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P.L.I. PROFESSIONAL LIGHTING INTERNATIONAL APS

SOMMERVEJ 23C, 8210 AARHUS V

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2021

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 24 May 2022

Massimo Covre

CVR NO. 37 20 77 64

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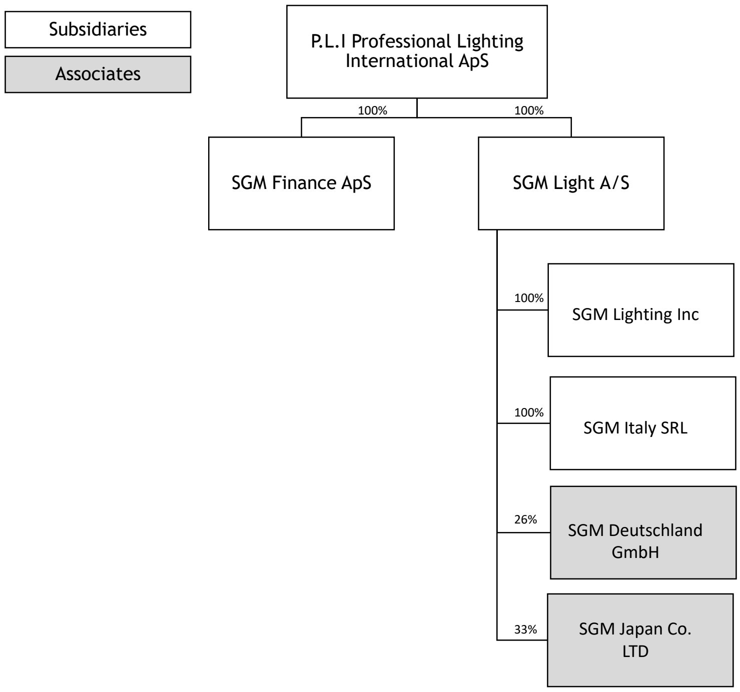
COMPANY DETAILS

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 2021.

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 2021 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2021.

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, 24 May 2022

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 2021, 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 2021 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 2021 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.

INDEPENDENT AUDITOR'S REPORT

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.

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.

INDEPENDENT AUDITOR'S REPORT

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.

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, 24 May 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jørn Holm
State Authorised Public Accountant
MNE no. mne35808

FINANCIAL HIGHLIGHTS OF THE GROUP

	2021 EUR '000	2020 EUR '000	2019 EUR '000	2018 EUR '000	2017 EUR '000
Income statement					
Gross profit/loss	3,964	1,744	7,947	7,505	6,693
Operating profit/loss of main activities	178	-3,539	1,136	1,077	1,359
Financial income and expenses, net	-471	-1,077	-681	-632	-898
Profit/loss for the year	-93	-3,585	390	348	324
Balance sheet					
Total assets	17,962	17,678	21,278	18,763	17,651
Equity	-1,457	-1,378	2,113	1,714	1,377
Cash flows					
Cash flows from operating activities	347	-2,948	1,699	-2,665	-243
Cash flows from investing activities	-589	-603	-1,899	-1,832	-1,281
Cash flows from financing activities	-789	4,331	-17	425	1,708
Total cash flows	-1,031	780	-217	-4,072	184
Investment in property, plant and equipment	-74	-108	-569	-680	436
Average number of full-time employees	**54**	**90**	**111**	**106**	**94**
Key ratios					
Solvency ratio	Neg.	Neg.	9.9	9.1	7.8
Return on equity	Neg.	Neg.	20.4	22.5	26.7
Solvency ratio, incl. subordinate loan	3.0	4.0	19.3	19.8	19.1

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

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

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

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

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.

Development in activities and financial and economic position
The income statement of the Group for 2021 shows a loss of TEUR 93, and at 31 December 2021, the balance sheet of the Group shows negative equity of TEUR 3,585

The group's revenue is mainly based on sales abroad, and at the same time a large part of the Group's customers are/has been influenced by COVID-19, as many of the customers are engaged in the entertainment industry, in particular customers who are engaged in concerts and festivals. The management has during 2021 completed capacity adjustments, including adjustment of the cost structure in the Group, to secure the necessary capital.

The group has prepared an operating- and liquidity budget for the financial year 2022, which shows expections of positive earnings and improvements of the Company's cash-flow. It is the management's expectation that 2022 will be significantly different than 2020 and 2021, due to the fact that these years has been affected by the COVID-19 situation, and the management has in 2021 seen that the rollout of vaccines and reopening has led to higher demand of the Company's products, which is also confirmed by positive operation in subsequent period.

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
The development and the financial result of the year is considered satisfying in relation to the market circumstances.

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.

Foreign exchange risks
It is an ongoing focal point for the Group to identify and reduce significant risks, including foreign exchange fluctuations.

The Group is operating in different currencies. Changes in currencies other than Euro will effect the operation.

Environmental environment
The Group does not believe that it has significant environmental impacts.

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

Future expectations
The Group's expectations for the future is an expection of continued growth as well as a more normalized market situation.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group 2021 EUR	Group 2020 EUR '000	Parent Company 2021 EUR	Parent Company 2020 EUR '000
GROSS PROFIT	1	**3,963,626**	**1,744**	**0**	**0**
Distribution costs		-528,389	-898	0	0
Administrative expenses	2	-3,213,898	-4,384	-5,429	-5
OPERATING PROFIT		**221,339**	**-3,538**	**-5,429**	**-5**
Other operating expenses		-43,636	-3	0	0
OPERATING PROFIT		**177,703**	**-3,541**	**-5,429**	**-5**
Income from investments in subsidiaries and associates	3	130,333	-66	-4,900	-3,532
Financial income	4	177,655	74	420,546	640
Financial expenses	5	-648,585	-1,085	-503,814	-724
LOSS BEFORE TAX		**-162,894**	**-4,618**	**-93,597**	**-3,621**
Tax on profit/loss for the year	6	69,619	1,033	322	36
LOSS FOR THE YEAR	7	**-93,275**	**-3,585**	**-93,275**	**-3,585**

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BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group 2021 EUR	Group 2020 EUR '000	Parent Company 2021 EUR	Parent Company 2020 EUR '000
Development projects completed		2,414,725	2,398	0	0
Intangible fixed assets acquired		59,902	80	0	0
Development projects in progress		250,051	238	0	0
Intangible assets	8	**2,724,678**	**2,716**	**0**	**0**
Other plant, machinery tools and equipment		564,328	882	0	0
Leasehold improvements		46,174	77	0	0
Property, plant and equipment	9	**610,502**	**959**	**0**	**0**
Investments in subsidiaries		0	0	895,213	885
Investments in associates		528,806	397	0	0
Receivables from Group companies		0	0	9,324,997	9,325
Rent deposit and other receivables		172,040	0	0	0
Financial non-current assets	10	**700,846**	**397**	**10,220,210**	**10,210**
NON-CURRENT ASSETS		**4,036,026**	**4,072**	**10,220,210**	**10,210**
Raw materials and consumables		3,297,176	3,751	0	0
Work in progress		566,994	600	0	0
Finished goods and goods for resale		3,118,424	3,931	0	0
Prepayments		687,907	0	0	0
Inventories		**7,670,501**	**8,282**	**0**	**0**
Trade receivables		2,389,193	1,519	0	0
Receivables from Group companies		0	0	1,547,180	1,097
Receivables from associated enterprises		1,528,755	416	0	0
Deferred tax assets	11	356,703	498	40,644	36
Other receivables		405,280	598	0	0
Corporation tax receivable		230,608	0	0	0
Joint tax contribution receivable		0	0	45,349	0
Prepayments	12	154,225	72	0	0
Receivables	13	**5,064,764**	**3,103**	**1,633,173**	**1,133**
Cash and cash equivalents		**1,190,417**	**2,221**	**0**	**0**
CURRENT ASSETS		**13,925,682**	**13,606**	**1,633,173**	**1,133**
ASSETS		**17,961,708**	**17,678**	**11,853,383**	**11,343**

BDO

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2021 EUR	Group 2020 EUR '000	Parent Company 2021 EUR	Parent Company 2020 EUR '000
Share capital		100,000	100	100,000	100
Reserve for net revaluation under the equity method		0	369	0	0
Fair value reserve, currency translation of foreign entities		0	2	0	0
Retained earnings		-1,557,183	-1,849	-1,557,183	-1,478
EQUITY		**-1,457,183**	**-1,378**	**-1,457,183**	**-1,378**
Other provisions	14	351,138	497	0	0
PROVISIONS		**351,138**	**497**	**0**	**0**
Subordinate loan capital		2,000,000	2,000	2,000,000	2,000
Lease liabilities		94,539	150	0	0
Payables to Group companies		9,225,000	9,325	9,225,000	9,325
Other non-current liabilities		179,442	0	0	0
Holiday allowance commitment		531,700	0	0	0
Non-current liabilities	15	**12,030,681**	**11,475**	**11,225,000**	**11,325**
Bank debt		2,523,522	3,785	0	0
Lease liabilities		55,191	112	0	0
Prepayments from customers		205,392	0	0	0
Trade payables		1,486,832	560	4,199	3
Debt to Group companies		2,077,089	1,393	2,048,565	1,393
Joint tax contribution payable		0	0	32,802	0
Other liabilities		689,046	1,234	0	0
Current liabilities		**7,037,072**	**7,084**	**2,085,566**	**1,396**
LIABILITIES		**19,067,753**	**18,559**	**13,310,566**	**12,721**
EQUITY AND LIABILITIES		**17,961,708**	**17,678**	**11,853,383**	**11,343**

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EQUITY

	Group				
	Share capital	Reserve for net revaluation under the equity method	Fair value reserve, currency translation of foreign entities	Retained earnings	Total
Equity at 1 January 2021	100,000	369,373	1,948	-1,849,432	-1,378,111
Proposed profit allocation, note 7		-4,900		-88,375	-93,275
Other legal bindings					
Foreign exchange adjustments		16,972		-450	16,522
Other adjustments to equity value				-2,319	-2,319
Transfers					
Other adjustments		-369,373		369,373	0
Allowed equalization		-12,072		12,072	0
Change fair vlaue reserves					
Other adjustments			-1,948	1,948	0
Equity at 31 December 2021	**100,000**	**0**	**0**	**-1,557,183**	**-1,457,183**

	Parent Company			
	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2021	100,000	0	-1,478,111	-1,378,111
Proposed profit allocation, jf. note 7		-4,900	-88,375	-93,275
Other legal bindings				
Foreign exchange adjustments		16,972	-450	16,522
Other adjustments to equity value			-2,319	-2,319
Transfers				
Allowed equalization		-12,072	12,072	0
Equity at 31 December 2021	**100,000**	**0**	**-1,557,183**	**-1,457,183**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2021 EUR	**2020** EUR '000
Profit/loss for the year	-93,275	-3,585
Depreciation and amortisation, reversed	811,513	933
Reversed realization gains	74,305	0
Unrealised exchange gains, reversed	35,379	291
Profit/loss from associates	-130,333	66
Adjustment of other financial income	0	-74
Tax on profit/loss, reversed	-69,619	-1,033
Corporation tax paid	0	124
Change in inventories	611,888	1,082
Change in receivables (ex tax)	-2,044,588	3,167
Change in other provisions	-145,673	-155
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	1,297,460	-3,764
CASH FLOWS FROM OPERATING ACTIVITY	**347,057**	**-2,948**
Purchase of intangible assets	-514,302	-503
Purchase of property, plant and equipment	-74,305	-108
Sale of property, plant and equipment	0	8
CASH FLOWS FROM INVESTING ACTIVITY	**-588,607**	**-603**
Repayment of loans from credit institutions	-1,261,383	3,599
Reduction of lease obligations	-111,977	-47
Repayment of payables to group enterprises	584,503	686
Cash capital increase	0	93
CASH FLOWS FROM FINANCING ACTIVITY	**-788,857**	**4,331**
CHANGE IN CASH AND CASH EQUIVALENTS	**-1,030,407**	**780**
Cash and cash equivalents at 1. januar	2,220,824	1,441
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**1,190,417**	**2,221**

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	
	2021	**2020**	**2021**	**2020**
	EUR	EUR '000	EUR	EUR '000
COVID-19 compensation, fixed cost	1,150,479	1,043	0	0
COVID-19 compensation, salaries	0	975	0	0
	1,150,479	**2,018**	**0**	**0**

Staff costs 2

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
	EUR	EUR '000	EUR	EUR '000
Average number of employees	54	90	1	1
Wages and salaries	2,597,958	3,684	0	0
Pensions	208,239	471	0	0
Social security costs	51,351	100	0	0
Other staff costs	39,987	129	0	0
	2,897,535	**4,384**	**0**	**0**

Remuneration to the Executive and Supervisory Boards has not been disclosed in 2021 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	
	2021	**2020**	**2021**	**2020**
	EUR	EUR '000	EUR	EUR '000
Income from investments in subsidiaries and associates (3)				
Income from investments in subsidiaries	0	0	-4,900	-3,532
Income from investments in associates	130,333	-66	0	0
	130,333	**-66**	**-4,900**	**-3,532**
Financial income (4)				
Group enterprises	0	0	420,290	640
Other interest income	177,655	74	256	0
	177,655	**74**	**420,546**	**640**

NOTES

	Group		Parent Company		
	2021 EUR	2020 EUR '000	2021 EUR	2020 EUR '000	Note
Financial expenses					5
Group enterprises	504,795	716	504,826	716	
Other interest expenses	143,790	369	-1,012	8	
	648,585	**1,085**	**503,814**	**724**	
Tax on profit/loss for the year					6
Calculated tax on taxable income of the year	0	0	-12,548	0	
Adjustment of tax for previous years	11,232	0	17,068	0	
Adjustment of deferred tax	-80,851	-1,033	-4,842	-36	
	-69,619	**-1,033**	**-322**	**-36**	
Proposed distribution of profit					7
Allocation to reserve for net revaluation under the equity method	-4,900	-42	-4,900	-2,422	
Retained earnings	-88,375	-3,543	-88,375	-1,163	
	-93,275	**-3,585**	**-93,275**	**-3,585**	

Intangible assets 8

	Group		
	Development projects completed	Intangible fixed assets acquired	Development projects in progress and prepayments
Cost at 1 January 2021	3,457,692	839,116	238,244
Exchange adjustment at closing rate	1,302	315	89
Transfer	175,591	0	-175,591
Additions	326,993	0	187,309
Cost at 31 December 2021	**3,961,578**	**839,431**	**250,051**
Amortisation at 1 January 2021	1,059,634	759,277	0
Exchange adjustment at closing rate	399	285	0
Amortisation for the year	486,820	19,967	0
Amortisation at 31 December 2021	**1,546,853**	**779,529**	**0**
Carrying amount at 31 December 2021	**2,414,725**	**59,902**	**250,051**

NOTES

Note

Intangible fixed assets (continued) 8

The company has development projects with an accounting value per 31. December 2021 of 2.415 TEUR, which is capitalized in the accounts.

The company has developed 8 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 31. December 2021 a total of 250 TEUR.
The system is expected to be completed during 2022-2025, after which marketing and sales can begin.

Property, plant and equipment 9

	Group	
	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2021	2,665,805	193,618
Exchange adjustment at closing rate	-2,537	73
Additions	74,305	0
Disposals	-129,667	-21,136
Cost at 31 December 2021	**2,607,906**	**172,555**
Depreciation and impairment losses at 1 January 2021	1,783,403	116,324
Exchange adjustment	-7,706	44
Reversal of depreciation of assets disposed of	-28,946	-12,682
Depreciation for the year	296,827	22,695
Depreciation and impairment losses at 31 December 2021	**2,043,578**	**126,381**
Carrying amount at 31 December 2021	**564,328**	**46,174**
Finance lease assets	184,517	

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Note

Financial non-current assets 10

	Group	
	Investments in associates	Rent deposit and other receivables
Cost at 1 January 2021	26,873	0
Exchange adjustment at closing rate	212	0
Transferred	0	172,040
Cost at 31 December 2021	**27,085**	**172,040**
Revaluation at 1 January 2021	369,373	0
Exchange adjustment	-64	0
Profit/loss for the year	130,342	0
Equity movements	2,070	0
Revaluation at 31 December 2021	**501,721**	**0**
Carrying amount at 31 December 2021	**528,806**	**172,040**

	Parent Company	
	Investments in subsidiaries	Receivables from Group companies
Cost at 1 January 2021	2,006,800	9,325,025
Exchange adjustment at closing rate	756	-28
Cost at 31 December 2021	**2,007,556**	**9,324,997**
Revaluation at 1 January 2021	-1,121,672	0
Exchange adjustment	16,548	0
Profit/loss for the year	-4,900	0
Other adjustments	-2,319	0
Revaluation at 31 December 2021	**-1,112,343**	**0**
Carrying amount at 31 December 2021	**895,213**	**9,324,997**

Investments in subsidiaries

Name and domicil	Ownership
SGM Light A/S, Denmark	100 %
SGM Italy Srl., Italy	100 %
SGM Lighting Inc., USA	100 %
SGM Finance ApS, Denmark	100 %

Investments in associates

Name and domicil	Ownership
SGM Deutschland GmbH, Gernany	26 %
SGM Japan Co. Ltd., Japan	33 %

NOTES

Note

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	
	2021 EUR	**2020** EUR '000	**2021** EUR	**2020** EUR '000
Deferred tax, beginning of year	497,649	-519	35,774	16
Deferred tax of the year, income statement	80,851	1,017	0	36
Deferred tax of the year, equity	0	0	0	-16
Adjustment regarding tax credit scheme	-221,797	0	0	0
Deferred tax assets 31 December 2021	**356,703**	**498**	**35,774**	**36**

The Company's deferred tax assets are recognised in the Balance Sheet at EUR ('000) 357. 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. The assesments are based on the Management's expectations of a normalized market situation within 1-2 years.

Prepayments 12

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

	Group		Parent Company	
	2021 EUR	**2020** EUR '000	**2021** EUR	**2020** EUR '000
Receivables falling due after more than one year				
Deferred tax assets	214,703	357	40,644	36
	214,703	**357**	**40,644**	**36**

Note 13 refers to Receivables falling due after more than one year.

Other provisions 14

	Group 2021 EUR	Group 2020 EUR '000	Parent Company 2021 EUR	Parent Company 2020 EUR '000
Warranties	302,905	482	0	0
Other provisions	48,233	15	0	0
	351,138	**497**	**0**	**0**

The Company 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 TEUR 303 (2020: TEUR 482) have been recognised for expected warranty claims.

NOTES

Note

Long-term liabilities 15

	Group			
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Subordinate loan capital	2,000,000	0	2,000,000	2,000,000
Lease liabilities	149,730	55,191	0	149,533
Payables to Group companies	9,225,000	0	0	9,325,000
Other non-current liabilities	179,442	0	0	0
Holiday allowance commitment	531,700	0	531,700	0
	12,085,872	**55,191**	**2,531,700**	**11,474,533**

	Parent Company			
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Subordinate loan capital	2,000,000	0	2,000,000	2,000,000
Payables to Group companies	9,225,000	0	0	9,325,000
	11,225,000	**0**	**2,000,000**	**11,325,000**

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

Contingencies etc. 16

Contingent liabilities
The Group has engaged in a rent obligation, which is non-terminability for the next 4 years. The total rent obligation in the non-terminability period amounts to TEUR, 1,431.

The parent company has provided a surety bond to a subsidiary's bank debt. The surety bond is limited to TEUR 4,000 and the subsidiary's bank debt per 31. December amounts to TEUR 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 (‘000) 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 2021 constitutes TEUR 11,279.

NOTES

Note

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.

Going concern 19
The income statement of the Group for 2021 shows a loss of TEUR 93, and at 31 December 2021, the balance sheet of the Group shows negative equity of TEUR 3,585

The group's revenue is mainly based on sales abroad, and at the same time a large part of the Group's customers are/has been influenced by COVID-19, as many of the customers are engaged in the entertainment industry, in particular customers who are engaged in concerts and festivals. The management has during 2021 completed capacity adjustments, including adjustment of the cost structure in the Group, to secure the necessary capital.

The group has prepared an operating- and liquidity budget for the financial year 2022, which shows expections of positive earnings and improvements of the Company's cash-flow. It is the management's expectation that 2022 will be significantly different than 2020 and 2021, due to the fact that these years has been affected by the COVID-19 situation, and the management has in 2021 seen that the rollout of vaccines and reopening has led to higher demand of the Company's products, which is also confirmed by positive operation in subsequent period.

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

Information on uncertainty with respect to recognition and measurement 20
The group has a total net receivable of TEUR 716, from a customer and business partner. The receivable is expected to be settled over 5-6 years based on management's estimate. Management's estimate is based on expected normalization in the industry after COVID-19 and the estimated future perspectives for the business partner. Development in 2022 confirm management's assessment. The receivable is measured at amortized costs based on management's estimate.

Consolidated Financial Statements 21
The Group is included in the Group Annual Report of the ultimate Parent Company, Eurofinim S.R.L, Via pedrina no. 1, 33082 Azzano Decimo, Pordenone, Italy.

ACCOUNTING POLICIES

The Annual Report of P.L.I. Professional Lighting International ApS for 2021 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.

Tangible fixed assets

ACCOUNTING POLICIES

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.

Fixed asset investments
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.

ACCOUNTING POLICIES

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 bank overdraft and cash in hand.