

VL Group Holding ApS

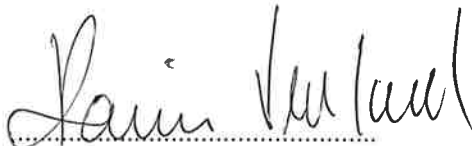
Sundkaj 153, 1. tv., 2150 Nordhavn, Denmark

CVR no. 25518349

Annual report 2022

Approved at the Company's annual general meeting on 23 June 2023

Chair of the meeting:

A handwritten signature in black ink, appearing to read 'Karin Verland', written over a horizontal dotted line.

Karin Verland

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Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of VL Group Holding ApS for the financial year 1 January - 31 December 2022.

The annual report has been 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 of the Company at 31 December 2022 and of the results of its operations for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.


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

Nordhavn, 23 June 2023
Executive Board:



Gyrithe Saltorp
CEO

Board of Directors:



Karin Verland
Chair



Joachim Horst Scholz



Stefan Andreas Walter
Happak



Anne Møller Sørensen

Independent auditor's report

To the shareholder of VL Group Holding ApS

Opinion

We have conducted an extended review of the financial statements of VL Group Holding ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our extended review in accordance with the Danish Business Authority's standard on extended review for small entities and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence

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.

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. Management is also responsible for such internal control that 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 responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance for our conclusion on the financial statements and perform specifically required supplementary procedures to obtain additional assurance for our conclusion.

An extended review comprises procedures that primarily consist of making enquiries of Management and others within the entity, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Independent auditor's report

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 extended review 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 extended review, 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.

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 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Ole Becker
State Authorised
Public Accountant
mne33732

Management's review

Company details

Name	VL Group Holding ApS
Address, postal code, city	Sundkaj 153, 1. tv., 2150 Nordhavn, Denmark
CVR no.	42209937
Established	11 March 2021
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Gyrithe Saltorp, 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

Operating review

Principal activities

The main activity of the Company is to own shares in a subsidiary and provide management services.

Development in activities and financial matters

The Company holds 100% of the shares in Vilhelm Lauritzen Arkitekter A/S. On the 21 November 2022, Vilhelm Lauritzen Arkitekter A/S acquired 65% of Arkitektfirmaet Kjaer & Richter A/S through K&R Holding ApS. The financing of the activity is done by equity.

The results of operation for the period shows a loss of DKK 5.3 million and equity of DKK 177.1 million. The loss is as expected. A group contribution was made in 2022 of DKK 28.5 million.

Events after the balance sheet date

No events have occurred after the balance sheet date.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2022 (1/1-31/12)	2021 (11/3-31/12)
	Revenue	1,866	1,244
	Other external expenses	-1,039	-2,370
	Gross profit/loss	827	-1,126
3	Staff costs	-1,782	-1,191
	Profit/loss before net financials	-955	-2,317
4	Financial income	29	0
5	Financial expenses	-5,843	-2,879
	Profit/loss before tax	-6,769	-5,196
6	Tax for the year	1,489	1,143
	Profit/loss for the year	<u>-5,280</u>	<u>-4,053</u>
	Proposed distribution of profit/loss		
	Transferred to equity reserves	-5,280	-4,053
		<u>-5,280</u>	<u>-4,053</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	ASSETS		
	Non-current assets		
	Financial assets		
7	Investments in group entities	307,204	295,471
	Receivables from group entities	6,000	0
		<u>313,204</u>	<u>295,471</u>
	Total non-current assets	<u>313,204</u>	<u>295,471</u>
	Current assets		
	Receivables		
	Receivables from group entities	1,529	0
	Deferred tax assets	79	63
	Joint tax receivable	2,552	1,080
	Other receivables	0	206
		<u>4,160</u>	<u>1,349</u>
	Cash	<u>158</u>	<u>2,177</u>
	Total current assets	<u>4,318</u>	<u>3,526</u>
	TOTAL ASSETS	<u>317,522</u>	<u>298,997</u>
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	42	42
	Retained earnings	177,064	153,805
	Total equity	<u>177,106</u>	<u>153,847</u>
	Non-current liabilities		
9	Other provisions	8,771	8,771
10	Credit institutions	84,623	0
10	Other payables	11,024	10,000
	Total non-current liabilities	<u>104,418</u>	<u>18,771</u>
	Current liabilities		
10	Credit institutions	12,052	115,858
	Trade payables	60	55
	Payables to group entities	13,482	0
	Other payables	10,404	10,466
	Total current liabilities	<u>35,998</u>	<u>126,379</u>
	Total liabilities	<u>140,416</u>	<u>145,150</u>
	TOTAL EQUITY AND LIABILITIES	<u>317,522</u>	<u>298,997</u>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 11 Contingent liabilities, collateral and pledges, etc.
- 12 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Proposed dividend	Total
Established at 11 March 2021	40	0	0	40
Capital increase 29 April 2021	1	49,259	0	49,260
Capital increase 3 May 2021	1	108,599	0	108,600
Transferred; see distribution of profit/loss	-	-4,053	0	--4,053
Equity at 1 January 2022	42	153,805	0	153,847
Group contribution	-	28,539	0	28,539
Transferred; see distribution of profit/loss	-	-5,280	0	-5,280
Equity at 31 December 2022	42	177,064	0	177,106

Financial statements 1 January - 31 December

Notes

1 Accounting policies

The annual report of VL Group Holding ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Pursuant to section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

Presentation currency

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

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.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Income statement

Revenue

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

Revenue consists of management fee and 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.

Other external expenses

Other external expenses comprise expenses relating to administration, 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.

Financial expenses

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

Dividends from equity investments in group entities, which are measured at cost, are recognised in the income statement in the financial year when the dividends are declared. If the dividends received exceed the proportionate share of the profit/loss for the year or the carrying amount of equity investments exceeds the proportionate share of the net assets in the underlying entity, this is an indication of impairment, which requires that an impairment test is prepared.

Financial statements 1 January - 31 December

Notes

1 Accounting policies

Tax for the year

The 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.

Laurie Acquisition ApS is the administration company in respect of the joint taxation arrangement and accordingly settles all corporation taxes to the tax authorities on behalf of the company.

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.

Balance sheet

Financial assets

Investments in group entities are measured at cost. 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.

Impairment of non-current assets

The carrying amount of group entities is tested annually for evidence of impairment other than the decrease in value reflected by amortisation/depreciation.

Impairment tests are conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the carrying amount and the recoverable 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.

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

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.

Financial statements 1 January - 31 December

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1 Accounting policies (continued)

Equity

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.

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. 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.

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 other than provisions

Financial liabilities comprising amounts payable to credit institutions are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

2 Events after the balance sheet date

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.

Financial statements 1 January - 31 December

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DKK'000	2022 (1/1-31/12)	2021 (11/3-31/12)
3 Staff costs		
Wages and salaries	1,778	1,190
Pensions	0	0
Other social security costs	5	1
	<u>1,783</u>	<u>1,191</u>
Remuneration of the Executive Board	<u>1,783</u>	<u>1,191</u>
Average number of full-time employees	<u>1</u>	<u>1</u>
There Board of Directors has not received any remuneration.		
4 Financial income		
Interest income, group entities	<u>29</u>	<u>-</u>
	<u>29</u>	<u>-</u>
5 Financial expenses		
Interest expenses, credit institutions	4,162	2,014
Interest expenses, group entities	232	0
Amortisation of loan costs	623	415
Other financial expenses	826	400
	<u>5,843</u>	<u>2,829</u>
6 Tax for the year		
Computed tax on the taxable income for the year	1,473	1,080
Deferred tax adjustment for the year	16	63
	<u>1,489</u>	<u>1,143</u>
7 Equity investments in group entities		
Cost at 1 January	295,471	0
Additions	11,733	295,471
Cost at 31 December	<u>307,204</u>	<u>295,471</u>

Key figures for group entities at 31 December 2022:

Name and registered office (DKK'000)	Voting rights and ownership	Equity	Profit/loss for the year
Group entities			
Vilhelm Lauritzen Arkitekter A/S, Nordhavn Denmark Subsidiary of Vilhelm Lauritzen Arkitekter A/S:	100%	9.298	21,818
STED ApS, Nordhavn, Denmark (from acquisition date 1 February 2022)	100%	-801	-2.424
K&R Holding ApS, Nordhavn Denmark (from establishment 17 November 2022)	100%	-36	18,014
Arkitektfirmaet Kjaer & Ricther A/S, Aarhus, Denmark (from acquisition date 21 November 2022)	65%	1,348	7,348

Financial statements 1 January - 31 December

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8 Share capital

The share capital comprises nominal 42,000 shares with no special rights. Changes in the share capital are disclosed in the statement of changes in equity.

9 Other provisions

Earn-out

As part of the acquisition of Vilhelm Lauritzen Arkitekter A/S at 3 May 2021, an earn-out agreement was concluded 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.

10 Non-current liabilities

DKK'000	Total liabilities at 31/12 2022	Repayment, next year	Non-current portion	Outstanding debt after 5 years
Credit institutions	99,063	12,350	86,713	0
Loan cost to be amortised	-2,388	-298	2,090	0
Other payables	11,024	0	11,024	0
	<u>107,699</u>	<u>12,052</u>	<u>99,827</u>	<u>0</u>

There are covenants related to the loan, which are met at 31 December 2022.

11 Contingent liabilities, collateral and pledges, etc.

Contingent liabilities

The Company is jointly taxed with the group entities in the Laurie Acquisition ApS Group. The Company has unlimited joint and several liability together with other Danish entities for payment of Danish corporation taxes. Any subsequent corrections of the income subject to joint taxation may entail that the Company's liability will increase.

Collateral

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

Pledges

VL Group Holding ApS has executed a share pledge over its shares in Vilhelm Lauritzen Arkitekter A/S as security for loans under the Senior Facility Agreement. Further, all rights from the intercompany loan to K&R Holding ApS are assigned to the bank.

Financial statements 1 January - 31 December

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12 Related parties

Information about consolidated financial statements:

Parent	Domicile
Laurie Acquisition ApS	Sundkaj 153, 1, tv, 2150 Nordhavn

Related party transactions

VL Group Holding ApS was engaged in the below related party transactions:

DKK'000	2022	2021
Management fee, income	1,866	1,244
Management fee, expenses	702	522
interest income, group entities	29	-
Interest expenses, group entities	232	-
Interest expenses, related parties	624	400
Receivables from group entities, non-current	6,000	-
Receivables from group entities, current	1,529	-
Payables to group entities	13,482	-
Other payables, related parties, non-current	11,024	10,000
Other payables, related parties, current	10,000	10,400
Capital injections	-	157,860
Group contribution	11,733	-

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

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

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
Laurie Acquisition ApS	Sundkaj 153, 1, tv, 2150 Nordhavn