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Lion Danmark I ApS

Elsenbakken 37
3600 Frederikssund
CVR No. 36026642

Annual report 2023

The Annual General Meeting adopted the annual report on 30.04.2024

Kenneth Tjørnelunde Borup
Chairman of the General Meeting

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Entity details

Entity

Lion Danmark I ApS
Elsenbakken 37
3600 Frederikssund

Business Registration No.: 36026642
Date of foundation: 01.07.2014
Registered office: Frederikssund
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Peter Korsholm, Chairman
Johanne Christiane Frazer Riegels Østergård
Morten Strømsted

Executive Board

Kenneth Tjørnelunde Borup, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Lion Danmark I ApS for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

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

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

Frederikssund, 30.04.2024

Executive Board

Kenneth Tjørnelunde Borup
CEO

Board of Directors

Peter Korsholm
Chairman

Johanne Christiane Frazer Riegels Østergård

Morten Strømsted

Independent auditor's report

To the shareholders of Lion Danmark I ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Lion Danmark I ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 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 financial statements" section of this auditor’s report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or 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.

Statement on the management commentary

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 30.04.2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Christian Dahlstrøm
State Authorised Public Accountant
Identification No (MNE) mne35660

Eskild Nørregaard Jakobsen
State Authorised Public Accountant
Identification No (MNE) mne11681

Management commentary

Financial highlights

	2023 DKK'000	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000
Key figures					
Revenue	985,634	950,231	926,984	755,134	542,201
Gross profit/loss	194,253	178,718	168,573	165,729	106,650
EBITDA (adjusted)	93,290	83,049	87,414	87,134	44,889
Operating profit/loss	59,549	47,705	52,332	61,054	20,015
Net financials	(6,667)	(6,215)	(4,970)	(5,128)	(3,998)
Profit/loss for the year	38,488	30,667	35,198	42,169	10,616
Balance sheet total	316,454	337,122	361,373	298,960	281,630
Investments in property, plant and equipment	1,614	3,038	2,617	1,313	2,395
Equity	43,862	104,423	73,756	88,661	46,492
Ratios					
Gross margin (%)	19.71	18.81	18.19	21.95	19.67
Net margin (%)	3.90	3.23	3.80	5.58	1.96
Return on equity (%)	51.91	34.42	43.34	62.40	13.49
Equity ratio (%)	13.86	30.97	20.41	29.66	16.51

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

Gross margin (%):
Gross profit/loss * 100
Revenue

Net margin (%):
Profit/loss for the year * 100
Revenue

Return on equity (%):
Profit/loss for the year * 100
Average equity

Equity ratio (%):
Equity * 100
Balance sheet total

EBITDA adjusted: Operating profit + depreciation and amortization excl. other operating expenses

Primary activities

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

Development in activities and finances

The Group's revenue in 2023 amounts to DKK 986 million, which corresponds to an increase of 3,7% compared to the revenue in 2022.

Earnings Before Interest, Taxes, Depreciation and Amortisation excl. other operating expenses (EBITDA adjusted) amounted to DKK 93,3 million compared to DKK 83,0 million in 2022. Result after tax amounted to DKK 38,5 million compared to DKK 30,7 million in 2022.

Profit/loss for the year in relation to expected developments

In a year with challenging market conditions (inflation, lower investments etc.) the profit of the year is considered very satisfactory.

Outlook

The Company expects for 2024 an increase in revenue and net result after tax, however, this cannot be substantiated by specific percentage at this time.

Statutory report on corporate social responsibility

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

Human rights:

Risk of not providing equal opportunity disregarding sex, gender and religion towards employees and business partners. If the risk materializes, this could impact our reputation and our ability to attract and retain employees. The leaders and managers follow a management codex, which specifies that all employees must be treated equally by treating them differently. They must also understand their employees, maintain a good dialogue, and take the lead towards the desired behavior of inclusion and good cooperation.

Social/employee matters:

Risk of not behaving in an ethical manner in general across the entire organization, risk of not putting enough effort into engaging with the local community, and risk of not providing proper work conditions for the employees of the company. If the risk materializes, this could impact our ability to attract and retain employees. Great focus was placed on employee’s well-being in 2023. Two surveys covering employee well -being were carried out, and improvements were made based on the results. During the year, several social events were held, where the focus was on joy and cooperation. Lomax is proud to employ many local employees, and to sponsor local charities.

Environment:

Risk of not having sufficient green alternatives in product assortment, and risk of not improving satisfactory on carbon footprint on the company premises including warehouse facilities. If the risk materializes, this may impact the local environment. Lomax has produced a climate report for each year since 2020 and focuses on lowering the greenhouse gas emissions connected to the company´s operations. We have entered dialogue with our suppliers about products that affect the climate and environment to a lesser degree, and we push our customers to buy these products.

Going forward, Lomax strives to provide our customers with better, more durable products which have a lower effect on the environment and climate. We work with our freight forwarders to maximize the efficiency of deliveries, in a more sustainable way. All in all, our goal is to secure a collaboration with our suppliers to promote a more sustainable everyday life throughout our value chain.

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

Transactions with external partners abroad consist of purchases from suppliers. The most significant risks are assessed to be associated with suppliers abroad. The company's purchasing department is subject to special guidelines which aim to reduce inappropriate behavior in connection with purchases from external suppliers abroad.

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

Environment:
The overall strategy is year by year to take various actions, which will have positive effects on climate and environment in general. Earlier LED lighting was implemented in the entire warehouse, which has reduced CO2 emission, and the use of plastic bottles for own consumption of water was cancelled and replaced by durable bottles for each employee. Earlier the consumption of plastic was further diminished through various actions connected to internal cleaning of the premises. These actions are recent examples, which support the strategy. We have been very satisfied with the 2023 results, especially concerning CO2 emission.
In 2024 and forward we intend to continue close dialogue with our suppliers and customers to promote green products even further.

Social/employee matters:
The Group also works very focused with social- and employee matters. Specific objectives have been defined in a number of relevant areas. It is our company policy to secure diversity in aspects such as gender, education, and work experience. As part of the yearly strategy planning, the constitution of the board- and management layers are discussed. This aspect is also an integrated part of both the recruitment processes and the daily work. We believe in equal opportunity disregarding sex, gender and religion etc., and integrate this belief in all aspects of our daily business. We will keep paying high attention to Social/Employee matters in 2024 as well.

Human rights matters:
Our policy is to treat customers, suppliers, employees and all other business partners professionally, with respect and with high level of ethical standards. This means also that we accept no disrespect to rules, laws and agreements hereunder also corruption, and that potential breaks will not be accepted. We have implemented strong business controls and standards, which should also serve to prevent any misconduct. We have not experienced any incidents of misconduct in 2023. We will keep paying high attention to the Human rights area in 2024 as well.

The Group pays great attention to creating a strong and motivating company culture. We believe that strong culture and strong leadership are the foundation for securing continued growth in our company. In this perspective, we work with various objectives, which support employee growth and development and, at the same time, create a fun and interesting workplace. We believe that the continuous efforts in 2023 in this area has resulted in the Group maintaining its position as an attractive workplace.

Anti-corruption:
The Group pays high attention to securing high ethical standards across the entire organization. This also implies strong focus on always dealing at arms lengths principles and staying within the boundaries of laws and regulations in all countries which we have transactions within. In areas such as bribe, fraud and money laundering there is a zero acceptance policy within the Group. The entire organization is well aware the company´s policy in this area. We have designed our business procedures to support the overall strategy in the above mentioned areas. The Group evaluates the results of the efforts on an on-going basis. During 2023, Lomax Partnership Policy has been sent to the company's suppliers. The policy sets demand for labor rights, human rights, the environment and anti-corruption in accordance with the UN's Global Compact 10 principles. During 2023 we have not experienced any incidents of corruption. We will continue our focus on implementing various improvements year by year, and evaluation of results will continuously be made during strategy/management meetings.

CSR-report:
The Group has decided to increase the focus on CSR even further. Therefore, a detailed CSR-report have been prepared.

Statutory report on the underrepresented gender

	2023
Supreme management body	
Total number of members	3
Underrepresented gender (%)	33.00
Target figures (%)	33.00
Year of expected achievement of target figures	2023

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

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

It is the Group's policy to employ employees on the basis of competences, personal qualifications and offer the same opportunities to all employees regardless of gender, nationality, religion and political beliefs. In connection with the reappointment of management positions in 2023, only one management position has been reappointed, and that position has been appointed to the underrepresented gender. Since no other members of the management has left the company during 2023 it has not yet been possible to meet the target.

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

	2023
Other management levels	
Total number of members	7
Underrepresented gender (%)	14.00
Target figures (%)	50.00
Year of expected achievement of target figures	2027

The first level management of the company consist of six male and one female member and represents the Managing Director, CSO, CFO, CPO, Head of IT development and EAS Architecture, Head of Digital, and Supply Chain Manager.

Statutory report on data ethics policy

Introduction

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

The data ethics policy aims to account for the data collection and data use of Lomax A/S. The data ethics policy is supplemented by Lomax's personal data policy, which is available on Lomax.dk and to all Lomax employees.

Data overview

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

Data storage

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

Use of data

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

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

Data processing

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

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

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

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

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

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

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

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

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

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

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

2023 results
In 2023, we have continued our internal focus on educating and informing employees about current rules and processes. Employees are also informed on an ongoing basis when there is a need to adjust behavior and processes.

In 2023, we have not had any data breaches involving personal data.

Events after the balance sheet date

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

Consolidated income statement for 2023

	Notes	2023 DKK	2022 DKK
Revenue	2	985,633,520	950,231,125
Own work capitalised		4,242,670	4,347,572
Other operating income		2,287,182	3,021,447
Cost of sales		(599,691,168)	(584,617,964)
Other external expenses	3	(198,219,625)	(194,264,264)
Gross profit/loss		**194,252,579**	**178,717,916**
Staff costs	4	(100,962,671)	(95,668,642)
Depreciation, amortisation and impairment losses	5	(24,184,558)	(27,217,138)
Other operating expenses	6	(9,556,673)	(8,127,410)
Operating profit/loss		**59,548,677**	**47,704,726**
Other financial income	7	899,894	436,293
Other financial expenses	8	(7,566,650)	(6,651,357)
Profit/loss before tax		**52,881,921**	**41,489,662**
Tax on profit/loss for the year	9	(14,393,730)	(10,822,334)
Profit/loss for the year	10	**38,488,191**	**30,667,328**

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	12	30,008,714	32,982,851
Acquired trademarks		221,250	280,362
Goodwill		74,496,440	81,621,510
Intangible assets	11	**104,726,404**	**114,884,723**
Land and buildings		32,646,227	33,343,448
Other fixtures and fittings, tools and equipment		5,234,243	5,429,868
Leasehold improvements		0	346,662
Property, plant and equipment	13	**37,880,470**	**39,119,978**
Fixed assets		**142,606,874**	**154,004,701**
Manufactured goods and goods for resale		87,297,912	95,554,219
Prepayments for goods		9,089,348	10,276,293
Inventories		**96,387,260**	**105,830,512**
Trade receivables		52,577,133	59,285,542
Other receivables		17,928,778	12,385,238
Tax receivable		645,421	0
Prepayments	14	3,054,758	3,335,242
Receivables		**74,206,090**	**75,006,022**
Cash		**3,253,886**	**2,280,389**
Current assets		**173,847,236**	**183,116,923**
Assets		**316,454,110**	**337,121,624**

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		100,740	100,740
Retained earnings		43,761,591	104,322,709
Equity		**43,862,331**	**104,423,449**
Deferred tax	15	9,237,289	9,778,540
Provisions		**9,237,289**	**9,778,540**
Bank loans		105,030,269	84,640,491
Non-current liabilities other than provisions	16	**105,030,269**	**84,640,491**
Bank loans		31,647,910	31,600,001
Trade payables		83,217,161	66,792,626
Tax payable		8,367,349	7,321,640
Other payables		35,091,801	32,564,877
Current liabilities other than provisions		**158,324,221**	**138,279,144**
Liabilities other than provisions		**263,354,490**	**222,919,635**
Equity and liabilities		**316,454,110**	**337,121,624**
Events after the balance sheet date	1		
Assets charged and collateral	18		
Non-arm's length related party transactions	19		
Subsidiaries	20		

Consolidated statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Total DKK
Equity beginning of year	100,740	104,322,709	0	104,423,449
Extraordinary dividend paid	0	0	(95,000,000)	(95,000,000)
Exchange rate adjustments	0	214,102	0	214,102
Other entries on equity	0	(5,465,900)	0	(5,465,900)
Tax of entries on equity	0	1,202,489	0	1,202,489
Profit/loss for the year	0	(56,511,809)	95,000,000	38,488,191
Equity end of year	**100,740**	**43,761,591**	**0**	**43,862,331**

Consolidated cash flow statement for 2023

	Notes	2023 DKK	2022 DKK
Operating profit/loss		59,548,677	47,704,726
Amortisation, depreciation and impairment losses		24,184,558	27,217,138
Working capital changes	17	29,452,178	(6,986,651)
Cash flow from ordinary operating activities		**113,185,413**	**67,935,213**
Financial income received		899,894	436,293
Financial expenses paid		(7,566,650)	(6,651,356)
Taxes refunded/(paid)		(13,848,402)	(15,265,515)
Cash flows from operating activities		**92,670,255**	**46,454,635**
Acquisition etc. of intangible assets		(11,172,800)	(11,725,233)
Acquisition etc. of property, plant and equipment		(1,613,931)	(3,038,321)
Cash flows from investing activities		**(12,786,731)**	**(14,763,554)**
Free cash flows generated from operations and investments before financing		**79,883,524**	**31,691,081**
Loans raised		22,001,294	0
Repayments of loans etc.		(1,647,910)	(31,200,151)
Dividend paid		(95,000,000)	0
Other entries on equity		(4,263,411)	0
Cash flows from financing activities		**(78,910,027)**	**(31,200,151)**
Increase/decrease in cash and cash equivalents		**973,497**	**490,930**
Cash and cash equivalents beginning of year		2,280,389	1,789,459
Cash and cash equivalents end of year		**3,253,886**	**2,280,389**
Cash and cash equivalents at year-end are composed of:			
Cash		3,253,886	2,280,389
Cash and cash equivalents end of year		**3,253,886**	**2,280,389**

Notes to consolidated financial statements

1 Events after the balance sheet date

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

2 Revenue

Revenue distributed into activities and geographic markets are omitted in the financial statements since the Group has it's primary revenue in Denmark in according to the Danish Financial Statements Act, section 96.

3 Fees to the auditor appointed by the Annual General Meeting

	2023 DKK	2022 DKK
Statutory audit services	317,000	286,000
Other assurance engagements	164,800	0
Tax services	134,000	187,000
Other services	138,500	94,000
	754,300	**567,000**

4 Staff costs

	2023 DKK	2022 DKK
Wages and salaries	92,049,684	88,652,314
Pension costs	3,870,933	2,290,309
Other social security costs	1,489,636	1,483,742
Other staff costs	3,552,418	3,242,277
	100,962,671	**95,668,642**
Average number of full-time employees	**193**	**191**

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

The Group has implemented a warrant incentive program for the Management team. Warrants will be granted on a yearly basis during a four-year period. Warrants entitle the Management team to buy one share in the Company per warrant at a pre-agreed price. The Group has not incurred any costs relating to the value of the warrant incentive program when granted.

Other entries on equity relate to partial settlement of warrant incentive program issued to management team.

5 Depreciation, amortisation and impairment losses

	2023 DKK	2022 DKK
Amortisation of intangible assets	21,331,119	24,420,439
Depreciation on property, plant and equipment	2,853,439	2,796,699
	24,184,558	**27,217,138**

6 Other operating expenses

Other operating expenses consist of other external costs related to other Group Enterprises and cost of non-recurring nature.

7 Other financial income

	2023 DKK	2022 DKK
Other financial income	899,894	436,293
	899,894	**436,293**

8 Other financial expenses

	2023 DKK	2022 DKK
Other financial expenses	7,566,650	6,651,357
	7,566,650	**6,651,357**

9 Tax on profit/loss for the year

	2023 DKK	2022 DKK
Current tax	14,194,078	12,006,794
Change in deferred tax	(541,251)	(1,184,460)
Adjustment concerning previous years	740,903	0
	14,393,730	**10,822,334**

10 Proposed distribution of profit/loss

	2023 DKK	2022 DKK
Extraordinary dividend distributed in the financial year	95,000,000	0
Retained earnings	(56,511,809)	30,667,328
	38,488,191	**30,667,328**

11 Intangible assets

	Completed development projects DKK	Acquired trademarks DKK	Goodwill DKK
Cost beginning of year	103,389,194	413,189	142,209,605
Additions	11,172,800	0	0
Cost end of year	**114,561,994**	**413,189**	**142,209,605**
Amortisation and impairment losses beginning of year	(70,406,343)	(132,827)	(60,588,095)
Amortisation for the year	(14,146,937)	(59,112)	(7,125,070)
Amortisation and impairment losses end of year	**(84,553,280)**	**(191,939)**	**(67,713,165)**
Carrying amount end of year	**30,008,714**	**221,250**	**74,496,440**

12 Development projects

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

13 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	35,435,111	37,872,372	2,382,815
Additions	0	1,206,798	407,133
Cost end of year	**35,435,111**	**39,079,170**	**2,789,948**
Depreciation and impairment losses beginning of year	(2,091,663)	(32,442,504)	(2,036,153)
Depreciation for the year	(697,221)	(1,402,423)	(753,795)
Depreciation and impairment losses end of year	**(2,788,884)**	**(33,844,927)**	**(2,789,948)**
Carrying amount end of year	**32,646,227**	**5,234,243**	**0**

14 Prepayments

Deferred income consists of invoices where the risk has not been transferred to the customer.

15 Deferred tax

Changes during the year	2023 DKK	2022 DKK
Beginning of year	9,778,540	10,963,000
Recognised in the income statement	(541,251)	(1,184,460)
End of year	**9,237,289**	**9,778,540**

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

16 Non-current liabilities other than provisions

Bank loans due after five years amount to DKK 11,654,830 as at December 2021.
The Group has pledged the Group's intangible assets, tangible assets, inventory, and receivables as security for the loan agreement.

17 Changes in working capital

	2023 DKK	2022 DKK
Increase/decrease in inventories	9,443,252	(8,583,588)
Increase/decrease in receivables	1,445,353	20,872,605
Increase/decrease in trade payables etc.	18,220,621	(19,044,987)
Other changes	342,952	(230,681)
	29,452,178	**(6,986,651)**

18 Assets charged and collateral

The Company has pledged the Company's intangible assets, tangible assets, investments in group enterprises, inventory, and receivables as security for the bank loan agreement for a total amount of 80.383 thousand.
Furthermore, the Company has issued a Negative Pledged in favor of the bank loan agreement.

19 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

20 Subsidiaries

	Registered in	Corporate form	Ownership %
Lion Danmark I ApS	Frederikssund	ApS	100
Lion Danmark 2019 ApS	Frederikssund	ApS	100
Lomax A/S	Frederikssund	ApS	100
Lomax Sweden AB	Helsingborg	AB	100

Parent income statement for 2023

	Notes	2023 DKK	2022 DKK
Other external expenses		(77,329)	(14,615)
Gross profit/loss		**(77,329)**	**(14,615)**
Other operating expenses	6	(2,031,976)	(94,486)
Operating profit/loss		**(2,109,305)**	**(109,101)**
Income from investments in group enterprises		41,599,506	30,663,989
Other financial income	2	0	115,756
Other financial expenses	3	(356,564)	(2,374)
Profit/loss before tax		**39,133,637**	**30,668,270**
Tax on profit/loss for the year	4	(645,446)	(942)
Profit/loss for the year	5	**38,488,191**	**30,667,328**

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Investments in group enterprises		37,996,018	95,445,821
Financial assets	6	**37,996,018**	**95,445,821**
Fixed assets		**37,996,018**	**95,445,821**
Receivables from group enterprises		3,447,273	0
Tax receivable		5,425,457	17,676,779
Receivables		**8,872,730**	**17,676,779**
Cash		**645,362**	**0**
Current assets		**9,518,092**	**17,676,779**
Assets		**47,514,110**	**113,122,600**

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		100,740	100,740
Retained earnings		43,761,591	104,322,709
Equity		**43,862,331**	**104,423,449**
Bank loans		0	88
Payables to group enterprises		2,966,361	8,659,063
Other payables		685,418	40,000
Current liabilities other than provisions		**3,651,779**	**8,699,151**
Liabilities other than provisions		**3,651,779**	**8,699,151**
Equity and liabilities		**47,514,110**	**113,122,600**
Contingent liabilities	7		
Assets charged and collateral	8		

Parent statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Total DKK
Equity beginning of year	100,740	104,322,709	0	104,423,449
Extraordinary dividend paid	0	0	(95,000,000)	(95,000,000)
Other entries on equity	0	(4,049,309)	0	(4,049,309)
Profit/loss for the year	0	(56,511,809)	95,000,000	38,488,191
Equity end of year	**100,740**	**43,761,591**	**0**	**43,862,331**

The share capital consists of 100,740 shares of a nominal value of DKK 1. No shares carry any special rights.

Notes to parent financial statements

1 Other operating expenses

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

2 Other financial income

	2023 DKK	2022 DKK
Financial income from group enterprises	0	115,756
	0	**115,756**

3 Other financial expenses

	2023 DKK	2022 DKK
Financial expenses from group enterprises	355,166	0
Other financial expenses	1,398	2,374
	356,564	**2,374**

4 Tax on profit/loss for the year

	2023 DKK	2022 DKK
Current tax	(95,457)	942
Adjustment concerning previous years	740,903	0
	645,446	**942**

5 Proposed distribution of profit and loss

	2023 DKK	2022 DKK
Extraordinary dividend distributed in the financial year	95,000,000	0
Retained earnings	(56,511,809)	30,667,328
	38,488,191	**30,667,328**

6 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	110,040,000
Cost end of year	**110,040,000**
Revaluations beginning of year	(14,594,179)
Adjustments on equity	(4,049,309)
Share of profit/loss for the year	41,599,506
Dividend	(95,000,000)
Revaluations end of year	**(72,043,982)**
Carrying amount end of year	**37,996,018**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

7 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

8 Assets charged and collateral

The Company has pledged the Company's investments in group enterprises, and receivables as security for the bank loan agreement for a total amount of 80.383 thousand.
Furthermore, the Company has issued a Negative Pledged in favor of the bank loan agreement.

Accounting policies

Reporting class

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

Changes in accounting policies

The Group and the Parent have changed their accounting policies with regard to staff costs classified as assets and other operating income, with reference to a development in danish accounting practice.

Staff costs classified as assets:

An amount of DKK 4,242,670 has been reclassified so that the figures previously offset under “staff costs” (staff costs classified as assets) in the future will be recognized under "Gross profit/loss". The change in classification has no effect on the net profit or loss for the year, only on the classification in the income statement for the current financial year and the previous financial year. As a consequence the comparative figures have been restated following the change in accounting policies with DKK 4,347,572.

Other operating income:

An amount of DKK 2,287,182 has been reclassified so that the figures previously offset under “staff costs” (staff costs classified as assets) in the future will be recognized under "Gross profit/loss". The change in classification has no effect on the net profit or loss for the year, only on the classification in the income statement for the current financial year and the previous financial year. As a consequence the comparative figures have been restated following the change in accounting policies with DKK 3,021,447.

The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with last year.

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.

Foreign currency translation

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

Income statement

Revenue

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

Own work capitalised
Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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

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

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

Settlement of warrant incentive program issued to management team is expensed directly through equity.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other operating expenses
Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Group's primary activities.

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

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

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

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity. The Parent is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation period ranges from 5 - 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.
Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

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

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

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

Property, plant and equipment

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

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

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

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

	Useful life
Buildings	3-5 years
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	2 years

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

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

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

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

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

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

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

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

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

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

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

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

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's
proposal for distribution of profit/loss.

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

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

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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

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

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid. Cash flows from investing activities comprise payments in connection with acquisition of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, and instalments on interest-bearing debt. Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less shortterm bank debt.