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CVR no. 20 22 26 70

P.L.I. PROFESSIONAL LIGHTING INTERNATIONAL APS

SOMMERVEJ 23C, 8210 AARHUS V

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2022

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 29 March 2023

Paolo Covre

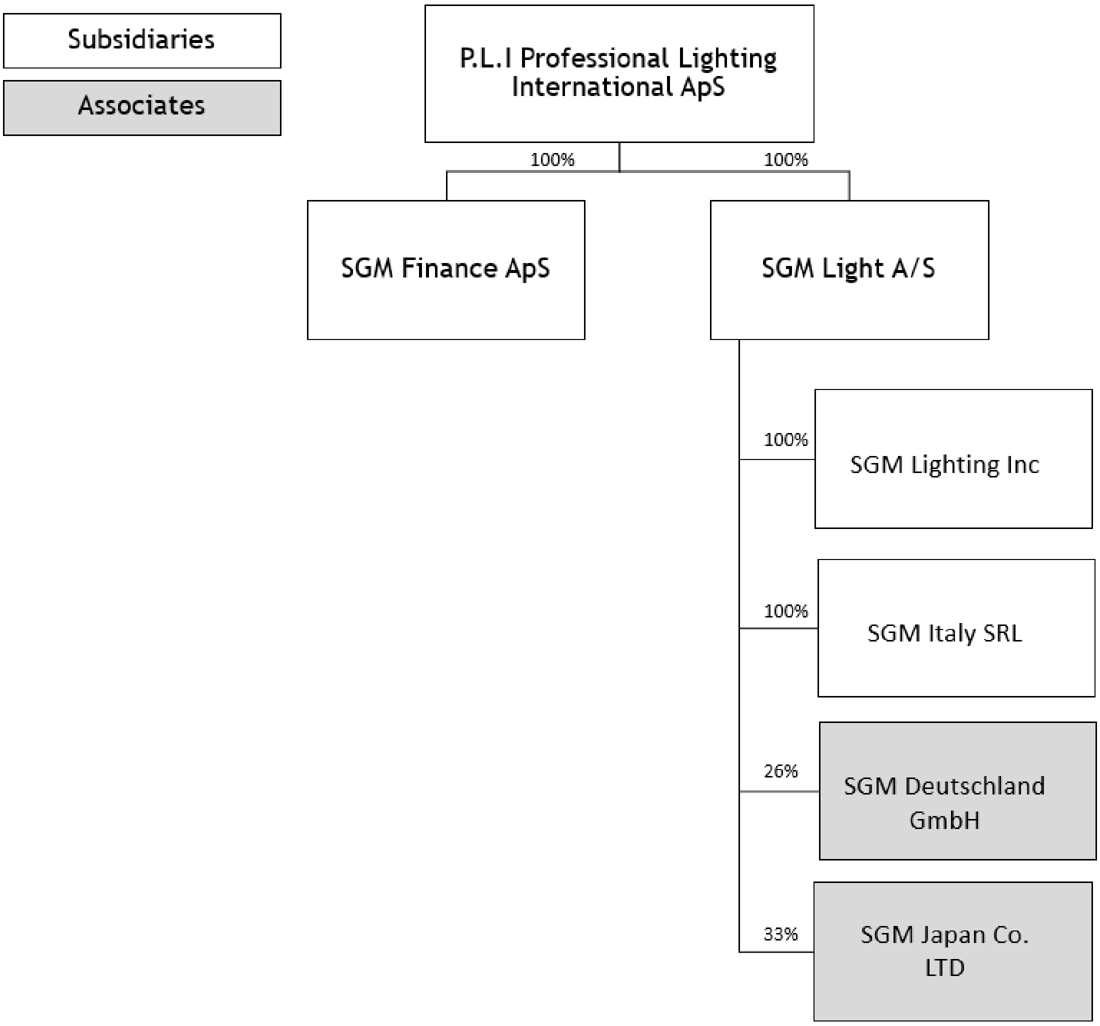
CVR NO. 37 20 77 64

CONTENTS

COMPANY DETAILS

Company	P.L.I. Professional Lighting International ApS Sommervej 23C 8210 Aarhus V	
	CVR No.:	37 20 77 64
	Established:	4 November 2015
	Municipality:	Aarhus
	Financial Year:	1 January - 31 December
Board of Directors	Paolo Covre, chairman Massimo Covre Filippo Bortolini	
Executive Board	Massimo Covre	
Auditor	BDO Statsautoriseret revisionsaktieselskab Kolding Åpark 8A, 7. sal 6000 Kolding	

GROUP STRUCTURE



MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of P.L.I. Professional Lighting International ApS for the financial year 1 January - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Pordenone, 29 March 2023

Executive Board

Massimo Covre

Board of Directors

Paolo Covre Chairman	Massimo Covre	Filippo Bortolini

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of P.L.I. Professional Lighting International ApS

Opinion
We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of P.L.I. Professional Lighting International ApS for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2022 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company
Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company 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 Company Financial Statements
Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 the Annual Financial Statements of the Company.

INDEPENDENT AUDITOR'S REPORT

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover 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 Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

INDEPENDENT AUDITOR'S REPORT

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Kolding, 29 March 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jørn Holm
State Authorised Public Accountant
MNE no. mne35808

FINANCIAL HIGHLIGHTS OF THE GROUP

	2022 EUR '000	2021 EUR '000	2020 EUR '000	2019 EUR '000	2018 EUR '000
Income statement					
Gross profit/loss	6,865	3,976	1,744	7,947	7,505
Operating profit/loss of main activities	1,671	178	-3,539	1,136	1,077
Financial income and expenses, net	-923	-471	-1,077	-681	-632
Profit/loss for the year	369	-93	-3,585	390	348
Balance sheet					
Total assets	19,527	17,961	17,678	21,278	18,763
Equity	-1,074	-1,457	-1,378	2,113	1,714
Cash flows					
Cash flows from operating activities	1,378	347	-2,948	1,699	-2,665
Cash flows from investing activities	-736	-588	-603	-1,899	-1,832
Cash flows from financing activities	906	-789	4,331	-17	425
Total cash flows	1,548	-1,030	780	-217	-4,072
Investment in property, plant and equipment	-41	-74	-108	-569	-680
Average number of full-time employees	**74**	**54**	**90**	**111**	**106**
Key ratios					
Solvency ratio	Neg.	Neg.	Neg.	9.9	9.1
Return on equity	Neg.	Neg.	Neg.	20.4	22.5
Solvency ratio, incl. subordinate loan	4.7	3.0	4.0	19.3	19.8

The ratios stated in the list of key figures and ratios have been calculated as follows:

Solvency ratio: $\dfrac{\text{Equity (ex. minorities), at year-end x 100}}{\text{Total assets, at year-end}}$

Return on equity: $\dfrac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

Solvency ratio, incl. subordinate loan: $\dfrac{\text{(Equity at year end + subordinate loan) x 100}}{\text{Total assets at year end}}$

MANAGEMENT COMMENTARY

Principal activities
The parent company's principal activites include trade, holding of shares in other companies and related business.

The Group's principal activities comprise the development and sale of professional lighting products based on advanced LED technology for the entertainment lighting and architectural lighting business.

The Group is represented globally and sells its products to more than 50 countries.

Unusual matters
During the financial year, the Group has experienced challenges related to the worldwide component crisis, which has caused challenges in the Group's supply chain, and effected gross margin negative.

Apart from the above, the financial position at 31st of December 2022 of the Group and the results of the activities of the Group for the financial year for 2022 have not been affected by any unusual events.

Recognition and measurement uncertainty
Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Development in activities and financial and economic position
The income statement of the Group and parent company for 2022 shows a profit of EUR ('000) 369, and at 31st of December 2022, the balance sheet of the Group shows negative equity of EUR ('000) 1,074

The Group has prepared an operating- and liquidity budget for the financial year 2023, which shows expections of continued positive earnings and further improvements of the Company's cash-flow and hereof have needed the funding available.

Based on the above described, the financial statements of the Group are presented subject to going concern.

Profit/loss for the year compared to the expected development
Management expected in previous years financial statement, that 2022 would be a year with a continued growth as well as a more normalized market situation. The market situation began in the end of 2021 to stabilize, and the Group has experienced significant growth during 2022 resulting in a profit of the year that exceeds the Management's approved budget for 2022.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

Financial risk
The Group has extensive sales and purchasing activities in foreign currency. Changes in currencies other than Euro will affect the operation.

Consequently, the Group has a risk exposure to changes in exchange rates and in the creditworthiness of customers.

The Group does not use derivative financial instruments to manage currency risks.

The Group''s granting of credit to customers follows standard conditions, and the Group insures the majority of it's account receivables.

MANAGEMENT COMMENTARY

Environmental environment
The Group's energy consumption and general impact on the environment and climate are not considered to constitute a significant risk, but the Company is strongly focussed on this and devoting its efforts to contributing to the green transition.

The company consider that it contributes positively to environmental conditions, as a result of the development of energy-saving LED solutions.

Knowledge resources
The company is focusing on the need to be able to attract, develop and retain employees with the right level of competence.

The company's business basis includes, as a derivative area to the company's primary activity of production and sale of products, being able to deliver functional and innovative products. This places particularly high demands on the knowledge resources regarding employees and business processes.

In order to be able to continuously deliver these solutions, it is crucial that the company can recruit and retain employees, both employees with a high level of education and employees with a technical experience base.

The essential business processes regarding the company's main products are service, quality and individual solutions for customers. To ensure that the customer receives the agreed service, the company measures compliance with delivery times and the number of customer complaints, which are essential benchmarks for the company.

Research and development activities
The Group incurs costs on a regular basis for further development of existing products, and significant costs on new projects.

The development activities primarily include the development of new products for the company's product portfolio. A total of EUR ('000) 837 was used in the financial year for development activities. Of the incurred development costs, EUR ('000) 681, recognized under intangible fixed assets, while the other EUR ('000) 156 are recognized in the income statement, as they partly relate to ongoing small improvements to production and partly relate to development projects that will not be used. Development activities at the same level are expected to be carried out in the coming financial year.

Future expectations
Management expects in 2023 to be able to maintain the current sales level as realized in 2022, and it is the management's expectation that the result before tax will be in the range of EUR ('000) 300 - 600.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2022 EUR	2021 EUR '000	2022 EUR	2021 EUR '000
GROSS PROFIT	1	**6,865,267**	**3,976**	**0**	**0**
Distribution costs		-1,330,076	-528	0	0
Administrative expenses	2	-3,863,730	-3,226	-5,041	-5
OPERATING PROFIT		**1,671,461**	**222**	**-5,041**	**-5**
Other operating expenses		0	-44	0	0
OPERATING PROFIT		**1,671,461**	**178**	**-5,041**	**-5**
Income from investments in subsidiaries and associates	3	75,752	130	555,009	-5
Financial income	4	23,764	178	642,003	421
Financial expenses	5	-946,386	-649	-714,373	-505
PROFIT BEFORE TAX		**824,591**	**-163**	**477,598**	**-94**
Tax on profit/loss for the year	6	-455,794	70	-108,801	1
PROFIT FOR THE YEAR	7	**368,797**	**-93**	**368,797**	**-93**

BDO

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group 2022 EUR	Group 2021 EUR '000	Parent Company 2022 EUR	Parent Company 2021 EUR '000
Development projects completed..		2,415,987	2,415	0	0
Intangible fixed assets acquired....		39,934	60	0	0
Development projects in progress .		412,593	249	0	0
Intangible assets....................	8	**2,868,514**	**2,724**	**0**	**0**
Other plant, machinery tools and equipment............................		345,484	565	0	0
Leasehold improvements...........		42,454	47	0	0
Property, plant and equipment...	9	**387,938**	**612**	**0**	**0**
Investments in subsidiaries..........		0	0	1,464,842	896
Investments in associates...........		475,900	528	0	0
Receivables from Group companies............................		0	0	9,324,997	9,325
Rent deposit and other receivables............................		186,011	172	0	0
Financial non-current assets......	10	**661,911**	**700**	**10,789,839**	**10,221**
NON-CURRENT ASSETS.............		**3,918,363**	**4,036**	**10,789,839**	**10,221**
Raw materials and consumables....		4,411,364	3,297	0	0
Work in progress.....................		747,836	567	0	0
Finished goods and goods for resale..................................		3,588,415	3,118	0	0
Prepayments..........................		739,694	688	0	0
Inventories...........................		**9,487,309**	**7,670**	**0**	**0**
Trade receivables....................		2,631,111	2,388	0	0
Receivables from Group companies............................		0	0	1,903,502	1,547
Receivables from associated enterprises............................		128,145	1,529	0	0
Deferred tax assets..................	11	86,128	357	0	41
Other receivables....................		351,206	406	0	0
Corporation tax receivable.........		8,791	231	0	0
Joint tax contribution receivable..		0	0	26,266	45
Prepayments..........................	12	178,077	154	0	0
Receivables..........................	13	**3,383,458**	**5,065**	**1,929,768**	**1,633**
Cash and cash equivalents.........		**2,738,275**	**1,190**	**10**	**0**
CURRENT ASSETS....................		**15,609,042**	**13,925**	**1,929,778**	**1,633**
ASSETS................................		**19,527,405**	**17,961**	**12,719,617**	**11,854**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2022 EUR	Group 2021 EUR '000	Parent Company 2022 EUR	Parent Company 2021 EUR '000
Share capital		100,000	100	100,000	100
Retained earnings		-1,173,844	-1,557	-1,173,844	-1,556
EQUITY		**-1,073,844**	**-1,457**	**-1,073,844**	**-1,456**
Other provisions	14	335,140	351	0	0
PROVISIONS		**335,140**	**351**	**0**	**0**
Subordinate loan capital		2,000,000	2,000	2,000,000	2,000
Lease liabilities		59,398	95	0	0
Payables to Group companies		9,225,000	9,225	9,225,000	9,225
Other non-current liabilities		0	179	0	0
Holiday allowance commitment		544,490	532	0	0
Non-current liabilities	15	**11,828,888**	**12,031**	**11,225,000**	**11,225**
Bank debt		3,114,304	2,523	0	0
Lease liabilities		35,141	55	0	0
Prepayments from customers		224,335	205	0	0
Trade payables		1,418,582	1,487	841	4
Debt to Group companies		2,483,696	2,077	2,483,695	2,048
Corporation tax payable		4,811	0	0	0
Joint tax contribution payable		0	0	83,925	33
Other liabilities		1,156,352	689	0	0
Current liabilities		**8,437,221**	**7,036**	**2,568,461**	**2,085**
LIABILITIES		**20,266,109**	**19,067**	**13,793,461**	**13,310**
EQUITY AND LIABILITIES		**19,527,405**	**17,961**	**12,719,617**	**11,854**

Contingencies etc.	16
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Related parties	18
Prerequisites for continued operation	19

EQUITY

	Group		
	Share capital	Retained earnings	Total
Equity at 1 January 2022	100,000	-1,557,184	-1,457,184
Proposed profit allocation, note 7		368,797	368,797
Other legal bindings			
Foreign exchange adjustments		14,543	14,543
Equity at 31 December 2022	**100,000**	**-1,173,844**	**-1,073,844**

	Parent Company			
	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2022	100,000	0	-1,557,184	-1,457,184
Proposed profit allocation, jf. note 7		555,238	-186,441	368,797
Other legal bindings				
Foreign exchange adjustments		14,391	152	14,543
Transfers				
Settlem. negative balance		-569,629	569,629	0
Equity at 31 December 2022	**100,000**	**0**	**-1,173,844**	**-1,073,844**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2022 EUR	**2021** EUR '000
Profit/loss for the year	368,797	-93
Depreciation and amortisation, reversed	831,013	811
Reversed realization gains	0	74
Unrealised exchange gains, reversed	14,561	36
Profit/loss from associates	-75,752	-130
Tax on profit/loss, reversed	455,794	-71
Other adjustments	41,449	0
Change in inventories	-1,816,809	612
Change in receivables (ex tax)	1,215,597	-2,044
Change in other provisions	-15,998	-146
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	359,655	1,298
CASH FLOWS FROM OPERATING ACTIVITY	**1,378,307**	**347**
Purchase of intangible assets	-681,206	-514
Purchase of property, plant and equipment	-41,453	-74
Purchase of financial assets	-13,389	0
CASH FLOWS FROM INVESTING ACTIVITY	**-736,048**	**-588**
Changes in bank operating credit	590,784	-1,261
Reduction of lease obligations	-55,191	-112
Intercompany parent company financing	406,607	584
Dividends recieved in the financial year	130,051	0
Other cash flows from financing activities	-166,652	0
CASH FLOWS FROM FINANCING ACTIVITY	**905,599**	**-789**
CHANGE IN CASH AND CASH EQUIVALENTS	**1,547,858**	**-1,030**
Cash and cash equivalents at 1. januar	1,190,417	2,221
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**2,738,275**	**1,191**

NOTES

Note

Special items 1

The company has received compensations in connection with the Danish state's COVID-19 compensation packages. The amounts listed below is recognized in "Gross profit".

	Group		Parent Company	
	2022 EUR	**2021** EUR '000	**2022** EUR	**2021** EUR '000
COVID-19 compensation, fixed cost	201,623	1,150	0	0
	201,623	**1,150**	**0**	**0**

Staff costs 2

Average number of employees	74	54	1	1
Wages and salaries	3,309,731	2,598	0	0
Pensions	284,479	208	0	0
Social security costs	56,418	51	0	0
Other staff costs	78,581	40	0	0
	3,729,209	**2,897**	**0**	**0**

Remuneration to the Executive and Supervisory Boards has not been disclosed in 2022 in accordance with section 98 B(3) of the Danish Financial Statement Act.

In the parent company there is only hired one director, who does not receive remuneration.

	Group		Parent Company		Note
	2022 EUR	**2021** EUR '000	**2022** EUR	**2021** EUR '000	
Income from investments in subsidiaries and associates					3
Income from investments in subsidiaries	0	0	555,009	-5	
Income from investments in associates	75,752	130	0	0	
	75,752	**130**	**555,009**	**-5**	
Financial income					4
Group enterprises	0	0	641,726	420	
Other interest income	23,764	178	277	1	
	23,764	**178**	**642,003**	**421**	

NOTES

	Group		Parent Company		Note
	2022	**2021**	**2022**	**2021**	**Note**
	EUR	EUR '000	EUR	EUR '000	
Financial expenses					**5**
Group enterprises	714,237	505	714,237	505	
Other interest expenses	232,149	144	136	0	
	946,386	**649**	**714,373**	**505**	
Tax on profit/loss for the year					**6**
Calculated tax on taxable income of the year	4,881	0	28,322	-13	
Adjustment of tax for previous years	141,713	11	87,578	17	
Adjustment of deferred tax	309,200	-81	-7,099	-5	
	455,794	**-70**	**108,801**	**-1**	
Proposed distribution of profit					**7**
Allocation to reserve for net revaluation under the equity method	0	0	555,238	-5	
Retained earnings	368,797	-93	-186,441	-88	
	368,797	**-93**	**368,797**	**-93**	

Intangible assets **8**

	Group		
	Development projects completed	Intangible fixed assets acquired	Development projects in progress and prepayments
Cost at 1 January 2022	3,961,578	839,431	250,052
Transfer	192,243	0	-161,145
Additions	357,520	0	323,686
Disposals	-30,251	0	0
Cost at 31 December 2022	**4,481,090**	**839,431**	**412,593**
Amortisation at 1 January 2022	1,546,853	779,530	0
Reversal of amortisation of assets disposed of	-30,251	0	0
Amortisation for the year	548,501	19,967	0
Amortisation at 31 December 2022	**2,065,103**	**799,497**	**0**
Carrying amount at 31 December 2022	**2,415,987**	**39,934**	**412,593**

NOTES

Note

Intangible fixed assets (continued) 8

The company has development projects with an accounting value per 31st of December 2022 of EUR ('000) 2.416, which is capitalized in the accounts.

The company has developed 10 products, each of which is specially developed to provide the best form for lighting within, among other things, lighting of architecture and entertainment, etc. Management has high expectations for the use of the products and has not found any indication of impairment in relation to the carrying amount.

Development projects in progress include the development and testing of new lighting systems. The costs essentially consist of internal costs in the form of direct salaries as well as purchased material. The carrying amount is per 31st of December 2022 a total of EUR ('000) 413.
The system is expected to be completed during 2023-2024, after which marketing and sales can begin. Development projects in progress counts 5 development projects.

Property, plant and equipment 9

	Group	
	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2022	2,607,906	172,555
Exchange adjustment at closing rate	709	0
Additions	26,616	14,836
Disposals	-46,042	0
Cost at 31 December 2022	**2,589,189**	**187,391**
Depreciation and impairment losses at 1 January 2022	2,043,578	126,381
Reversal of depreciation of assets disposed of	-46,042	0
Depreciation for the year	246,169	18,556
Depreciation and impairment losses at 31 December 2022	**2,243,705**	**144,937**
Carrying amount at 31 December 2022	**345,484**	**42,454**
Finance lease assets	103,715	

NOTES

Note

Financial non-current assets

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	Group		
	Investments in subsidiaries	Investments in associates	Rent deposit and other receivables
Cost at 1 January 2022	0	27,085	172,040
Exchange adjustment at closing rate	0	0	582
Additions	0	0	13,389
Cost at 31 December 2022	**0**	**27,085**	**186,011**
Revaluation at 1 January 2022	0	501,721	0
Dividend	0	-130,051	0
Profit/loss for the year	0	17,718	0
Exchange adjustment	0	1,361	0
Other adjustments	0	58,066	0
Revaluation at 31 December 2022	**0**	**448,815**	**0**
Carrying amount at 31 December 2022	**0**	**475,900**	**186,011**

	Parent Company	
	Investments in subsidiaries	Receivables from Group companies
Cost at 1 January 2022	2,007,556	9,324,997
Exchange adjustment at closing rate	-756	0
Cost at 31 December 2022	**2,006,800**	**9,324,997**
Revaluation at 1 January 2022	-1,112,343	0
Exchange adjustment	756	0
Profit/loss for the year	555,238	0
Revaluation at 31 December 2022	**-556,349**	**0**
Exchange adjustment	-14,391	0
Impairment losses and amortisation of goodwill at 31 December 2022	**-14,391**	**0**
Carrying amount at 31 December 2022	**1,464,842**	**9,324,997**

Investments in subsidiaries (EUR)

Name and domicil	Equity	Profit/loss for the year	Ownership
SGM Light A/S, Denmark	1,053,622	461,922	100 %
SGM Italy Srl., Italy	32,783	19,736	100 %
SGM Lighting Inc., USA	331,213	111,312	100 %
SGM Finance ApS, Denmark	411,220	93,087	100 %

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Fixed asset investments (continued) 10
Investments in associates (EUR)

Name and domicil	Equity	Profit for the year	Ownership
SGM Deutschland GmbH, Germany.................	1,944,316	205,562	26 %
SGM Japan Co. Ltd., Japan..........................	-147,393	-131,321	33 %

Deferred tax assets 11

The provision for deferred tax is related to differences between the carrying amount and tax value of intangible and tangible fixed assets, including recognised finance lease contracts, prepaid costs and taxable loss.

	Group		Parent Company	
	2022 EUR	2021 EUR '000	2022 EUR	2021 EUR '000
Deferred tax, beginning of year......	356,703	498	40,644	36
Deferred tax of the year, income statement..............................	-309,200	81	7,099	5
Adjustments.............................	38,625	-222	-47,743	0
Provision for deferred tax 31 December 2022......................	**86,128**	**357**	**0**	**41**

The Company's deferred tax assets are recognised in the Balance Sheet at EUR ('000) 86. The tax asset relates primarily to unutilised tax losses. The tax asset is recognised on the basis ofthe expectations to the positive tax profits for the next 3-5 years, and the tax losses are then expected to be fully utilised.

Prepayments 12

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions etc.

	Group		Parent Company	
	2022 EUR	2021 EUR '000	2022 EUR	2021 EUR '000
Receivables falling due after more than one year				
Deferred tax assets....................	0	215	0	41
	0	**215**	**0**	**41**

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	Group 2022 EUR	Group 2021 EUR '000	Parent Company 2022 EUR	Parent Company 2021 EUR '000	Note
Other provisions					14
Warranties & other provisions........	335,140	351	0	0	

The Grooup provides warranties of 2-5 years on its products and is therefore obliged to repair or replace goods with defects. Based on previous experience in respect of the level of repairs and returns, other provisions of EUR ('000) 335 (2021: EUR ('000) 351) have been recognised for expected warranty claims.

Long-term liabilities 15

Group	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Subordinate loan capital........................	2,000,000	0	2,000,000	2,000,000
Lease liabilities..................................	94,539	35,141	0	149,730
Payables to Group companies..................	9,225,000	0	9,225,000	9,225,000
Other non-current liabilities....................	0	0	0	179,442
Holiday allowance commitment................	544,490	0	519,624	531,700
	11,864,029	**35,141**	**11,744,624**	**12,085,872**

Parent Company	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Subordinate loan capital........................	2,000,000	0	2,000,000	2,000,000
Payables to Group companies..................	9,225,000	0	9,225,000	9,225,000
	11,225,000	**0**	**11,225,000**	**11,225,000**

For subordinated loan capital, the lender has issued a declaration of resignation to the other creditors in the company.

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Contingencies etc. 16

Contingent liabilities
The Group has engaged in a rent obligation, which is non-terminability for the next 3 years. The total rent obligation in the non-terminability period amounts to EUR ('000) 1,114.

The parent company has provided a surety bond to a subsidiary's bank debt. The surety bond is limited to EUR ('000) 4,000 and the subsidiary's bank debt per 31st of December amounts to EUR ('000) 2,495.

Joint liabilities
The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to TEUR, 0 at the Balance Sheet date.

Charges and securities 17
As security for a subsidiary's bank debt, a corporate mortgage of TEUR 807 has been issued, in the Group's trade receivables, other fixtures and fittings, tools and equipment, inventories and intellectual property right. The value of these assets as of 31st of December 2022 constitutes EUR ('000) 12,815, and the bank debt covered by the mortgage amounts to EUR ('000) 1,470

Related parties 18
The Company's related parties include:

Controlling interest
Eurofinim SRL, Via Pedrina no. 1, 33082 Azzano Decimo is the principal shareholder.

Transactions with related parties
The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

Prerequisites for continued operation 19
The income statement of the Group for 2022 shows a profit of EUR ('000) 369, and at 31st of December 2022, the balance sheet of the Group shows negative equity of EUR ('000) 1,074

The group has prepared an operating- and liquidity budget for the financial year 2023, which shows expections of continued positive earnings and further improvements of the Company's cash-flow and hereof have needed the funding available.

Based on the above described, the financial statements of the Group are presented subject to going concern.

ACCOUNTING POLICIES

The Annual Report of P.L.I. Professional Lighting International ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

The Consolidated and Parent Company Financial Statements are presented in EUR.

Consolidated Financial Statements
The Consolidated Financial Statements include the Parent Company P.L.I. Professional Lighting International ApS and the subsidiaries in which P.L.I. Professional Lighting International ApS directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Positive and negative differences between the acquisition cost and the carrying amounts of acquired and identified assets and liabilities are recognised in equity at the acquisition. The difference from acquired entities is EUR 0 ('000).

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries’ fair value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

INCOME STATEMENT

Net revenue
Net revenue from the sale of finished goods and accessories is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Production costs
Production costs comprise the costs of manufacture and procurement paid to achieve the net revenue for the year, including costs of raw materials and consumables, wages and salaries, energy, maintenance, leasing and depreciation of production plant, and adjusted for changes in inventory of finished goods and work in progress.

Distribution costs
The costs paid for the distribution of goods sold during the year and for sales campaigns, etc. carried out during the year are recognised in distribution costs. The cost of sales personnel, advertising and exhibition costs and amortisation of distribution and sales related assets are also recognised in distribution costs. Common losses on bad debts are also recognised.

ACCOUNTING POLICIES

Administrative expenses
Administrative expenses recognise costs incurred during the year regarding management and administration, inclusive of costs relating to the administrative staff, Executives, office premises, office expenses, etc., and related amortisation.

Other operating income
Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

Income from investments in subsidiaries and associates
The proportional share of the results of subsidiaries and associates, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold subsidiaries and associates are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets
Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 5-8 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition. On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation is usually 5-8 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

ACCOUNTING POLICIES

Tangible fixed assets
Leasehold improvements, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment..	2-5 years	0 %
Leasehold improvements...	2-5 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Lease contracts
Lease contracts relating to tangible fixed assets for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

Financial non-current assets
Investments in Equity interests in subsidiaries and associates are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Equity investments in subsidiaries and associates are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities acquired.

Net revaluation of equity interests in subsidiaries and associates is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries and associates with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries and associates deficit.

Other receivables are measured at amortised cost which usually corresponds to the nominal amount. The amount is written down to meet expected losses.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Other provisions for liabilities
Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructurings etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 2 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated on the contract.

ACCOUNTING POLICIES

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

The Income Statements of foreign subsidiaries and associates fulfilling the concitions for being independent entities are translated at an average exchange rate for the month and the Balance Sheet items are translated at the rate of exchange on the Balance Sheet date. Exchange differences arising from translation of the equity of foreign subsidiaries at the beginning of the year to the rates of the Balance Sheet date and from translation of Income Statements from average rate to the rates of the Balance Sheet date are recognised directly in the equity.

Exchange adjustment of intercompany accounts with foreign subsidiaries that are deemed to be an addition to or deduction from the equity of independent subsidiaries are recognised directly in the equity.

ACCOUNTING POLICIES

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.