
DALI Distribution Europe A/S

Dali Alle 1, DK-9610 Nørager

Annual Report for
1 May 2022 - 30 April 2023

CVR No. 40 32 64 64

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 31/8 2023

Søren Rix Ingvarsen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of DALI Distribution Europe A/S for the financial year 1 May 2022 - 30 April 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 30 April 2023 of the Company and of the results of the Company operations for 2022/23.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Rebild, 31 August 2023

Executive Board

Frank Hagemann

Board of Directors

Lars Worre Sørensen
Chairman

Søren Rix Ingvarlsen

Gordon Andrew Simmonds

Independent Auditor's report

To the shareholders of DALI Distribution Europe A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2023 and of the results of the Company's operations for the financial year 1 May 2022 - 30 April 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DALI Distribution Europe A/S for the financial year 1 May 2022 - 30 April 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent Auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Aalborg, 31 August 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Rasmus Møllergaard Stenskrøge
State Authorised Public Accountant
mne34161

Kenneth Damsgaard Sørensen
State Authorised Public Accountant
mne47923

Company information

The Company	DALI Distribution Europe A/S Dali Alle 1 DK-9610 Nørager CVR No: 40 32 64 64 Financial period: 1 May 2022 - 30 April 2023 Incorporated: 15 February 2019 Financial year: 5th financial year Municipality of reg. office: Rebild
Board of Directors	Lars Worre Sørensen, chairman Søren Rix Ingvarsen Gordon Andrew Simmonds
Executive Board	Frank Hagemann
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Skelagervej 1A DK-9000 Aalborg

Income statement 1 May 2022 - 30 April 2023

	Note	2022/23	2021/22
		DKK	DKK
Gross loss		-31,323	-159,105
Income from investments in subsidiaries		2,279,007	6,237,793
Financial income	2	277,779	15,821
Financial expenses	3	-245,607	-173
Profit/loss before tax		2,279,856	6,094,336
Tax on profit/loss for the year	4	-187	18,682
Net profit/loss for the year		2,279,669	6,113,018

Distribution of profit

	2022/23	2021/22
	DKK	DKK
Proposed distribution of profit		
Proposed dividend for the year	1,529,380	14,000,000
Reserve for net revaluation under the equity method	1,820,848	-10,855,916
Retained earnings	-1,070,559	2,968,934
	2,279,669	6,113,018

Balance sheet 30 April 2023

Assets

	Note	2022/23 DKK	2021/22 DKK
Investments in subsidiaries	5	2,762,725	469,593
Investments in associates	6	752,352	752,352
Fixed asset investments		3,515,077	1,221,945
Fixed assets		3,515,077	1,221,945
Receivables from group enterprises		2,584,702	16,554,578
Corporation tax receivable from group enterprises		15,156	22,532
Receivables		2,599,858	16,577,110
Cash at bank and in hand		54,233	77,947
Current assets		2,654,091	16,655,057
Assets		6,169,168	17,877,002

Balance sheet 30 April 2023

Liabilities and equity

	Note	2022/23	2021/22
		DKK	DKK
Share capital		400,000	400,000
Reserve for net revaluation under the equity method		1,833,345	0
Retained earnings		2,376,443	3,447,002
Proposed dividend for the year		1,529,380	14,000,000
Equity		6,139,168	17,847,002
Other payables		30,000	30,000
Short-term debt		30,000	30,000
Debt		30,000	30,000
Liabilities and equity		6,169,168	17,877,002

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Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 May	400,000	0	3,447,002	14,000,000	17,847,002
Ordinary dividend paid	0	0	0	-14,000,000	-14,000,000
Exchange adjustments relating to foreign entities	0	12,497	0	0	12,497
Net profit/loss for the year	0	1,820,848	-1,070,559	1,529,380	2,279,669
Equity at 30 April	400,000	1,833,345	2,376,443	1,529,380	6,139,168

Notes to the Financial Statements

1. Key activities

The primary activity of the company is to own shares in subsidiaries.

2. Financial income

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
Interest received from group enterprises	244,201	15,821
Other financial income	419	0
Exchange adjustments	33,159	0
	<u>277,779</u>	<u>15,821</u>

3. Financial expenses

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
Interest paid to group enterprises	245,607	0
Other financial expenses	0	173
	<u>245,607</u>	<u>173</u>

4. Income tax expense

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
Current tax for the year	187	-15,343
Adjustment of tax concerning previous years	0	-3,339
	<u>187</u>	<u>-18,682</u>

Notes to the Financial Statements

	2022/23	2021/22
	DKK	DKK
5. Investments in subsidiaries		
Cost at 1 May	929,380	929,380
Cost at 30 April	929,380	929,380
Value adjustments at 1 May	-459,787	10,850,902
Exchange adjustment	12,497	5,014
Net profit/loss for the year	2,279,007	6,237,793
Dividend to the Parent Company	0	-17,553,496
Other adjustments	1,628	0
Value adjustments at 30 April	1,833,345	-459,787
Carrying amount at 30 April	2,762,725	469,593

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
DA LI GmbH	Germany	EUR 25k	100%

	2022/23	2021/22
	DKK	DKK

6. Investments in associated companies

Cost at 1 May	752,352	0
Additions for the year	0	752,352
Cost at 30 April	752,352	752,352
Carrying amount at 30 April	752,352	752,352

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes	Equity	Net profit/loss for the year
Sound & Pixel Planet, S.L.	Spain	EUR 401k	25%	2,186,887	270,877
Soundaudio GmbH	Austria	EUR 9k	25%	2,679,638	1,460,366
				4,866,525	1,731,243

Notes to the Financial Statements

7. Contingent assets, liabilities and other financial obligations

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Lyngdorf Familie Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability

8. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The company is included in the consolidated report for the ultimate parent company.

<u>Name</u>	<u>Place of registered office</u>
Lyngdorf Familie Holding ApS, CVR-No. 38 64 09 09	Aarhus

Notes to the Financial Statements

9. Accounting policies

The Annual Report of DALI Distribution Europe A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022/23 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising from the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statement

Other external expenses

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

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross loss comprises of other external expenses.

Notes to the Financial Statements

Income from investments in subsidiaries and associates

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Dividends from associates are recognised as income in the income statement when adopted at the General Meeting of the associate. However, dividends relating to earnings in the associate before it was acquired by the Parent Company are set off against the cost of the associate.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries . The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Investments in subsidiaries and associates

Investments in subsidiaries are recognised and measured under the equity method. Investments in associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.