Laurie Acquisition ApS

Sundkaj 153, 1. tv. , 2150 Nordhavn

CVR no. 42204145

Annual report 2021

Approved at the Company's annual general meeting on 23 June 2022

Chair of the meeting:

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Karin Verland

Contents

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Laurie Acquisition ApS for the financial year 9 March – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 and of the results of their operations and consolidated cash flows for the financial year 9 March – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters, the results for the year and the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Nordhavn, 23 June 2022
Executive Board:

Stefan Andreas Walter
Happak
CEO

Board of Directors:

Karin Verland
Chair

Joachim Horst Scholz

Stefan Andreas Walter
Happak

Anne Møller Sørensen

Independent auditor's report

To the shareholders of Laurie Acquisition ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Laurie Acquisition ApS for the financial year 9 March – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 9 March – 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 additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements 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 additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Independent auditor's report

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

- Identify and assess the 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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Independent auditor's report

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 23 June 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Ole Becker
State Authorised
Public Accountant
mne33732

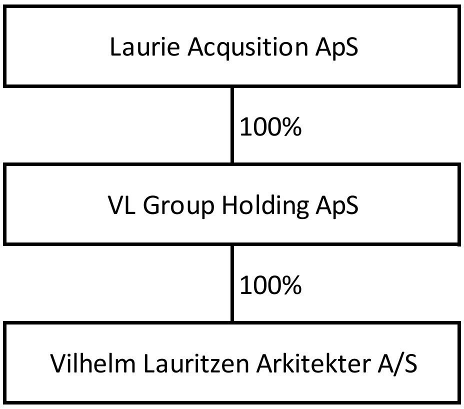
Management's review

Company details

Name	Laurie Acquisition ApS
Address, postal code, city	Sundkaj 153, 1. tv., DK-2150 Nordhavn
CVR no.	42204145
Established	9 March 2021
Registered office	Copenhagen
Financial year	9 March – 31 December
Board of Directors	Stefan Andreas Walter Happak, CEO
Executive Board	Karin Verland, Chair Joachim Horst Scholz Stefan Andreas Walter Happak Anne Møller Sørensen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, DK-2000 Frederiksberg

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2021 9 March – 31 December 2021*
Key figures	
Revenue	73,855
Gross profit/loss	63,067
Profit/loss before net financials	-24,694
Net financials	-2,837
Profit/loss for the year	-24,949
Non-current assets	296,549
Current assets	50,831
Balance sheet total	347,380
Investments in property, plant and equipment	-1,280
Equity	136,551
Non-current liabilities	52,153
Current liabilities	157,960
Cash flows from operating activities	-10,621
Cash flows from investing activities	-258,429
Cash flows from financing activities	276,903
Total cash flows	7,853
Financial ratios	
Gross margin	85.4%
Equity ratio	39.3%
Average number of full-time employees	**123**

*Vilhelm Lauritzen Arkitekter A/S was acquired from 3 May 2021 consolidated from that date.

The financial ratios stated under "Financial highlights" have been calculated as follows:

Gross margin	Gross profit/loss x 100 /Revenue
Equity ratio	Equity, year-end x 100 / Total equity and liabilities, year-end

Management's review

Operating review

Principal activities

Laurie Acquisition ApS, parent company is only holding shares in subsidiaries. The main activity of the group has been architectural services.

Development in activities and financial matters

From the 3 May 2021 Vilhelm Lauritzen Arkitekter A/S (Vilhelm Lauritzen Architects) has acquired by VLA Group Holding ApS, a 100% owned subsidiary of Laurie Acquisition ApS. From that date the activity has been recognised in the group.

In 2021, Vilhelm Lauritzen Architects has had activities at a satisfactory level of revenue, but with net sales that are ~7% lower than 2020. With a margin of 21.7%, a solvency ratio of 26.9% and a profit before tax of DKK 15.2 million, management considers the result and financial development for the year satisfactory. This should be seen in the context of the organisational changes that the company has been through, the payment of extraordinary bonuses to all employees and the market dynamics that the Corona epidemic has given rise to.

The result for the group shows a loss of DKK 24.9 million impacted by amortisation of intangible assets and interest expenses related to the Laurie Acquisition ApS. The result is as expected.

The Core Business

The year has been marked both by several completed projects and by an acceptable influx of new projects in all segments. The projects have partly come in through private and public competitions, through long-standing customer relationships and through new customers and partnerships. The following segments have generated the most activity and revenue in 2021; Housing, Health, Office, Life Science, Infrastructure and Education. In 2021, Vilhelm Lauritzen Architects thus continues to support the ambition of designing all types of buildings and urban spaces with a focus on both architectural values and a trusting and fruitful collaboration with the many clients and professionals the company collaborates with.

However, Vilhelm Lauritzen Architects has experienced that projects have been initiated or paused at short notice, and many projects processes more in "sprints" than the company has previously experienced. One of the company's major projects was temporarily put on low, but was started up again in late 2021. The Corona epidemic and its consequences in the form of material scarcity, rising material prices, rising wages, etc. partly gave the year a different dynamic than expected in the budgeting and an intensified focus on managing resources and profitability optimally.

In addition, a major project has resulted in significant expenses that were not offset by corresponding revenues.

Organizational Changes

The year has led to more prominent organizational changes in Vilhelm Lauritzen Architects.

In spring, the owners chose to expand the group of shareholders with an external partner in the form of German Findos Investor Gmbh. The purpose is to ensure the foundation for the company's continued growth as an independent advisor.

As of May 2021, the ownership group consists of Findos Investor Gmbh with 70% ownership, and of Thomas West Jensen, Thomas Scheel, Torsten Stephensen, Anne Møller Sørensen and Simon Svensson and CEO Gyrithe Saltorp, who in May 2021 has also joined as co-owner.

These organizational changes have resulted in extraordinary expenses in 2021.

In the autumn, the company established a new partner structure and welcomed seven more partners: Christian Egedius Bendtsen, Daniel Illum-Davis, Jakob Meyling, Jeppe Dueholm, Lasse Herbo Madsen, Malte Rosenquist and Michael Schytt Poulsen. This was carried out to ensure managerial power for the development of the company and stability in relation to the smooth transfer of tasks and networks for the future.

Management's review (continued)

Finally, as part of the growth strategy, an agreement was signed in December 2021 to acquire the company STED, which is a specialist in landscape and urban planning. STED is per 1. February 2022 a subsidiary of Vilhelm Lauritzen Architects.

Completed and Ongoing Projects

Over the past year, Vilhelm Lauritzen Architects has delivered several completed projects. The projects span many societal functions and provide employees with versatile and challenging tasks.

The transformation of KB32 at Kalvebod Brygge from a worn-out freight railway hotel for DSB to the headquarters of Kammeradvokaten was completed in 2021, and in March 2022 received the award as Office Building of the Year. In October, the national learning centre LIFE was inaugurated, and now inspires children and young people to take an interest in science through an experientist approach. The project has won an Architizer+ Award.

Shortly afterwards, Northern Europe's largest diabetes hospital Steno Diabetes Center Copenhagen was completed. A significant project, where the vision has been to challenge the classic hospital and create a hospitable cultural center with nature in the center, where waiting time becomes experienced time and where the physical environment supports world class treatment. The project was nominated for a MIPIM Award in 2022 and has won an Architizer+ Award.

At the turn of the year, the last construction activities on HUB One at Kay Fiskers Plads in Ørestad were underway. The first tenants will move in in 2022.

Residents moved into the wooden homes Skousbo and Vilhelm Lauritzen Architects have thus in recent years contributed to 150 families living in timber buildings. In addition, young students were given new homes in the student housing Valby Maskinfabrik.

At the same time, the children in Blovstrød have had a new children's house, Bøgelunden, built with sustainable solutions such as recycled steel, FSC wood and green roofs. The project is set to DGNB Platinum.

A sampling of ongoing projects is:

- Learning institutions such as Ulricehamn School in Sweden, four regional LIFE Hubs linked to the learning centre LIFE, the Niels Bohr Building for the University of Copenhagen of 52,000 m2 and the transformation of a study building at Roskilde University under the framework agreement with the Danish Building and Property Agency.

- Commercial buildings such as the Tip of Nordø of 26,000 m2

- The health building New Hospital Nordsjælland of 118,000 m2 and the new health and administration house in Gribskov Municipality

- Chr. Hansen Innovation Campus and headquarters of 15,000 m2

- Housing projects of all kinds, in all price ranges and across a large part of the country. The portfolio covers, among other things, exclusive homes on Kronløbsøen in Nordhavn of approx. 32.000 m2 and public housing in Thors Have in Odense for families and seniors

- Infrastructure project with the expansion of Copenhagen Airport of 80,000 m2

- Cultural tasks such as transformation of the former National Aquarium Denmark and the role as Executive Architect at Vandkulturhuset

Management's review (continued)

Sustainability

As a member of the UN Global Compact, Vilhelm Lauritzen Architects has since 2008 worked systematically with the UN's ten principles for social responsibility. The company thus has experience with climate optimization, accessibility, optimal use of daylight, proper working conditions for employees, etc. The work with sustainability is an integral part of the company's DNA, and the company has, among other things, worked with wood construction since 1994 and designed Denmark's first Nordic Swan Ecolabelled homes on Krøyers Plads.

It is the company's responsibility to contribute constructively to ensuring that projects rest on a sustainable foundation from sketch to realization. Therefore, focus is on continuously learning and seeking out the right knowledge, and not least documentation, for the effect of sustainable initiatives.

In the area of certification of construction projects, the company had 7 ready-made DGNB projects and 13 in process.

In 2021, the company continued to work on its two development partnerships, which, among other things, contribute to knowledge about sustainability. One is Byggeriets Blockchain under DI, which has uncovered whether blockchain can solve a number of construction challenges with efficiency and sustainability, as well as the project Bæredygtig beton, which aims at reducing the concrete industry's CO2 emissions by 40-50% by 2030.

The company works internally with Occupational Health and Safety Management in accordance with the principles of ISO 45001:2018 and has a well-functioning working environment organization. In 2021, a statutory workplace assessment was carried out and the action plan was been drawn up.

The company is continuously working to reduce the environmental impact of its operations based on an environmental management system that loyally follows the principles of ISO 14001:2015.

Social sustainability is a high priority in projects, but also in the company's own work. All employees receive salaries according to a collective agreement or, in cases they are not covered by the collective agreement, at an appropriate and responsible level in relation to qualifications and experience. The company does not use so-called "internship schemes without pay" or "with reduced pay", and salary levels and employee composition are monitored so that differences do not arise based on unjustified considerations

Business support

A significant part of the focus in 2021 has, as a natural consequence of the completed sales process, been on a thorough mapping and verification of all financial and administrative data in the company, as well as the development of reporting, analyses and introduction to the management role that lends itself to the changing organizational reality.

An internal audit of the company's quality manager of the quality management system has been carried out with a satisfactory result.

IT

In 2019, the Board of Directors adopted an action plan for the company's IT setup, which has been completed in 2021. The strategic focus on comprehensive flexibility for the employees and security for the company has made a large contribution to ensuring a productive working time for the employees and a high IT security also in 2021.

Digitisation

Development of tools and methods in digital construction is a continuous task in a company where a significant part of the production takes place digitally and in close collaboration with other professional groups. In 2021, there was continued focus on testing and implementing additional digital tools, as well as developing tools and methods that increase quality and minimize risks in construction projects. The company always implements these tasks based on specific issues and projects, so tools are easy to implement and scale, thus contributing to job satisfaction and higher productivity.

Management's review (continued)

Communication and 100th Anniversary in 2022

In the field of communication, the company has increased its visibility in 2021 with increased activity in all channels and areas. On social media, the focus is on a high and recipient-oriented quality of content, and among other things, the company's primary social media, LinkedIn, has more than 25% additional followers.

In October 2021, the Board of Directors approved the development of a new website and an updated Corporate Visual Identity. The initiative aims to seize the synergies from the anniversary activities and support the company's business strategy. Launch took place in May 2022.
In addition, the international book 'Contemporary Copenhagen' was published. The reader gets behind the façade of some of Copenhagen's new well-known and lesser-known buildings and urban spaces, such as Copenhagen Airport, Krøyers Plads, Illum and UCC in Carlsberg Byen. Architecture that is central to the story of modern Copenhagen's urban development and which has contributed to many of the urban spaces we know today.

In 2021, plans for celebrating the 100th anniversary in 2022 have unfolded even more. Among other things, the anniversary will be used as an opportunity to supplement the company's business areas with more design. This is done, among other things, with the launch of a furniture collection by Vilhelm Lauritzen Architects in cooperation with Carl Hansen & Søn.

The three biggest anniversary activities include the publication of a book about modern architecture and Vilhelm Lauritzen Architects, an anniversary exhibition and the above furniture launch.

Corona

As indicated above, the company's business development has been somewhat affected by the Corona epidemic. The company has had a higher rate of sick leave in 2021 than in previous years. About 50% of the employees have worked completely at home for periods of time, and the remaining employees have worked partly at home and partly at project offices and at the company's address on Sundkaj. No employees have been laid off due to Corona-related conditions in 2021, but the development in the number of employeeshas stagnated as the initiation of a number of projects dragged on.

Outlook

The market situation is highly affected by the aftermath of the Corona epidemic and the war situation in Ukraine, resulting in price increases and material shortages, hence the expectations for 2022 are subject to uncertainty. Management sees a number of projects being postponed due to the current situation in the market. Management expect revenue for 2022 in the range of +/- 10% of 2021 on full year basis for Lauritzen Architects, which were DKK 118 million 2021. Management expect a loss in 2021 for the Group due to amortisation of intangible assets. The expected level is based on current business structure in Lauritzen Architects.

Events after the end of the Financial Year

Management does not consider that significant events have occurred after the end of the financial year that could materially affect the Company's financial situation in a negative direction.

Consolidated financial statements and parent company financial statements

Income statement

Note	DKK'000	Group 2021 (9 march – 31 December 2021)*	Parent 2021 (9 March -31 December 2021)
2	**Revenue**	73,855	-
	Other operating income	921	-
	Other external expenses	-11,709	-119
	Gross profit/loss	63,067	-119
3	Staff costs	-55,487	-
4	Depreciation and impairment losses	-27,674	-
5	Other operating expenses	-4,600	-
	Profit/loss before net financials	-24,694	-119
	Profit/loss after tax in equity interests	0	-
6	Financial income	314	-
7	Financial expenses	-3,151	-20
	Profit/loss before tax	-27,531	-139
8	Tax for the year	2,582	31
	Profit/loss for the year	-24,949	-106

**Vilhelm Lauritzen Arkitekter A/S was acquired from 3 May 2021 consolidated from that date.

Consolidated financial statements and parent company financial statements

Balance sheet

Note	DKK'000	Group 2021	Parent 2020
	ASSETS		
	Non-current assets		
9	**Intangible assets**		
	Goodwill	163,028	-
	Customer relationship	60,210	-
	Order backlog	29,472	-
	Brand	29,049	-
	Design rights	8,366	-
		290,125	0
10	**Property, plant and equipment**		
	Fixtures and fittings, tools and equipment	1,424	-
		1,424	0
	Other non-current assets		
11	Equity investments in group entities	-	157,900
12	Participating interests	0	0
		0	157,900
	Total non-current assets	291,549	157,900
	Current assets		
	Trade receivables	23,920	-
13	Contract assets	8,670	-
	Corporate tax	716	-
	Joint taxation	-	31
14	Prepayments	4,794	-
		38,100	31
	Securities and investments	4,838	-
	Cash	12,893	3,579
	Total current assets	55,831	3,610
	TOTAL ASSETS	347,380	161,510

Consolidated financial statements and parent company financial statements

Balance sheet

		Group	Parent
Note	DKK'000	2021	2021
	EQUITY AND LIABILITIES		
	Equity		
15	Share capital	162	162
	Retained earnings	136,389	161,232
	Proposed dividend	0	0
	Total equity	136,551	161,394
	Non-current liabilities		
16	Deferred tax	27,193	-
17	Other provisions	8,771	
18	Credit institutions	0	-
18	Other payables	22,164	-
	Total non-current liabilities	58,128	0
	Current liabilities		
18	Credit institutions	120,858	-
13	Contract liabilities	7,766	-
	Trade payables	6,205	116
	Other payables	17,872	-
	Total current liabilities	152,701	116
	Total liabilities	210,829	116
	TOTAL EQUITY AND LIABILITIES	347,380	161,510

1 Accounting policies
19 Contractual obligations, contingencies, pledges etc.
20 Related parties

Consolidated financial statements and parent company financial statements

Statement of changes in equity

		Group			
Note	DKK'000	Share capital	Retained earnings	Proposed dividend	Total equity
	Equity at 3 March 2021	162	161,338	0	161,500
	Transferred; see distribution of profit/loss	-	-24,949	0	-24,949
	Equity at 31 December 2021	162	136,389	0	136,551

		Parent Company			
Note	DKK'000	Share capital	Retained earnings	Proposed dividend	Total equity
	Equity at 9 March 2021	40	0	0	40
	Capital increase 29 April 2021	17	27,782	0	27,799
	Capital increase 29 April 2021	54	83,347	0	83,401
	Capital increase 3 May 2021	8	7,866	0	7,874
	Capital increase 3 May 2021	24	23,597	0	23,621
	Capital increase 3 May 2021	5	4,436	0	4,441
	Capital increase 3 May 2021	13	13,311	0	13,324
	Capital increase 3 May 2021	1	999	0	1,000
21	Transferred; see distribution of profit/loss	0	-106	0	-106
	Equity at 31 December 2021	162	161,232	0	161,394

Consolidated financial statements and parent company financial statements

Cash flow statement

Note	DKK'000	Group 2021 3 March – 31 December 2021)*
	Profit/loss before net financials	-27,531
4	Depreciation and amortisation	27,674
	Other adjustments of non-cash operating items	2,837
	Cash generated from operations before changes in working capital	2,980
22	Changes in working capital	-10,206
	Cash generated from operations	-7,226
	Interest received	2
	Interest paid	-2,336
	Corporation tax paid	-1,061
	Cash flows from operating activities	-10,621
9	Acquisition of intangible assets	0
10	Acquisition of property, plant and equipment	-1,280
24	Acquisition of group entities	-257,149
	Cash flows from investing activities	-258,429
	Loan financing:	
	Proceeds from from new loans	120,074
	Proceeds from capital increases	161,460
	Repayment	-4,631
	Shareholders:	
	Distributed dividend	0
	Cash flows from financing activities	276,903
	Cash flows for the year	7,853
	Cash and cash equivalents, beginning of year	40
23	**Cash and cash equivalents, year end**	7,893

*Vilhelm Lauritzen Arkitekter A/S was acquired from 3 May 2021 consolidated from that date.

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies

The annual report of Laurie Acquisition ApS for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class C entities (medium).

This is the first financial year.

Presentation currency

The financial statements are presented in Danish Kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company Laurie Acquisition ApS and group entities controlled by Laurie Acquisition ApS.

Control means the power to exercise decisive influence over a group entity's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Significant influence

Entities over whose financial and operating decisions the Group can exercise significant influence are classified as associates. Significant influence is deemed to exist when the Parent Company holds or controls, directly or indirectly, more than 20% of the voting rights of an entity but does not control it.

The existence of potential voting rights that may currently be exercised or converted into voting rights is considered when assessing whether significant influence exists.

Joint arrangements

Joint arrangements are activities or entities jointly controlled by the Group and one or more other parties through cooperation agreements. Joint control implies that decisions on relevant activities require unanimous consent among the parties jointly controlling the arrangement.

Joint arrangements are classified as either joint operations or joint ventures. Joint operations are activities where the participants have direct rights over assets and are subject to direct liability, whereas joint ventures are activities where the participants solely have rights over the net assets.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual group entities' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates and equity interests are eliminated in proportion to the Group's ownership interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

The group entities' financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities that are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

Acquisitions and disposals of non-controlling interests that are still controlled are recognised directly in equity as a transaction between shareholders.

Equity investments in participating interests are recognised in the consolidated financial statements using the equity method.

Business combinations

Newly acquired entities are recognised in the consolidated financial statements from the acquisition date. Entities sold or otherwise disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinuing operations are presented separately, see below.

The acquisition date is the date when the Group actually obtains control of the acquiree.

The purchase method is applied to acquisitions of new businesses over which the Group obtains control. The acquired businesses' identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill in intangible assets. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the acquisition date.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is contingent on future events or compliance with agreed terms, such part of the purchase consideration is recognised at fair value at the acquisition date. Subsequent adjustments of contingent purchase considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

If uncertainties regarding the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. If it turns out subsequently that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments are recognised as errors.

Consolidated financial statements and parent company financial statements

Notes

1 **Accounting policies (continued)**

Gains or losses from the divestment of group entities that implies that control is no longer maintained are calculated as the difference between, on the one hand, the net selling price and, on the other hand, the proportionate share of the carrying amount of net assets. If the Parent Company still holds equity investments in the divested group entity, the remaining proportionate share of the carrying amount forms the basis for the measurement of equity investments in associates, participating interests or securities and equity investments.

Foreign currency translation

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

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

On translation of foreign group entities that are integral entities, monetary items are recognised at the exchange rates at the balance sheet date. Non-monetary items are recognised at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

On the conclusion of sales contracts that consist of several separate sales transactions, the contract price is split up into the individual sales transactions based on the relative fair value approach. The separate sales transactions are recognised as revenue when the criteria for sale of goods, services or construction contracts are met.

A contract is split up into individual transactions when the fair value of each individual sales transaction can be estimated reliably and when each individual sales transaction represents a stand-alone value for the buyer. Sales transactions are deemed to have a stand-alone value for the buyer when the transaction is individually identifiable and usually sold separately.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Revenue from the sale of services

Revenue from the rendering of services, which include service contracts, is recognised in revenue on a straight-line basis as the services are rendered because the services are rendered in the form of an indefinite number of actions over a specified period of time.

Revenue from construction contracts

Revenue from construction contracts is subject to a high degree of individual adaptation is recognised as revenue by reference to the stage of completion, which means that revenue corresponds to the selling price of work performed during the year (the percentage of completion method). When income and expenses of a construction contract cannot be estimated reliably, revenue assessed recognised solely at the costs incurred in so far as it is assessed that they are likely to be recovered.

The stage of completion by which completion of the production is measured is determined by reference to the proportion of costs incurred relative to the latest cost estimate.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

Other operating income and expenses

Other operating income and expenses comprises items secondary to the Company's activities, including gains and losses on disposal of property, plant and equipment.

Other external expenses

Other external expenses comprise expenses relating to distribution, sale, advertising, administration, premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

Profit/loss from equity investments in participating interests

The proportionate share of the results of the underlying entities is recognised in the income statement after elimination of intra-group profit/loss and after tax. Participating interests is subject only to proportionate elimination of profit/loss taking into consideration ownership interests.

The proportionate share of the results after tax of equity interests is recognised in both the consolidated and the parent company income statement after elimination of the proportionate share of intra-group profits/gains.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. The items comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc

Tax for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company acts as administration company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporation tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current income tax, joint taxation contribution and changes in deferred tax for the year due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

Consolidated financial statements and parent company financial statements

Notes

1 **Accounting policies (continued)**

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised over the expected economic life of the asset. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 10 years.

The amortisation period is fixed on the basis of the expected repayment horizon and is longest for strategically acquired entities with strong market positions and long-term earnings profiles.

Customer relationship, Order backlog, Brand and Design rights

Customer relationship, Order backlog, Brand and Design rights are measured at cost less accumulated amortisation and impairment losses. Customer relationship, Order backlog, Brand and Design rights are amortised on a straight-line basis over expected repayment horizon.

Amortisation periods are as follows:

Customer relationship	10 years
Order backlog	3 years
Brand	20 years
Design rights	15 years

Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively. Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Tangible assets

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets, which are as follows:

Fixtures and fittings, tools and equipment	3-5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively. Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of future lease payments. In calculating the present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for as the Company's other assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Equity investments in group entities the parent company financial statements

Equity investments in group entities are measured at cost in the parent company. Cost includes the consideration measured at fair value plus direct acquisition costs. Where cost exceeds the recoverable amount, write-down is made to this lower value. An impairment test is prepared if the dividends received exceed the proportionate share of the profit/loss for the year or if the carrying amount of the equity investments exceeds the proportionate share of the net assets in the underlying entity.

Equity investments in participating interests in the group company financial statements

Equity investments in participating interests are measured according to the equity method in the group financial statements.

On initial recognition, equity investments in group participating interests are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding the consolidated financial statements above.

Equity investments in participating interests measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Net revaluation of equity investments is recognised under equity in the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds cost.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and equity investments in group entities and participating interests is tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation made.

An impairment test is conducted on individual assets when there is indication of impairment. Write-down is made to the lower of the recoverable amount and carrying amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Contract assets and contract liabilities

Construction contracts are measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the total expected income from the relevant contract.

When the selling price of a construction contract cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Individual construction contracts are recognised in the balance sheet as either contract assets or contract liabilities. Net assets are determined as the sum of construction contracts where the selling price of the work performed exceeds payments received on account. Net liabilities are determined as the sum of construction contracts where payments received on account exceed the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

Payments received regarding later delivery of goods and services are also presented as contract liabilities.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date.

Equity

Net revaluation reserve according to the equity method

Net revaluation of equity investments in group participating interests is recognised at cost in the net revaluation reserve according to the equity method.

The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting estimates.

The reserve cannot be recognised at a negative amount.

Proposed dividend

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as corporation tax receivable or corporation tax payable.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to non-deductible goodwill and on office premises and other items where temporary differences – apart from acquisitions – arise at the acquisition date without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Provisions

Provisions comprise expected earn-out. Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event at the balance sheet date, and it is probable that an outflow of the Company's resources embodying economic benefits will be required to settle the obligation. Provisions are measured at net realisable value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Liabilities

Financial liabilities are recognised at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Fair value

Fair value is determined based on the principal market. If no principal market exists, the fair value is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets/liabilities in an active market.

Level 2: Value based on generally accepted valuation methods on the basis of observable market information.

Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

Consolidated financial statements and parent company financial statements

Notes

1 Accounting policies (continued)

Cash flow statement

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

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquisitions of entities are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital, interest received and paid as well as corporation tax paid. Interest received is classified as cash flows from operating activities. Furthermore, dividends received are classified as operating activity.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments. Dividends received regarding securities are also considered investing activities.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a remaining term of three months or less that are subject to only minor risks of changes in value.

Consolidated financial statements and parent company financial statements

Notes

	DKK'000	Group 2021 9 March – 31 December 2021)*	Parent 2021 (9 March -31 December 2021)
2	**Revenue**		
	Invoiced etc.	66,625	-
	Prepaid opening	13,284	-
	Prepaid closing	-7,766	-
	Adjustment work in progress	1,722	-
		73,855	0
3	**Staff costs**		
	Wages and salaries	-51,418	-
	Pensions	-3,488	-
	Other social security costs	-580	-
		-55,486	0

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed. No remuneration has been paid to the Board of Directors.

		Group	Parent
			-
	Average number of full-time employees	123	-
4	**Amortisation, depreciation and impairment losses**		
	Intangible assets	-26,630	-
	Property, plant and equipment	-844	-
		-27,474	0
5	**Other operating expenses**		
	Acquisition costs	-4,600	-
		-4,600	0

Other operating expenses relates to acquisition of Vilhelm Lauritzen Arkitekter A/S.

		Group	Parent
6	**Financial income**		
	Capital gains on securities	314	-
		314	0
7	**Financial expenses**		
	Interest expenses	-2,674	-20
	Amortisation loan costs	-415	-
	Other financial expenses	-62	-1
		-3,151	-21
8	**Tax for the year**		
	Current tax for the year	-910	31
	Deferred tax adjustment for the year	3,403	0
	Adjustment prior year	89	0
		2,582	31

*Vilhelm Lauritzen Arkitekter A/S was acquired from 3 May 2021 consolidated from that date.

Consolidated financial statements and parent company financial statements

Notes

9 Intangible assets

	Group					
DKK'000	Goodwill	Customer relationship	Order backlog	Brand	Design rights	Total
Cost at 9 March 2021	-	-	-	-	-	-
Additions on acquisition of group entities	174,673	64,510	37,893	31,124	8,755	314,955
Cost at 31 December 2021	174,673	64,510	37,893	31,124	8,755	314,955
Amortisation and impairment losses at 9 March 2021	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Depreciation and amortisation	11,645	4,300	8,421	2,075	389	26,830
Amortisation and impairment losses at 31 December 2021	11,645	4,300	8,421	2,075	389	26,830
Carrying amount at 31 December 2021	163,028	60,210	29,472	29,049	8,366	290,125
Amortised over	10 years	10 years	3 years	20 years	15 years	

Vilhelm Lauritzen Arkitekter A/S

The Company's investment in the group entities is considered to be strategically important to the Group. Taking into consideration the Group's expected plans to increase the level of activity and earnings, the economic life of goodwill has been set at 10 years.

Consolidated financial statements and parent company financial statements

Notes

10 Property, plant and equipment

DKK'000	Group Fixtures and fittings, tools and equipment
Cost at 9 March 2021	0
Additions on acquisition of group entities	987
Additions	1,281
Cost at 31 December 2021	2,268
Amortisation and impairment losses at 1 January 2021	0
Depreciation and amortisation	-844
Amortisation and impairment losses at 31 December 2021	-844
Carrying amount at 31 December 2021	1,224
Amortised over	3-5 years

DKK'000	Parent 2021
11 Equity investments in group entities	
Cost at 9 March 2021	0
Additions	157,900
Cost at 31 December	157,900
Value adjustments at 9 March	
Value adjustments	0
Value adjustments at 31 December	0
Carrying amount at 31 December	157,900

Name and registered office	Voting rights and ownership	Profit/loss DKK'000	Equity DKK'000
VLA Group Holding ApS, Nordhavn, Denmark	100%	-4.053	154,847
Subsidiary of VLA Group Holding ApS:			
Vilhelm Lauritzen Arkitekter A/S, Nordhavn Denmark	100%	11,967	12,521

All group entities are independent entities.

12 Participating interests

DKK'000	Group Participating interests
Cost at 9 March 2021	0
Additions on acquisition of group entities	0
Cost at 31 December 2021	0
Value adjustments at 1 January 2021	0
Profit/loss for the year	0
Value adjustments at 31 December 2021	0
Carrying amount at 31 December 2021	0

Name and registered office	Voting rights and ownership	Profit/loss DKK'000	Equity DKK'000
Karlson Arkitekter/VLA I/S cvr. nr. 33 30 71 28, Denmark	50 %	0	0
HDEM VLA Partnership Nyt Hospital Nordsjælland I/S cvr. nr. 36 08 55 09, Denmark	50 %	0	0

Consolidated financial statements and parent company financial statements

Notes

DKK'000	Group 2021	Parent 2021
13 Contract assets and contract liabilities		
Selling price of work performed	331,697	-
Payments received on account	-332,601	-
	904	0
recognised as follows:		
Contract assets, selling price of contracts	8,670	-
Contract liabilities, prepayments	-7,766	-
	904	0
14 Prepayments		
Prepaid rent	1,515	-
Cut off royalties	428	-
Other prepaid expenses	2,851	-
	4,794	0

15 **Share capital**

The share capital comprises 40,375 class A shares of DKK 1 each and 121,125 class B shares of DKK 1 each

Every class A share carries 1 voting right, and every class B share carries 1 voting right.

DKK'000	Group 2021	Parent 2021
16 Deferred tax		
Deferred tax at 9 March		-
Additions on acquisition of group entities	-30,532	-
Deferred tax adjustment for the year	3.403	-
	-27,129	0
Intangible assets	-27,961	
Property, plant and equipment	770	-
	-27,129	0
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	0	-
Deferred tax liabilities	-27,129	-
	-27,129	0

17 **Other provisions**

Earn-out

As part of the acquisition of Vilhelm Lauritzen Arkitekter A/S at 3 May 2021 an earn-out agreement was agreed with a maximum settlement of DKK 60 million as part of the next exit of Vilhelm Lauritzen Arkitekter A/S to the former majority shareholder. The net present value of the earn-out has been calculated to DKK 8,771 thousand based on a number of assumptions. Any changes to the assumptions will change the present value.

Consolidated financial statements and parent company financial statements

Notes

DKK'000	Group 2021	Parent 2021
18 Non-current liabilities		
Credit institutions		
Long-term	0	-
Short-term	120,858	-
	0	0
Other payables		
Long-term	22,164	-
	22,164	0
The liabilities are recognised in the balance sheet as follows:		
Non-current liabilities	22,164	-
Current liabilities	120,858	-
	143,022	0
Non-current liabilities falling due more than five years after the balance sheet date (carrying amount)	0	0

Loan to credit institutions amounts to DKK 123,869 thousand offset by loan costs of DKK 3,011 thousand. There are covenants related to the loan, which are not met at 31 December 2021, hence the loan is classified as short term. Updated terms and conditions including covenants have been agreed in 2022.

19 Contractual obligations, contingencies, pledges etc.

Contingent liabilities

The Group is party in ongoing disputes. In Management's opinion, the outcome of these disputes will not affect the Group's financial position apart from the receivables and payables recognised in the balance sheet at 31 December 2021.

The Parent Company is jointly taxed with its Danish group entity. As administration company, the Company has unlimited joint and several liability, together with the group entity, for payment of Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc., may entail that the entities' liability will increase. The Group as a whole is not liable to any third parties.

Operating lease commitments

The Company's entities have entered into operating leases with an average annual lease payment of DKK 2.8 million and a remaining term of minimum 24 months. The remaining nominal lease commitment totals DKK 5.8 million including minimum indexation.

Collateral

The Company is jointly and severally liable for the Group's bank loans with a nominal value of 119 million.

Pledges

Laurie Acquisition ApS has executed a share pledge over its shares in VLA Group Holding ApS and further in Vilhelm Lauritzen Arkitekter A/S as security for loans under the Senior Facility Agreement.

Consolidated financial statements and parent company financial statements

Notes

20 Related parties

Laurie Acquisition ApS' related parties comprise the following:

Control
TopCo 30 FIII Holding GmbH and TopCo 30 SC FIII Holding GmbH holds the minority of the shares.
Rosental 4
80331 München
Germany

Related party transactions

DKK'000	2021
Group	
Management fee (expense)	-522
Parent Company	
Capital injection	161,460

No other transactions were carried out with shareholders during the year.

Remuneration of the Parent Company's Executive Board and the Board of Directors is disclosed in note 3.

DKK'000	Parent Company 2021
21 Distribution of profit/loss	
Proposed distribution of profit/loss	
Transferred to equity reserves	-106
	-106

DKK'000	Group 2021
22 Changes in working capital	
Changes in receivables	549
Changes in trade and other payables	-10,755
	-10,206
23 Cash and cash equivalents	
Cash and cash equivalents	12,893
Credit institutions	-5,000
	7,893

Consolidated financial statements and parent company financial statements

Notes

DKK'000	Group 2021
24 Acquisition of group entities	
Intangible assets	142,282
Property, plant and equipment	987
Trade receivables	27,088
Contract assets	6,958
Company tax	509
Prepayments	3,886
Securities and investments	4,525
Cash	4,951
Deferred tax	-30,628
Contract liabilities	-13,284
Trade payables	-7,538
Other payables	-23,538
	116,198
Goodwill	174,673
Cost	290,871
Earn-out	-8,771
Deferred payment	-20,000
Amount relating to cash	-4,951
Cash cost	257,149

Vilhelm Lauritzen Arkitekter A/S was acquired the 3 May 2021. Balance on initial recognition of Vilhelm Lauritzen Arkitekter A/S totals DKK 290,871 thousand, including goodwill of DKK 174,673 thousand.

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Anne Møller Sørensen
Bestyrelse
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IP: 152.115.xxx.xxx
2022-06-27 12:17:14 UTC
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Karin Verland
Dirigent
Serienummer: PID:9208-2002-2-569141532420
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Bestyrelse
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IP: 89.150.xxx.xxx
2022-06-27 12:45:54 UTC
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Ole Becker
Statsautoriseret revisor
Serienummer: CVR:30700228-RID:65669285
IP: 165.225.xxx.xxx
2022-06-27 12:58:26 UTC
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