not taken place, but control has been transferred.

Unfulfilled delivery commitments relating to construction contracts and advance payments

In accordance with the exception in IFRS 15.121, the Group has not disclosed any unfulfilled delivery commitments, as the Group's construction contracts have an expected duration of less than one year.

21 Prepayments

Prepayments include current prepaid expenses in the form of licenses and prepaid services.

22 Equity

Capital management

The Group regularly assesses the need for adjusting the capital structure to weigh the increased required rate of return on equity against the increased uncertainty related to loan capital. The equity share of total assets amounted to 39.0% at the end of 2022, compared to 40.1% in 2021.

The realised return on equity for 2022 was 39.7% (45.6%).

It is Dyvig Holdings A/S' dividend policy that shareholders should receive a return on their investment in the form of share price increase and dividends exceeding a non-risk investment in bonds. Dividends shall be paid in consideration of the necessary consolidation of equity as a basis for the Group's continued expansion. For the year 2022, no dividend is expected to be paid out.

Share capital

	Issued shares			
	Number		Nominal value (DKK mio.)	
DKK mio.	**2022**	**2021**	**2022**	**2021**
1 January	500.000	500.000	172.3	172.3
Share capital increase	-	-	0.0	0.0
31 December	**500.000**	**500.000**	**172.3**	**172.3**

Share capital consists of 15,050 A-shares and 484,950 B-shares, for a total of 500,000 shares at a nominal value of 1 DKK. A-shares carry a voting right, but B-shares does not.

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22 Equity (continued)

Reserves

Dividend

Dividends are recognized as a liability at the time of adoption at the ordinary general meeting (declaration time). Dividends, which are proposed to be paid out for the year, are shown as a separate item under equity until the general meeting's adoption.

A dividend of DKK 0.0 mio. is proposed. (DKK 0.0 mio.), corresponding to a dividend per share of DKK 0.0 mio. (DKK 0.0 mio.).

Reserve for currency translation

The reserve for currency translation comprises the parent company shareholders' share of exchange differences arising from the translation of the financial statements of entities with a functional currency other than Danish kroner, exchange rate adjustments relating to assets and liabilities that form part of the Group's net investment in such entities.

The reserve is dissolved upon disposal of foreign entities.

23 Non-controlling interests

DKK mio..	2022	2021	2022	2021
	The Cotton Group		KOMPAN Holding Group	
Majority share	72.27%	82.18%	56.59 %	55.85 %
Comprehensive income statement				
Revenue	2,265.7	1,511.8	3,128.5	2,381.5
Net income for the year	196.8	243.9	447.5	279.2
Comprehensive income, total	174.0	239.0	438.7	310.0
Dyvig Holdings share of the profit for the year	**124.3**	**196.4**	**248.5**	**173.5**
The non-controlling share of the profit for the year	**47.7**	**42.6**	**190.2**	**136.5**
Balance				
Non-current assets	153.8	212.4	1.714.5	1.642.9
Current assets	1,168.4	909.8	1,259.6	845.9
Long-term liabilities	62.7	47.3	1,007.9	858.7
Current liabilities	718.2	507.1	748.8	598.0
Dyvig Holdings share of equity	**381.2**	**462.1**	**683.2**	**576.4**
The non-controlling share of equity	**160.1**	**105.7**	**537.2**	**455.7**
Cash flow				
Cash flow from operations	-36.8	139.7	324.6	259.6
Cash flow from investments, net	40.1	-87.6	-97.9	-54.8
Cash flow from financing, net	-53.4	25.9	-148.9	-288.8
Total cash flow	**-50.1**	**78.0**	**77.8**	**-84.0**
Transactions with non-controlling shareholders				
Dividend paid	74.7	0.0	-102.0	-136.8
Purchase from non-controlling shareholders	0.0	0.0	4.9	51.9
Sale to non-controlling shareholders	1.2	6.9	0.0	0.0

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23 Non-controlling interests (continued)

Transactions with non-controlling interests

Purchase of non-controlling shares

In 2022 purchase of non-controlling shares relates to acquisition within Kompan Group.

	2022
Purchase price	15.8
Reduction of non-controlling interests	-4.9
Change in the parent company's shareholder's share of the total equity of the Group	**10.9**

Sale of non-controlling shares

	2022
Sales price	3.0
Addition to non-controlling interests	-1.5
Change in the parent company's shareholder's share of the total equity of the Group	**1.6**

Other changes in the Dyvig Holdings Group ownership in subsidiaries.

In 2021, Dyvig Holdings Group acquired 82.18% of the newly founded subsidiary The Cotton Group. The Cotton Group has subsequently acquired six companies: B&C, Wenaas, Clinic Dress, Sverre W. Monsen, Hejco and Martinson, which are active in workwear and promotional wear. During 2022 The Cotton Group A/S reduced the share capital by 16,719,537 A shares per total value of DKK 127,896,289 and has thus canceled all outstanding A shares. The Dyvig Holdings Group consequently owns 72.27% of The Cotton Group.

24 Pensions and similar commitments

In defined contribution pension schemes, the employer is obliged to pay a specific contribution (e.g., a fixed amount or a fixed percentage of salary). In a defined contribution scheme, the Group does not bear the risk of future changes in interest rates, inflation, mortality, and disability.

Under defined benefit pension schemes, the employer is obliged to pay a certain benefit (e.g., a retirement pension as a lump sum or a fixed percentage of ending salary). In a defined benefit scheme, the Group bears the risk of future changes in salary levels, interest rates, inflation, mortality, and disability.

Danish companies' pension obligations are covered by insurance. Several foreign companies are similarly covered by insurance. For current and former employees in France and Germany who are not covered or only partially covered by insurance (benefit-based schemes), the liability is actuarially calculated at present value at the balance sheet date. These pension schemes are fully or partially covered by pension funds for the employees.

Future pension benefits are primarily based on employees' seniority in the scheme and salary at retirement.

The Group expects to contribute DKK 1.1 mio. to the defined benefit pension scheme in 2023.

The principal assumptions used in the actuarial calculations at the balance sheet date can, on average, be summarised as follows:

	2022	2021
Discount rate	3.9%	0.9%
Future rate of wage increase	1.5%	1.4%

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24 Pensions and similar commitments (continued)

DKK mio.	2022	2021
Change in net present value of defined benefit obligation		
Obligation 1 January	16.5	5.4
Additions from business combinations		13.0
Pension costs for the current financial year	0.0	-0.5
Pensions paid out	-0.6	-0.9
Actuarial adjustment	-3.9	-0.5
Net obligations recognised in the balance sheet	**11.9**	**16.5**
Pension costs recognised in the income statement		
Total recognised for defined benefit schemes	0.4	0.1
Total recognised for defined contribution schemes	29.2	24.4
Total recognised	**29.6**	**24.5**
The cost is recognised in the following accounting items		
Cost of sales	3.7	2.0
Development costs	2.3	2.0
Distribution costs	19.3	13.1
Administrative expenses	4.3	7.4
	29.6	**24.5**

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25 Provisions

DKK mio.	Warranty commitments	Other commitments	Total
Provisions 1 January 2022	17.3	6.8	24.2
Additions from business combinations			
Provisions for the year	7.0	6.3	13.3
Provisions used over the year	-5,9	-3.6	-9.5
Provisions reversed during the year		-2.1	-2.1
Provisions 31 December 2022	**18.4**	**7.5**	**25.9**
The balance sheet is distributed as follows:			
Long-term liabilities	14.2	4.0	18.2
Current liabilities	4.2	3.5	7.7
	18.4	**7.5**	**25.9**
Provisions 1 January 2021	15.1	-	15.1
Additions from business combinations	-	6.4	6.4
Provisions for the year	5.3	1.0	6.3
Provisions used over the year	-3.1	-0.5	-3.5
Provisions reversed during the year	-	-0.1	-0.1
Provisions 31 December 2021	**17.3**	**6.8**	**24.2**
The balance sheet is distributed as follows:			
Long-term liabilities	14.0	1.4	15.4
Current liabilities	3.3	5.4	8.8
	17.3	**6.8**	**24.2**

Warranty obligations regard sold products that are delivered with a 1-10 year warranty. The liability is calculated based on historical warranty costs. The costs are expected to be incurred primarily over the next 6-year period.

In The Cotton Group provisions mainly relates to obligations to re-establish leased buildings and committed restructuring costs. Of the non-current liabilities DKK 2.5 mio. are expected to be utilised after 5 years (2021 DKK 0.0 mio.).

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26 Borrowings

DKK mio.	2022	2021
Long-term liabilities	713.7	562.7
Current liabilities	416.6	247.1
Carrying amount	**1,130.3**	**809.8**
Nominal value	**1,130.3**	809.8

2022	Actual nominal interest rate	Actual effective interest rate	Currency	Fixed-interest period	Carrying value
Mortgage loan					
Floating rate loans	0.3%	0.3%	DKK	0-3 years	12.4
Total mortgage loan					**12.4**
Bank loans					
Floating rate loans	2.7%	2.7%	EUR	1 mth.	700.0
Floating rate loans	1,5%	1,5%	EUR	daily	321.7
Fixed rate	5.0%	5.0%	EUR	3 years.	0.1
Credit facility	2.8%	2.8%	DKK	3 mth.	96.0
Total bank loans					**1,117.8**
2021					
Mortgage loan					
Floating rate loans	0.3%	0.3%	DKK	0-3 years.	13.5
Total mortgage loan					**13.5**
Bank loans					
Floating rate loans	0.8%	0.8%	DKK/EUR	1 mth.	550.0
Floating rate loans	1.0%	1.0%	DKK/EUR	daily	150.0
Fixed rate	5.0%	5.0%	DKK/EUR	3 years.	0.2
Credit facility	0.9%	0.9%	DKK/AUD/CZK	3 mth.	96.0
Total bank loans					**796.2**

The fair value, measured as the present value of expected future principal and interest instalments is generally equal to the carrying amount.

The Group's liabilities to credit institutions are based on agreements that are contingent, among other things, on compliance with certain financial covenants. The conditions are fulfilled as at the balance sheet date and are expected to remain fulfilled throughout the loan period.

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27 Other debt

DKK mio.	2022	2021
Purchase price payable for company acquisition	31.9	50,3
Other payables	261.1	221.4
	293.0	**271.7**

Of which DKK 50.4 mio. is due after 12 months (DKK 63.8 mio.).

28 Contingent liabilities, and other obligations

Contingent liabilities

Dyvig Holdings A/S and its subsidiaries are party to a small number of pending disputes. The outcome of these cases is not expected individually or collectively to have a material impact on the Group's financial position.

In connection with the acquisition made in 2021, The Cotton Group took over guarantees related to the former owners' sale of its other subsidiaries. Currently, we do not have knowledge of any potential payments to be made under these guarantees. As security for the guarantees issue, The Cotton Group has issued a bank guarantee of DKK 14.9 mio. and DKK 15.8 mio. have been place on an escrow account recognised as current other receivables. In 2021 DKK 82.3 mio. was placed on escrow accounts recognised as non-current other receivables. During 2022 an escrow of DKK 66.5 mio. was replaced with the bank guarantee described above.

Performance guarantees

Assets provided as security for credit institutions:

DKK mio.	2022	2021
Land and buildings with a carrying amount of	55.0	56.1
Receivables and other assets	7.5	7.5
Borrowings for which collateral was pledged	12.6	13.7

In addition, Group companies have extended DKK 7.0 mio. in payment guarantees to third parties.

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29 Change in working capital

DKK mio.	2022	2021
Change in inventories	-345.9	-53.0
Change in receivables	-247.3	-127.3
Prepayments/deferred revenue, net	-11.6	-7.3
Change in trade creditors, advance payments from customers and other payables	142.7	56.6
Total change in working capital	**- 462.1**	**-131.0**

30 Non-cash changes in debt obligations

2022 (DKK mio.)	**Opening balance**	**Cash flow**	**Non-cash changes**	**As at 31 December**
Purchase price payable for company acquisition	50.3	-17.2	-1.2	31.9
Receivables from company sales	-86.1	70.3	-	-15.8
Debt obligations arising from investing activities	**-35.8**	**53.1**	**-1.2**	**16.1**
Bank loans	563.7	148.9	1.1	713.7
Business credit facilities	246.0	178.7	-8.1	416.6
Lease liabilities	271.4	-79.9	114.7	306.1
Debt obligations from financing activities	**1,081.1**	**247.7**	**107.7**	**1,436.4**

2021 (DKK mio.)	**Opening balance**	**Cash flow**	**Non-cash changes**	**As at 31 December**
Purchase price payable for company acquisition	57.8	-308.0	300.5	50.3
Receivables from company sales	-	58.9	-145.0	-86.1
Debt obligations arising from investing activities	**57.8**	**-249.1**	**155.5**	**-35.8**
Bank loans	581.0	-451.1	433.8	563.7
Business credit facilities	-	243.7	2.3	246.0
Lease liabilities	232.0	-60.3	99.7	271.4
Debt obligations from financing activities	**813.0**	**-267.7**	**535.8**	**1,081.1**

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31 Acquisition of subsidiaries and activities

2022:

Dyvig Holdings

On the 1 April 2022 Dyvig Holdings acquired 31.58 % of the shares and 78.95 % of the votes in Noon Ventures A/S, and entered into commitment on 88.88 % of the total investment in Noon Ventures I K/S.

NOON Ventures is an early-stage investor established in 2020. They invest in proven transformative technologies with the potential to significantly impact environmental or climate challenges. Their aim is to become the preferred partner for green entrepreneurs and do so by limiting their investments to few companies and working day-to-day with each of them – a fundamentally different approach than traditional early-stage investors.

They typically engage themselves in all aspects of the business and do real work together with the founders applying the experience of their team, investors, and specialist advisors across mission-critical disciplines from strategy to customer introductions, and financing activities. NOON Ventures aspires to be true co-developers of businesses alongside the entrepreneurs.

At the time of Dyvig Holdings' acquisition of Noon Ventures K/S they had already invested in three start-up companies Enduro Genetics ApS, Spectro Inlets ApS, Lotus Microsystems ApS, included as Investment in associates.

Specification of recognized acquired assets at the time of acquisition, Noon Ventures A/S and Noon Ventures I K/S

DKK mio.	2022
Associates	32.3
Cash	3.3
Other current assets	3.7
Net assets / cost price	**39.3**

Noon Ventures contributed since the acquisition at 1 April 2022 with revenues of DKK 0.0 mio. And loss for the year of DKK 8.5 mio.

Besides the above Dyvig Holdings, at the end of December 2022 acquired all shares in Semper Virens ApS and its fully owned subsidiary Semper GKL 109 ApS. Both companies own real estate in Greater Copenhagen.

DKK mio.	2022
Cash	0.1
Receivables	0.1
Other receivables	1.3
Non-current assets	70.9
Deferred tax, net	-0.0
Trade payables	-0.3
Other debt and loan from related parties	-71.6
Net assets / cost price	**0.5**

The purchase price has partly been financed via debt to related parties and partly paid in cash. There are no contingent purchase price and no significant transaction costs incurred in connection with the acquisition.

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31 Acquisition of subsidiaries and activities (continued)

As Semper Virens Group was acquired at the end of December 2022, the acquisition did not contribute to revenue or profit for the year.

If the acquisition of Noon Ventures and Semper Virens had occurred on 1 January 2022, consolidated pro-forma revenue and net profit for the year ending 31 December 2022 would have been as follows:

DKK mio.	2022
Revenue	5,398.5
Operating profit	747.9
Net profit	635.2

These values have been calculated based on the same accounting principles as Dyvig Holdings, but without costs related to the financing of the acquisition.

Kompan Group

KOMPAN Group (KOMPAN A/S) has not acquired subsidiaries or other activities during 2022. A payment of DKK 11.5 mio. was made in 2022 for the buyback of 9.8% of the shares in KOMPAN Commercial Systems SA and DKK 5.6 mio. for 2.0 % of Kompan Int. Holding A/S.

In December of 2021, the KOMPAN Group (KOMPAN A/S) established a company in the Czech Republic, which on 1 January 2022 acquired the assets of a steel processing company.

Specification of recognized acquired assets at the time of acquisition DKK mio.	2021
Property, plant and equipment	3.7
Purchase price	**3.7**

2021:

Kompan Group

A payment of DKK 5.4 mio. was made in 2021 for the buyback of 9.8% of the shares in KOMPAN Commercial Systems SA and DKK 1.8 mio. for the Standing Strong activity.

The Cotton Group

On 29 January 2021, Selskabet af 31.12.2014 founded Selskabet af 31.12.2020, which, together with a minority shareholder, founded The Cotton Group on 25 February 2021.

In March 2021, The Cotton Group A/S acquired a portfolio of leading businesses in the European professional wear market. These businesses provide promotional wear and workwear for a wide variety of customers and industries across Europe. The activities of The Cotton Group are operated through three businesses segments.

- Promotional wear, sold and distributed by B&C across approx. 30 European countries, through a network of specialized promotional textile wholesalers, who distribute the products to many thousand local print shops and e-tailers, that service the end customers.
- Heavy workwear is sold by Wenaas with operations in Norway, Aberdeen, Rotterdam, and Singapore. Wenaas was amongst the first to develop and make work clothes in Norway and has developed from a small local enterprise into a leading international supplier of head-to-toe workwear and safety solutions to the shipping and offshore sector. It is also the market leader amongst large customers in Norway across most industries.
- Healthcare workwear are distributed by Clinic & Job Dress, Sverre W. Monsen, Hejco and Martinsson all with strong positions within the healthcare and the hospitality segment across the Nordics and Central Europe.

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31 Acquisition of subsidiaries and activities (continued)

Fair value at the time of takeover can be specified as follows:

DKK mio.	2021
Cash	197.8
Receivables	219.4
Inventories	559.8
Other receivables	86.5
Non-current assets	170.0
Deferred tax, net	53.0
Long-term liabilities	-490.6
Trade payables	-226.1
Contract liabilities	-23.1
Other debt	-100.3
Pensions and similar liabilities	-13.0
Net assets	**433.4**
Negative goodwill	-112.9
Cost price	**320.5**

Fair value of receivables from sales was DKK 219.4 million. The gross contractual amount for receivables from sales was DKK 227.9 million. with a write-down of DKK 8.5 million.

The acquisition technically resulted in a negative goodwill, which has been recognized as a special item in the income statement, The negative goodwill originated from revaluation of assets and liabilities to fair value in accordance with IFRS 3. In this valuation, inventory was marked-up and a number of acquired receivables were valued at nominal value as we do not have any knowledge of potential claims related to these receivables. Furthermore, the agreement to acquire the companies was entered into in 2020, at a time where the performance of the companies had been negatively impacted by COVID-19, and where the expectations for the future was uncertain. The risks and rewards from the day to day operations was transferred to The Cotton Group at the time of the agreement. During the extended period from acquisition until closing, the business developed favorably and generated profits, which also increased the net assets and resulted in negative goodwill.

The acquired business contributed revenues of DKK 1,511.8 mio., and net profits of DKK 131.6 mio. If the acquisition had occurred at 1 January 2021, consolidated pro-forma revenues, EBIT and net profit for the year ending 31 December 2021 would have been as follows:

DKK mio.	2021
Revenue	4,384.8
Operating profit	647.7
Net income	486.6

These values have been calculated based on the same accounting principles as The Cotton Group, but without costs related to the financing of the acquisition and effects of fair value adjustments made.

Outflow of cash related to the acquisition can be specified as follows:

Cash purchase consideration	320.5
Less cash and cash equivalents acquired	-197.8
Net cash flow	**122.7**

No significant costs related to the acquisition has been incurred by The Cotton Group.

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32 Cash and cash equivalents

DKK mio.	2022	2021
Cash and cash equivalents 31 December include:		
Cash and cash equivalents	227.2	194.6
Cash and cash equivalents 31 December, cf. statement of cash flow	**227.2**	**194.6**

Of the Group's total cash and cash equivalents, DKK 0-1 mio. is held in restricted accounts as security for rent and similar obligations.

In 2021 cash deposited in escrow in a bank account owned by The Cotton Group of DKK 66.5 million, had been provided as security for guarantees related to the disposal of companies, was recognised as non-current other receivables. The escrow has been released in 2022.

The Group has DKK 242.8 mio. in unused credit facilities (DKK 365.5 mio.).

33 Financial risks and financial instruments

Group risk management policy

As a result of its operations, investments and financing, the Group is exposed to a number of financial risks, including:

- Market risk (currency-, interest-, and product & supplier risk)
- Cash- and financing risk
- Credit risks.

The financial risks are managed separately in the two main groups KOMPAN and The Cotton Group and for the remaining subsidiaries it is managed by the management in Dyvig Holdings. The overall framework for financial risk management is laid down in the groups' financing policy, which has been approved by the respective boards of directors. It is the groups' policy not to engage in active speculation in financial risks. The groups' financial management thus focuses solely on managing the financial risks that are a consequence of the group's operations and financing.

Besides the purchase of the Semper Virens Group and Noon Venture companies, there have been no changes in the Group's risk exposure or risk management compared to 2021. Regarding Semper Virens and Noon Ventures there are no significant exposure in regard of Credit, Currency, Interest and Liquidity as the assets are not externally financed nor dependent on foreign currencies.

Management continuously monitors the Group's risk concentration in areas such as customers, geographic areas, currencies, etc. In addition, management monitors whether the Group's risks are correlated and whether there have been any changes in the Group's risk concentration.

For a description of the accounting policies and methods applied, including the recognition criteria and measurement bases applied, refer to the discussion under accounting policies - note 1.

The Group's main financial risks are described in the sections below. Every section opens with a brief description of the financial risk, related business activity, effect, risk management related to the financial risk and effect in the financial year. Some risks are significantly different for the KOMPAN group and The Cotton Group group, and are therefore handled and described individually per subgroup. These are: Product and supplier risks, Currency risks and Credit risks.

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33 Financial risks and financial instruments (continued)

Market risks

Product- and supplier risk

Kompan Group

Related business activity	Effect	Risk management	Effect in 2022 (2021)
Market The majority of the KOMPAN Group's sales are made directly or indirectly to public authorities. The KOMPAN Group is therefore affected by the development of demand from these areas. The main market is Europe, where austerity measures in several European countries will also impact demand.	*Effect:* High *Threat:* Low	**Market** The KOMPAN Group seeks to adjust its sales and production capacity to current market developments. It is management's assessment that the Group's capacity risk is limited.	**Market** The KOMPAN Group has seen growth in most markets during 2022, with declining activity in Russia only, as all activities were closed down end of February.
Products The KOMPAN Group considers it a critical competitive parameter to be a leader in the development of furnishings and equipment for playgrounds, outdoor sports and fitness facilities and innovation in these areas. Sustainability is considered to be a key element of this development.		**Products** With the current product development efforts and identified acquisition targets, it has been determined that the company can maintain its position as the market's most innovative supplier of play, fitness and sports equipment. A number of initiatives have been implemented that shall ensure greater sustainability in both production and products.	**Products** There have been advances across almost all product Groups, but new product launches in Sport & Fitness, ROBINIA and themed playgrounds have had a positive impact on revenue and profit in 2022. More “Green” products were also launched and sold in 2022. Continued positive impact is expected in 2023.
Inventory The Group is essentially a contract manufacturer. However, because of commercial demands for expedited delivery times and minimum orders for individual components and spare part commitments, the company must carry a certain stock of finished goods at all times.		**Inventory** Effort is made to continuously reduce total inventory through the use of increasingly efficient forecast and supply chain models and the implementation of common component platforms across design lines.	**Inventory** Extra capital has been tied up in conjunction with supply chain challenges and increasingly large projects. Continuous efforts are made to optimise inventory tie-up in connection with production.
Suppliers and raw materials The Group's production depends to some extent on raw materials that are priced in relation to a global market price index. Furthermore, security of supply is critical for the order-generating setup.		**Suppliers and raw materials** The KOMPAN Group has a global network of suppliers. It is estimated that supply failures of individual suppliers can be mitigated relatively quickly through substitution with other suppliers. The development in raw material prices - in particular for steel and plastics, HPL sheets and freight rates - has an impact on profits and is covered in the mid-term with fixed price contracts.	**Suppliers and raw materials** Prices on raw materials have risen over the year, driven primarily by rising energy prices and global supply problems. Further impacted by geopolitical challenges, increases are expected to continue into 2023. The ongoing sourcing optimisation plans have progressed as expected.
Installation The KOMPAN Group has outsourced the majority of the installation of playgrounds and in this context runs a risk as to whether the installation is carried out in accordance with the KOMPAN Group's guidelines.		**Installation** In order to mitigate this risk, the KOMPAN Group has sought to standardise installation service through the development of guidelines containing best practice instructions and expected installation time for the products. The KOMPAN Group has also established a global installation department, which provides support to the subsidiaries and performs continuous quality control.	**Installation** Earnings on installation services improved in 2022. Continued implementation of an optimisation program to standardise the installation business across markets is expected to positively impact earnings in 2023.

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33 Financial risks and financial instruments (continued)

The Cotton Group

Related business activities	Effect	Risk management	Effect in 2022 (2021)
Risk of price increase The Cotton Group is exposed to increases in raw material prices **Risk related to inbound logistics services** The Cotton Group would be adversely affected if products cannot be transported efficiently from the factories, mainly in Asia, to the warehouses in Europe. **Inventory** The Cotton Group has inventories at a carrying amount of DKK 816.6 mio. (2021 DKK 572.3 mio).		**Risk of price increases** If The Cotton Group is not able to pass on increases in purchase prices to customers, this will have a negative effect on the profitability of the Group. Historically, The Cotton Group has been able to pass on a significant part of such price increases to the customers, as the majority of the revenue is based on prices, which can be adjusted. **Risk related to inbound logistics services** The negative impact would either result in lower revenues (from lack of products) or in higher freight costs (from more expensive transportation). **Inventory** The valuation of the inventories is assessed on a monthly basis, and inventories are closely monitored, where slow moving or obsolete inventories are identified and dealt with on a regular basis. Being in the workwear and promotional wear market, the inventories are generally not impacted by changes in fashion.	**Risk of price increases** If The Cotton Group is unable to pass on increases in purchase prices to customers, this will have a negative effect on the group's profitability. **Risk related to inbound logistics services** The Group mitigates the effects of this risk by establishing partnerships and long-term agreements with carriers and freight forwarders. Furthermore, alternative transportation methods are used from time to time. **Inventory** The Group's gross profit would be negatively impacted by a decrease in the demand for the garments in inventories leading to impairment losses. For inventories acquired on behalf of specific customers, the customers generally have an obligation to buy out remaining garments at the end of the contract.

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33 Financial risks and financial instruments (continued)

Foreign currency risks

Kompan Group

Related business activity	Effect	Risk management	Effect in 2022 (2021)
The Group is exposed to exchange rate fluctuations as a result of the individual Group companies undertaking purchase and sale transactions and holding receivables and payables in currencies other than their own functional currency. The Group's foreign entities are not significantly affected by exchange rate fluctuations, as both income and expenses are settled in local currency. Activities in the subsidiary KOMPAN A/S are affected by exchange rate fluctuation, as revenue is primarily generated in foreign currencies, while costs are incurred primarily in Danish kroner, euro and Czech koruna.	*Effect:* High *Threat:* Moderate	The Group's foreign exchange risk is hedged primarily by bearing income and expenses in the same currency and by using derivative financial instruments*. Every quarter management reviews the expected exposure 12 months ahead and then covers in accordance with the adopted policy. Exposure in EUR is not covered. The majority of the Group's payables to credit institutions is denominated in EUR.	7% (9%) of the Group's revenue was settled in DKK and approximately 39% (43%) of the revenue relates to EUR. The rest - around 54% (48%) - is denominated in USD, GBP, AUD, NOK, PLN and SEK. The majority of production takes place in Brno in the Czech Republic, which is why a large part of the Group's cost of goods sold is in CZK. The Group's most significant commercial currency exposure relates to sales in USD, GBP, AUD, NOK and SEK and purchases in CZK.

* Forward contracts are used as hedging instruments but do not meet the conditions for hedge accounting.

Exposure and sensitivity analysis

The Group’s currency exposure and sensitivity to changes in exchange rates is summarised in the tablet below.

All other things being equal, a reasonably likely change in exchange rates in relation to exchange rates valid on the balance sheet date would have the following hypothetical impact on the year's EBITDA and the Group's revenue:

	2022			2021		
	Sensitivity			Sensitivity		
DKK mio.	Probable decrease of exchange rate	Hypothetical effect on EBITDA [1]	Effect on revenue	Probable increase of exchange rate	Hypothetical effect on EBITDA [1]	Effect on revenue
USD/DKK	-10%	-5.7 %	-2.4%	-10%	-4.0%	-1.8%
AUD/DKK	-10%	-0.9%	-0.3%	-10%	-1.5%	-0.4%
GBP/DKK	-10%	-3.0%	-1.3%	-10%	-2.7%	-1.2%
NOK/DKK	-10%	-1.1%	-0.4%	-10%	-1.1%	-0.3%
SEK/DKK	-10%	-1.4%	-0.4%	-10%	-1.8%	-0.5%
RUB/DKK	-10%	0.0%	0.0%	-10%	-1.9%	-0.5%
CZK/DKK	-10%	+5.0%	0.0%	-10%	+3.7%	0.0%

1. EBITDA is calculated as earnings before depreciation, amortisation and other operating expenses and exceptional items, plus depreciation of tangible assets.

A corresponding positive change in exchange rates would have a corresponding opposite impact on EBITDA and revenue.

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33 Financial risks and financial instruments (continued)

Outstanding foreign exchange forward contracts net at 31 December for the Group used for financial hedging, but the company does not meet the conditions for hedge accounting of future transactions:

Hedging of cashflows from transactions in foreign currency

	2022				2021			
DKK mio.	Estimated principal*	Value adjustment recognised in the income statement**	Fair value	Remaining term (mos.)	Estimated principal*	Value adjustment recognised in the income statement**	Fair value	Remaining term (mos.)
Foreign currency risks								
CZK/DKK	1.040.0	64.6	56.7	0-36	541.8	11.1	10.2	0-24
PLN/DKK	9.7	0.4	0.3	3				
USD/DKK	-247.5	22.6	21.2	6-12				
	802.2	**87.5**	**78.2**		**541.8**	**11.1**	**10.2**	

* Positive principals of foreign exchange forward transactions are purchases of that currency, while negative principals are sales.

** Gains/losses on exchange recognised in the income statement under financial items

The hedged cash flows are expected to affect profit or loss over the remaining lifetime of the forward foreign exchange contracts.

Foreign currency risks

The Cotton Group

Currency risk is the risk that arises from changes in exchange rates, that affects The Cotton Group's result, investments, or value of financial instruments.

Currency exposure from operational activities

The Cotton Group has activities in several different countries, resulting in a cash inflow in several different currencies, mainly comprising EUR, NOK and SEK. However, costs related to the purchase of goods are mainly incurred in USD and EUR. This results in net cash inflows in EUR, NOK and SEK and net cash outflow in USD, with related currency exposure in respect of future cash flows. The Group monitors this exposure on a continuous basis and enters into foreign currency hedges when it is considered to be advantageous to mitigate the risk.

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33 Financial risks and financial instruments (continued)

Exposure and sensitivity analysis

The Group’s currency exposure and sensitivity to changes in exchange rates is summarised in the tablet below.

All other things being equal, a reasonably likely change in exchange rates in relation to exchange rates valid on the balance sheet date would have the following hypothetical impact on the year's EBITDA and the Group's revenue:

	2022			2021		
	Sensitivity			Sensitivity		
DKK mio.	Probable decrease of exchange rate	Hypothetical effect on EBITDA 1	Effect on revenue	Probable increase of exchange rate	Hypothetical effect on EBITDA 1	Effect on revenue
EUR/DKK	-1%	-1.8 %	-0.6%	-1 %	-1.4 %	-0.6 %
USD/DKK	-10%	31.9%	-0.1%	-10 %	22.3 %	-0.2 %
NOK/DKK	-10%	-15.7%	-2.9%	-10 %	-11.7 %	-3.0 %
SEK/DKK	-10%	-4.7%	-0.8%	-10 %	-5.0 %	-0.9 %

1. EBITDA is calculated as earnings before depreciation, amortisation and other operating expenses and exceptional items, plus depreciation of tangible assets.

A corresponding positive change in the foreign currency exchange rates will have the opposite effect on revenue and EBITDA.

Hedging of cashflows from transactions in foreign currency

	2022				2021			
DKK mio.	Estimated principal	Value adjustment recognised in the income statement*	Fair value	Remaining term (mos.)	Estimated principal*	Value adjustment recognised in the income statement**	Fair value	Remaining term (mos.)
Foreign currency risks								
EUR - USD	118.6	-0.9	-0.3	0-2	50.6	-4.5	0.6	0-4
NOK - USD	2.8	-1.9	0.3	0-2	57.9	2.1	2.2	0-10
NOK - EUR	-	0.3	-		50.9	0.2	-0.3	0-10
GBP - EUR	-	0.6	-		16.9	0.5	-0.6	0-10
SEK - EUR	-	-	-		0.0	-0.1	0.0	
	121.4	**-1.9**	**0.0**		**176.3**	**-1.8**	**1.9**	

* Gain/(loss) are recognised as financial items in the income statement.

Currency forward contracts for The Cotton Group, do not meet the criteria for hedge accounting in accordance with International Financial Reporting Standards.

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33 Financial risks and financial instruments (continued)

Interest rate risks

Dyvig Holdings Group

Related business activity	Effect	Risk management	Effect in 2022 (2021)
As a result of financing of investments and current operations, the Group is exposed to fluctuations in interest rates both in Denmark and abroad. The primary exposure relates to fluctuations in CIBOR and EURIBOR. Semper Virens Group and Noon Ventures have no external debt.	*Effect:* Moderate *Threat:* Moderate	The Group's interest-bearing debt is at a variable interest rate. Interest rates are generally reviewed on a monthly basis. The Group has decided not to hedge interest rates based on an assessment of the total borrowing against the costs of interest rate hedging.	A general increase in interest rates of one percentage point would negatively impact profit before tax for 2022. For the Kompan Group it will impact the profit by approximately DKK 7.7 mio. (DKK 2.1 mio.) measured on a 12-month basis. The cumulative effect on equity excluding the tax effect will be negative by approximately DKK 7.7 mio. (DKK 2.1 mio.). For the Cotton Group it would negatively impact profit before tax for 2022 by approximately DKK 2.9 mio. (DKK 2.1 mio.) measured on a 12-month basis. The cumulative effect on equity excluding the tax effect will be negative by approximately DKK 2.9 mio. (DKK 2.1 mio.). The Group's debt financing is 100% floating rate (100%). The actual nominal interest rate of the debt was 2.7% (1.2%).

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33 Financial risks and financial instruments (continued)

Cash- and financing risk

Liquidity risks

Dyvig Holdings Group

Related business activity	Effect	Risk management	Effect in 2022 (2021)
The Group is exposed to liquidity risks as a result of its ongoing activities and repayment agreements for loan financing. The Group's liquidity management with regard to ongoing operations and payment of financial obligations is vital, as a lack of liquidity can result in breaches of loan terms, which can have significant consequences for all group companies	*Effect:* High *Threat:* Moderate	It is the Group's borrowing policy to ensure maximum flexibility, including through the repayment profile chosen. The Group's cash reserve consists of cash and untapped credit facilities. The Group's objective is to have sufficient liquidity to be able to act accordingly in the event of unforeseen fluctuations in liquidity. The group continuously monitors its liquidity risk and risks associated with renewing or obtaining new credit facilities.	The Group's cash reserve as at 31 December 2022 consists primarily of confirmed credit facilities. For Kompan Group the facilities expires in September 2025, and for The Cotton Group they expire end of 2023. As in 2021, the Group did not violate any covenants or otherwise come close to breaching any agreed loan terms during the year. For the Kompan Group the Cash position including unused credit facilities amounts to DKK 154.1 mio. on 31 December 2022 (DKK 163.7 mio.). For the Cotton Group the Cash position including unused credit facilities amount s to DKK 99.3 mio. in December 2022 (DKK 221.8 mio.). The parent company Dyvig Holdings has cash and cash equivalents which amounts to DKK 283.6 mio. at December 2022, and it is management's opinion that the Group has sufficient liquidity to fulfil liabilities as they fall due.

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33 Financial risks and financial instruments (continued)

Maturity analysis

The Group's debt obligations fall due for settlement as follows:

2022 (DKK mio.)	**Contractual cash flows**	**Within 1 year**	**1 to 5 years***	**After 5 years**
Non-derivative financial instruments				
Borrowings	1.100.1	369.5	723.3	7.3
Lease liabilities	326.2	73.5	203.9	48.8
Trade payables	532.2	532.2	-	-
31 December 2022	**1,958.5**	**975.2**	**927.2**	**56.1**

2021 (DKK mio.)	**Contractual cash flows**	**Within 1 year**	**1 to 5 years***	**After 5 years**
Non-derivative financial instruments				
Borrowings	703.1	135.7	559.1	8.3
Lease liabilities	289.7	66.9	168.0	54.8
Trade payables	471.1	471.1	-	-
31 December 2021	**1,463.9**	**673.7**	**727.1**	**63.1**

* The KOMPAN Group's primary confirmed credit facilities expire in mid-September 2025, for The Cotton Group the expiry date is 31 December 2023.

Assumptions for the maturity analysis

- The maturity analysis is based on all undiscounted cash flows including estimated interest payments. Interest payments are estimated based on current market conditions.
- The undiscounted cash flows from derivative financial instruments are presented gross unless the parties have a contractual right/obligation to settle net.

Based on the Group's expectations for future operations and the Group's current cash position, no other material liquidity risks have been identified.

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33 Financial risks and financial instruments (continued)

Financing risk

Dyvig Holdings Group

Related business activity	Effect	Risk management	Effect in 2022 (2021)
The Group is exposed to financing risk as a result of its long-term strategy, which involves significant investments in distribution networks and production facilities. Implementation of the Group's strategy is contingent on future financing.	*Effect:* Moderate *Threat:* Moderate	KOMPAN Holding A/S is financed primarily through Nordea Bank A/S. The Cotton Group is financed through Danske Bank. Refer also to the section on liquidity risk.	Refer to the section on liquidity risk.

Refer to note 26 for an itemisation of debt to credit institutions.

Credit risks

Dyvig Holdings Group

Related business activity	Effect	Risk management	Effect in 2022 (2021)
The Group is exposed to credit risk from trade receivables and from outstanding balances with banks in the form of deposits and counterparty risk. Risks related to trade receivables arise when Group companies transact sales for which no advance payment is received. Credit risk on deposits with banks arises when there is uncertainty about the counterparty's ability to meet their obligations when due.	*Effect:* Medium *Threat:* Low	The Group carries out ongoing credit assessments of customers and counterparties. Management of credit risk is based on internal credit assessments and limits for customers and financial counterparties. Credit limits are established based on the creditworthiness of the customers/counterparties together with local market risk. All major customers undergo a credit check before conclusion of contract and are monitored on an ongoing basis. If customers do not have a satisfactory credit rating, and is not covered by a credit insurance, the Group uses prepayment, bank guarantee and credit insurance to cover payment uncertainties.	The KOMPAN group has no significant risks regarding individual customers or business partners. In KOMPAN, the loss for the year as a result of credit risks amounts to DKK 1.7 mio. (DKK 0.8 mio.) and relates to losses on receivables from sales. In The Cotton Group, receivables in selected business areas are concentrated on individual customers. In The Cotton Group, the realized credit loss in the financial year that ended 31 December 2022 is DKK 1.4 million. (DKK 1.7 mio.) Losses for the year due to credit risk total DKK 1.7 mio. (DKK 0.8 mio.) and related to losses on trade receivables from sales.

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33 Financial risks and financial instruments (continued)

Kompan Group

Trade receivables

As at 31 December 2022 payment terms were exceeded on 40.6% (38.7%) of the Group's receivables, of which receivables overdue by 180 days or more amount to DKK 31.2 mio.. (DKK 22.6 mio.).

The maximum credit risk for financial assets is reflected in the carrying amounts included in the balance sheet without taking collateral received into account.

Credit risk associated with individual receivables depends primarily on the status of the debtors as public or private sector counterparties. Based on the Group's internal credit assessment procedures, the credit quality of unimpaired receivables is considered to be of high quality with a low risk of loss.

The Group uses the simplified expected credit loss model to assess the need for impairment of financial assets measured at amortised cost, including trade receivables and construction contracts. The model implies that the expected loss over the life of the asset is recognised immediately in the income statement and subject to ongoing monitoring according to the Group's risk management until realisation. Impairment is calculated based on expected loss rates, which are calculated based on historical data based on expected losses over the total lifetime of the receivable, adjusted for estimated effects of expected changes in relevant parameters, such as economic developments, political risk, etc. in the market concerned. As expected, losses deviate between non-public and public customers a differentiated loss percentages are applied for each category.

Trade receivables and contract assets are due as follows as of 31 December 2022:

DKK mio.	Loss percentage Public / Non-public	Receivables total	Expected credit loss	Total after expected credit loss
Maturity period:				
Not due	0.1%/0.5%	409.0	1.2	407.8
Up to 30 days	0.2%/1.0%	116.0	0.7	115.3
Between 30 and 60 days	0.3%/2.0%	60.8	0.7	60.1
Between 60 and 90 days	0.5%/4.0%	23.9	0.6	23.3
Between 90 and 180 days	1.5%/6.0%	42.2	1.4	40.8
More than 180 days	2.5%/12.5%	31.2	1.9	29.3
Bankruptcy process	100%/100%	5.6	5.6	0.0
		688.7	**12.1**	**676.6**

Trade receivables and contract assets are due as follows as at 31 December 2021:

DKK mio.	Loss percentage	Receivables total	Expected credit loss	Total after expected credit loss
Maturity period:				
Not due	0.5%	301.5	1.5	300.0
Up to 30 days	1.0%	99.8	1.0	98.8
Between 30 and 60 days	2.0%	35.2	0.7	34.5
Between 60 and 90 days	3.0%	15.2	0.5	14.7
Between 90 and 180 days	5.0%	17.5	0.9	16.6
More than 180 days	30.0%	22.6	6.8	15.8
		491.8	**11.4**	**480.4**

Consolidated financial statements 1 January – 31 December

Notes

33 Financial risks and financial instruments (continued)

Trade receivables and contract assets, gross before expected credit loss, are distributed as follows:

DKK mio.	2022	2021
Public	365.4	286.8
Non-public	323.3	205.0
	688.7	**491.8**

Trade receivables overdue as at 31 December were as follows:

DKK mio.	2022	2021
Maturity period:		
Up to 30 days	116.0	99.8
Between 30 and 60 days	60.8	35.2
Between 60 and 90 days	23.9	15.2
Between 90 and 180 days	42.2	17.5
More than 180 days	36.8	22.6
	279.7	**190.3**

Impairment losses recorded in a pooled account included in the carrying amount of trade receivables have developed as follows:

DKK mio.	2022	2021
1 January	11.4	10.0
Impairment losses reversed during the year	-6.6	0.8
Provisions for the year	9.0	1.4
Realised during the year	-1.7	-0.8
31 December	**12.1**	**11.4**

Interest income totalling DKK 0.0 mio. on written-down receivables was recognised in the financial statements (DKK 0.0 mio.).

Consolidated financial statements 1 January – 31 December

Notes

33 Financial risks and financial instruments (continued)

The Cotton Group

Trade receivables and contract assets are due as follows as of 31 December 2022:

DKK mio.	**Loss percentage Public / Non-public**	**Receivables total**	**Expected credit loss**	**Total after expected credit loss**
Maturity period:				
Not due	0.5%	231.1	1.2	229.9
Up to 30 days	1.0%	24.0	0.2	23.8
Between 30 and 60 days	2.0%	9.2	0.2	9.0
Between 60 and 90 days	10.0%	3.9	0.4	3.5
Above 90 days overdue	72.5%	16.2	6.6	9.6
		284.4	**8.6**	**275.8**

Trade receivables and contract assets are due as follows as at 31 December 2021:

DKK mio.	**Loss percentage**	**Receivables total**	**Expected credit loss**	**Total after expected credit loss**
Maturity period:				
Not due	0.5%	200.0	1.0	199.0
Up to 30 days	1.0%	17.2	0.2	17.0
Between 30 and 60 days	2.0%	2.7	0.1	2.6
Between 60 and 90 days	10.0%	1.1	0.1	1.0
Above 90 days overdue	72.5%	10.3	7.4	2.9
		231.3	**8.8**	**222.5**

The Group applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The maximum credit risk from financial assets is reflected in the carrying amounts included in the financial position.

Impairment losses recorded in a pooled account included in the carrying amount of trade receivables have developed as follows:

DKK mio.	**2022**	**2021**
1 January	8.8	0.0
Additions from business combinations	-	8.5
Impairment losses reversed during the year	-	-
Provisions for the year	1.2	1.9
Realised during the year	-1.4	-1.6
31 December	**8.6**	**8.8**

Consolidated financial statements 1 January – 31 December

Notes

33 Financial risks and financial instruments (continued)

Categories of financial instruments

Dyvig Holdings Group

DKK mio.	Carrying amount 2022	2021
Financial assets measured at fair value through the income statement	78.2	13.4
Loans, receivables, and cash holdings	1,182.1	1,028.0
Financial liabilities measured at fair value through the income statement	31.9	51.6
Financial liabilities used as hedging instruments	-	-
Financial liabilities measured at amortised cost	1,708.3	1,342.5

Fair value hierarchy for financial instruments measured at fair value on the balance sheet or for which fair value is disclosed.

Dyvig Holdings Group

DKK mio.	Quoted prices (level 1)	Observable input (level 2)	Non-observable input (level 3)	Total
2022				
Financial assets measured at fair value through the income statement	282.8	78.2	0.0	361.0
Financial assets measured at fair value 31.12.	**282.8**	**78.2**	**0.0**	**361.0**
Contingent purchase consideration	-	-	31.9	31.9
Financial liabilities measured at fair value through the income statement	-	-	-	-
Derivative financial instruments entered for hedging of future cash flows	-	-	-	-
Financial liabilities measured at fair value 31.12.	**-**	**-**	**31.9**	**31.9**

Consolidated financial statements 1 January – 31 December

Notes

33 Financial risks and financial instruments (continued)

DKK mio.	Quoted prices (level 1)	Observable input (level 2)	Non-observable input (level 3)	Total
2021				
Financial assets measured at fair value through the income statement	-	13.4	-	13.4
Financial assets measured at fair value 31.12.	**-**	**13.4**	**-**	**13.4**
Contingent purchase consideration	-	-	50.3	50.3
Financial liabilities measured at fair value through the income statement	-	1.3	-	1.3
Derivative financial instruments entered for hedging of future cash flows	-	-	-	-
Financial liabilities measured at fair value 31.12.	**-**	**1.3**	**50.3**	**51.6**

Derivative financial instruments

Forward exchange contracts are valued using generally accepted valuation techniques based on relevant observable exchange rates.

In addition, the Group holds warrants and other options to purchase additional shares in investments in Noon Ventures. The fair value is assessed at DKK 0.0 mio. based on the underlying investments' current state compared to the agreed share price.

Contingent purchase consideration

The fair value of contingent consideration for purchase is based on the discounted value of the enterprise value under the concluded purchase contracts, calculated based on the projected budgets. The estimated fair value increases with higher annual revenue growth, higher primary operations before tax and upon lower discount rates.

Management has concluded that changing the above non-observable inputs to reflect other reasonably likely assumptions would not result in a significant change in estimated fair value.

A net value adjustment of DKK -1.2 mio. was recognised in 2022. (DKK -0.2 mio.).

Bank loans and financial leasing contracts (measured at amortised cost in the balance sheet)

Bank loans and financial leasing contracts are valuated at a rate of 100.

Trade receivables, cash holdings and trade payables (measured at amortised cost in the balance sheet)

Trade receivables and trade creditors with a short credit period are estimated to have a fair value equal to their carrying amount.

Consolidated financial statements 1 January – 31 December

Notes

34 Related parties

Dyvig Holdings A/S has registered the following shareholders holding 5% or more of the share capital:

- Christian Peter Dyvig, Toldbodgade 83, 1253 Copenhagen K
- Andreas Peter Dyvig, Dronningens Tværgade 10, 2., 1302 København K
- Sybille Cathrine Dyvig, Hiort Lorenzens Gade 2, 3. tv, 2200 København N
- Philippa Elisabeth Zoe Dyvig, Dronningens Tværgade 10, 2., 1302 København K

C.P. Dyvig & Co. A/S had, at the end of 2022, a loan of DKK 363.5 mio to Dyvig Holdings A/S.

Dyvig Holdings A/S's related parties with significant influence include the company's and the Group's board of directors, Executive Board and immediate family members of these individuals. Related parties also include companies in which this Group of people has significant interests.

The management's remuneration and bonus programs are discussed in note 5.

The parent company's outstanding balances with related parties on 31 December appears from the balance sheet and interest paid from note 11.

35 Events after the reporting period

No significant events took place after 31 December 2022.

36 Adoption of new and revised Standards

At the time of publication of this annual report, the IASB has issued the following new accounting standards and interpretations that are not mandatory for Dyvig Holdings A/S' preparation of the 2022 annual report:

- IFRS 17 *Insurance Contracts*
- IFRS 17 *Insurance Contracts* – Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 Financial Instruments – Comparative Information
- IAS 12 Income Taxes – Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IAS 1 *Presentation of Financial Statements* – Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies
- IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates
- Annual Improvements 2018-2020 Cycle.

Not all of the above standards and interpretations are approved by EU. The approved standards and interpretations not in force will be implemented as they become mandatory for Dyvig Holdings A/S. None of the above standards and interpretations are considered to have an impact on recognition and measurement for Dyvig Holdings A/S.

Parent company financial statements 1 January – 31 December

Income statement

Note	DKK mio.	2022	2021
2	Administrative expenses	-0.3	-0.8
	Profit/loss before interest and tax	**-0.3**	**-0.8**
	Dividends from subsidiary	131.2	173.8
3	Financial income	4.9	2.1
4	Financial expenses	-2.0	-2.8
	Profit before tax	**133.8**	**172.3**
5	Income tax	0.8	0.3
	Profit/loss for the year	**134.6**	**172.6**

Proposed profit appropriation of profit and loss

Retained earnings	134.6	172.6
Allocated in total	**134.6**	**172.6**

Parent company financial statements 1 January – 31 December

Balance sheet

Note	DKK mio.	2022	2021
	ASSETS		
	Fixed assets		
6	Investments in subsidiaries	654.4	459.6
	Other long-term receivables	4.4	0.1
	Total fixed assets	**658.8**	**459.7**
	Current assets		
	Receivables from related parties	113.0	246.8
7	Other investments	282.8	0.0
	Cash and cash equivalents	0.7	0.0
	Total current assets	**396.6**	**246.8**
	TOTAL ASSETS	**1,055.4**	**706.5**
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	0.5	0.5
	Retained earnings	618.1	453.7
	Total equity and liabilities	**618.6**	**454.2**
	Liabilities		
	Long-term liabilities		
	Loans from related parties	0.0	238.5
	Total non-current liabilities	**0.0**	**238.5**
	Current liabilities		
	Loans from related parties	392.9	0.0
	Income tax payable	43.8	13.6
	Other debt	0.1	0.2
	Total current liabilities	**436.8**	**13.8**
	Total liabilities	**436.8**	**252.3**
	TOTAL EQUITY AND LIABILITIES	**1,055.4**	**706.5**

Parent company financial statements 1 January – 31 December

Statement of changes in equity

DKK mio.	Share capital	Retained earnings	Proposed dividend	Total
Equity 1 January 2022	0.5	453.7	0.0	454.2
Acquisition through merger		29.8		29.8
	0.5	483.5	0.0	484.0
Profit/loss for the year	-	134.6	0.0	134.6
Equity 31 December 2022	**0.5**	**618.1**	**0.0**	**618.6**
Equity 1 January 2021	0.5	281.0	0.0	281.5
Profit/loss for the year	-	172.6	0.0	172.6
Equity 31 December 2021	**0.5**	**453.7**	**0.0**	**454.2**

The composition of share capital and dividends are set out in note 22 of the consolidated financial statements.

Parent company financial statements 1 January – 31 December

Summary of notes to the financial statements

Note	
1	Accounting policies
2	Staff costs
3	Financial income
4	Financial expenses
5	Income tax
6	Financial non-current assets
7	Other investment of fair value
8	Share capital
9	Contingent liabilities, collateral, and other obligations
10	Related parties
11	Ownership
12	Events after the reporting period

Parent company financial statements 1 January – 31 December

Notes

1 Accounting policies

The financial statements for Dyvig Holdings A/S for 2022 have been presented in accordance with the Danish Financial Statements Act (accounting class C medium-sized).

Dyvig Holdings A/S only differs from the accounting policies described for the Group (note 1 in the consolidated financial statements) on the following points:

- Shares in subsidiaries are measured at cost.
- Dividends from subsidiaries are recognised as income when declared.

Intra-group business combinations

The book value method is applied to business combination such as acquisition and disposal of equity investments, merger, demergers, additions of assets and share conversion, etc., in which entities controlled by the Parent Company are involved, provided that the combination is considered completed at the acquisition date without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

2 Staff cost

For information on remuneration of the Executive board and the Board of Directors, please refer to note 5 to the consolidated financial statements.

	DKK mio.	2022	2021
3	**Financial income**		
	Financial income	4.1	2.1
	Unrealized exchange rate adjustment	0.8	0.0
		4.9	**2.1**
4	**Financial expenses**		
	Financial expenses, related parties	0.4	0.0
	Other financial expenses	1.6	2.8
		2.0	**2.8**
5	**Income tax**		
	Tax for the year can be broken down as follows:		
	Income tax charge for the year	0.8	-0.3
	Adjustment to tax relating to previous years	0.0	0.0
		0.8	**-0.3**

6 Investment in subsidiaries

DKK mio.	Investment in subsidiaries
Cost 1 January 2022	459.6
Acquisition through merger	273.2
Additions	45.9
Disposal	-124.3
Cost 31 December 2022	654.4
Carrying amount 31 December 2022	**654.4**

Parent company financial statements 1 January – 31 December

Notes

6 Investment in subsidiaries (continued)

	Domicile	Ownership %	Voting rights %	Net income for the year DKK mio.	Equity DKK mio.
Subsidiaries:					
KOMPAN Holding A/S	Denmark	56.59 %	69.28 %	447.5	1,220.4
Selskabet af 31.12.2020 ApS	Denmark	98.96 %	98.96 %	53.8	195.4
Semper Virens ApS	Denmark	100.00 %	100.00 %	0.5	0.6
Noon Ventures A/S	Denmark	31.58 %	78.95%	0.0	0.4
Noon Ventures I K/S	Denmark	88.88 %	88.88 %	-6.3	44.2

7 Other investments of fair value

Fair value disclosures

The parent Company has the following assets and liabilities measured at fair value:

DKK MIO.	Listed shares
Parent Company	
Fair value at year end	282.8
Unrealised fair value adjustments for the year, recognised in the income statement	-0.8
Unrealised fair value adjustments for the year, recognised in hedging reserve	0
Fair value level	1

8 Share capital

Share capital consists of 15,050 A-shares and 484,950 B-shares, for a total of 500,000 shares at a nominal value of 1 DKK. A-shares carry a voting right, but B-shares does not.

9 Contingent liabilities and other obligations

Performance guarantees

The company is jointly taxed with other Danish companies in the group. As administration company, the company is liable unlimitedly and jointly with the other companies in the joint taxation for Danish corporate taxes and withholding taxes on dividends, interest, and royalties within the joint taxation circle. In addition, no contingent liabilities, contingent assets, or collateral have been identified.

The company has entered into investment commitment with a subsidiary, for which the remaining commitment on 31 December 2022 amounts to DKK 154.8 mio.

10 Related parties

Board of directors and management

Dyvig Holdings A/S's related parties with significant influence include the company's and the Group's board of directors, Executive Board, and immediate family members of these individuals. Related parties also include companies in which this Group of people has significant interests.

Parent company financial statements 1 January – 31 December

Notes

11 Ownership

The company's capital consists of 500,000 of DKK 1 per share. The capital is divided into 15,050 A shares, 484,950 B shares.

The following shareholders own more than 5% of the capital or voting rights:

Christian Peter Dyvig, Toldbodgade 83, 1253 København K

Andreas Peter Dyvig, Dronningens Tværgade 10, 2., 1302 København K

Sybille Cathrine Dyvig, Hiort Lorenzens Gade 2, 3. tv, 2200 København N

Philippa Elisabeth Zoe Dyvig, Dronningens Tværgade 10, 2., 1302 København K

Related companies

The parent company's outstanding balances with related parties on 31 December appears from the balance sheet and interests paid from note 4.

Further, the parent company acquired subsidiaries of DKK 273.7 mio. in connection with merger and transactions with related parties.

The Danish companies in the group are jointly taxed. Joint taxation became effective starting in 2014.

Furthermore, the related parties include the associated companies in which Dyvig Holdings A/S has decisive influence or significant influence.

12 Events after the reporting period

No significant events took place after 31 December 2022.

Management's statement

The Board of Directors and the Executive Board have today examined and approved the consolidated financial statements and annual financial statements for 2022 for Dyvig Holdings A/S.

The consolidated financial statements have been reported in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements under in the Danish Financial Statements Act. The financial statements for the parent company have been prepared in accordance with the provisions of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the financial statements give a true and fair view the assets, liabilities, and financial position of the Group and the company as at 31 December 2022 of the profit/loss of the activities of the Group and company and the Group's cash flows for financial year 1 January – 31 December 2022.

In our opinion, the directors' report includes a fair review of the development in the Group's and the Parent Company's operations and financial conditions, results for the year, cash flows and financial position and 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 approved at the annual general meeting.

Odense, 8 June 2023

Executive Board:

Christian Peter Dyvig
CEO/Managing director

Board of Directors:

Fritz Henrik Schur (Chairman of the Board of Directors)	Vagn Ove Sørensen	Mia Dyvig
Andreas Peter Dyvig	Sybille Cathrine Dyvig	Philippa Elisabeth Zoe Dyvig

Independent auditor's report

To the shareholders of Dyvig Holdings A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Dyvig Holdings A/S for the financial year 1 January – 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated statement of comprehensive income and a consolidated cash flow statement. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2022 and of the results of the Group's operations and cash flows for the financial year 1 January – 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Further, in our opinion, the parent company financial statements give a true and fair view of the financial position of the Parent Company at 31 December 2022 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether 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's review 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's review.

Independent auditor's report (continued)

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act.

Moreover, Management is responsible for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting 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 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 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 the financial statements.

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

Independent auditor's report (continued)

- Evaluate the overall presentation, structure and contents of the financial statements, including the 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 and appropriate audit evidence regarding the financial information of the entities or 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, 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.

Odense, 8 June 2023
EY Godkendt Revisionspartnerselskab
CVR-nr. 30 70 02 28

Brian Skovhus Jakobsen
State-Authorised Public Accountant
mne27701

Henrik Carstensen
State-Authorised Public Accountant
mne47765

Definition of financial ratios

The Financial ratios stated in the survey of financial highlights have been calculated as follows:

Gross margin	Gross profit x 100/Net revenue
Profit margin	Profits from primary operation x 100/Net revenue
Solvency ratio	Equity at end of period x 100/total assets, end of period
Profit/loss	Profit/loss attributable to parent company shareholders
Return on equity	Profit/loss after tax x 100/Average equity

Group chart Dyvig Holdings A/S

Company	Home country	Ownership
Dyvig Holdings A/S	Denmark	
Kompan Holding A/S	Denmark	56.6 %
Kompan A/S	Denmark	100.0 %
KOMPAN Czech Republic s.r.o	Czech Republic	100.0 %
Kompan Steel Manufacturing s.r.o	Czech Republic	100.0 %
KOMPAN KK	Japan	100.0 %
KOMPAN Ltd.	England	100.0 %
KOMPAN Scotland Ltd.	Scotland	100.0 %
JEUX KOMPAN S.A	France	100.0 %
Juegos KOMPAN S.A.	Spain	100.0 %
KOMPAN Playscape PTY. Ltd	Australia	100.0 %
KOMPAN Inc.	USA	100.0 %
KOMPAN Playscape Inc.	Canada	100.0 %
KOMPAN California Inc.	USA	100.0 %
KOMPAN NV	Belgium	100.0 %
KOMPAN COMMERCIAL SYSTEM SA	Belgium	90.2 %
KOMPAN Manufacturing Polen S.P Z.o.o	Poland	100.0 %
KOMPAN Suomi OY	Finland	100.0 %
KOMPAN Int. Holding A/S	Denmark	96.0 %
OOO KOMPAN Russia	Russian Federation	100.0 %
KOMPAN Sverige AB	Sweden	100.0 %
KOMPAN MEA Commercial Brokers L.L.C	Dubai	100.0 %
KOMPAN Danmark A/S	Denmark	100.0 %
KOMPAN Italia S.R.L	Italy	100.0 %
KOMPAN Ireland Ltd.	Ireland	100.0 %
KOMPAN HOLDING GmbH	Germany	100.0 %
KOMPAN GmbH	Germany	100.0 %
KOMPAN Design Studio & Manufacturing, Berlin GmbH	Germany	100.0 %
KOMPAN GmbH	Switzerland	100.0 %
KOMPAN Norway AS	Norway	100.0 %
KOMPAN BV	Netherlands	100.0 %
KOMPAN Austria GmbH	Austria	100.0 %
KOMPAN INSTALLATION BENELUX BV	Netherlands	90.0 %
Repcon GmbH	Germany	100.0 %
KOMPAN Playgrounds Equipment Co Ltd	China	100.0 %
KOMPAN Asia Pacific Pte. Ltd.	Singapore	100.0 %

Company	Home country	Ownership
KOMPAN Asia Pacific Pte. Ltd. Korea Branch	South Korea	100.0 %
Selskabet af 31.12.2020	Denmark	99.0%
The Cotton Group A/S	Denmark	72.3%
The Cotton Group Holding AB	Sweden	100.0%
The Cotton Group AB	Sweden	100.0%
Sverre W Monsen AS	Norway	100.0%
UAB Neo Textile	Lithuania	100.0%
Wenaas Workwear AS	Norway	98.0%
Wenaas UK Ltd.	Great Britain	100.0%
Wenaas Workwear AB	Sweden	100.0%
Wenaas Workwear Singapore PTE Ltd.	Singapore	100.0%
Wenaas Workwear Australia PTY Ltd.	Australia	100.0%
Wenaas Workwear NL BV	Netherlands	100.0%
HejMar AB	Sweden	100.0%
Clinic & Job Dress GmbH	Germany	100.0%
Clinic & Job Dress AG	Switzerland	100.0%
Clinic & Job Dress Austria GmbH	Austria	100.0%
Clinic & Job Dress BV	Netherlands	100.0%
Belskand SA	Belgium	100.0%
The Cotton Group SA/NV	Belgium	99.0%
Wenaas GmbH	Germany	100.0%
OOO Scanworkwear	Russian Federation	100.0%
Semper Virens ApS	Denmark	100.0%
Semper GKL 109 ApS	Denmark	100.0%
Noon Venture A/S	Denmark	31.6%
Noon Venture I K/S	Denmark	88.89%
Associated companies:		
Enduro Genetics ApS	Denmark	36.6%
Lotus Microsystems ApS	Denmark	25.3%
Spectro Inlets ApS	Denmark	24.1%

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"By my signature I confirm all dates and content in this document."

Christian Peter Dyvig
CEO/Managing director
On behalf of: Dyrvig Holdings A/S
Serial number: 5f0f3645-f388-48bd-a368-d88f4b738064
IP: 152.115.xxx.xxx
2023-06-08 12:29:12 UTC

Christian Peter Dyvig
Chairman of the General meeting
On behalf of: Dyrvig Holdings A/S
Serial number: 5f0f3645-f388-48bd-a368-d88f4b738064
IP: 152.115.xxx.xxx
2023-06-08 12:29:12 UTC

Vagn Ove Sørensen
Board of Directors
On behalf of: Dyvig Holdings A/S
Serial number: 0fbcb8ac-e72d-41e5-87c2-c2cca85e4519
IP: 2.131.xxx.xxx
2023-06-08 12:33:38 UTC

Philippa Elisabeth Zoe Dyvig
Board of Directors
On behalf of: Dyvig Holdings A/S
Serial number: 11b5cf9f-d3ae-4c64-a1a2-b7710f2790ac
IP: 61.196.xxx.xxx
2023-06-08 12:36:34 UTC

Sybille Cathrine Dyvig
Board of Directors
On behalf of: Dyvig Holdings A/S
Serial number: 9fcde67e-a2bf-4aa7-86aa-91bbdae38aec
IP: 61.196.xxx.xxx
2023-06-08 12:39:29 UTC

Mia Dyvig
Board of Directors
On behalf of: Dyvig Holdings A/S
Serial number: 1743b4f9-8262-4414-9d40-14a1cf0bddfe
IP: 62.198.xxx.xxx
2023-06-08 13:51:56 UTC

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"By my signature I confirm all dates and content in this document."

Andreas Peter Dyvig
Board of Directors
On behalf of: Dyvig Holdings A/S
Serial number: a3a41f4d-33e1-4079-8aea-279c5e09cbe3
IP: 152.115.xxx.xxx
2023-06-09 11:40:04 UTC

The name is withheld (SSN validated)
Chairman of the board of directors
On behalf of: Dyvig Holdings A/S
Serial number: PID:9208-2002-2-055039924262
IP: 87.54.xxx.xxx
2023-06-09 12:39:22 UTC

Henrik Carstensen
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:91438272
IP: 77.213.xxx.xxx
2023-06-09 13:05:45 UTC

Brian Skovhus Jakobsen
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:90136501
IP: 80.208.xxx.xxx
2023-06-09 13:10:57 UTC