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LJUNGDAHL A/S
HEJREVANG 22, 3450 ALLERØD
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2021

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 31 May 2022**

Thomas Helmark Vilmar

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 42 42 16 18

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COMPANY DETAILS

Company	LJUNGAHL A/S Hejrevang 22 3450 Allerød
	CVR No.: 42 42 16 18 Established: 28 October 1972 Municipality: Allerød Financial Year: 1 January - 31 December
Board of Directors	Dirk Alois Coorevits, chairman Jurgen Vandervelden Bart Rafaël Lambrechts
Executive Board	Thomas Helmark Vilmar
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of LJUNGDAHL A/S for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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

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

Allerød, 31 May 2022

Executive Board

Thomas Helmark Vilmar

Board of Directors

Dirk Alois Coorevits
Chairman

Jurgen Vandervelden

Bart Rafaël Lambrechts

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of LJUNGAHL A/S

Opinion

We have audited the Financial Statements of LJUNGAHL A/S for the financial year 1 January - 31 December 2021, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the 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 judgment and maintain professional skepticism 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.

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Management Commentary and, in doing so, consider whether Management Commentary 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 Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the 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 Management Commentary.

Copenhagen, 31 May 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Søren Søndergaard Jensen
State Authorised Public Accountant
MNE no. mne32069

MANAGEMENT COMMENTARY

Principal activities

As in previous years, the main activities of the Company is to trade in building materials and related business.

Significant events after the end of the financial year

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

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2021 DKK	2020 DKK
GROSS PROFIT		10.357.570	8.788.714
Staff costs.....	1	-9.296.303	-8.680.115
Depreciation, amortisation and impairment.....		-309.427	-307.395
OPERATING PROFIT		751.840	-198.796
Other financial expenses.....	2	-108.920	-209.451
PROFIT BEFORE TAX		642.920	-408.247
Tax on profit/loss for the year.....	3	-150.155	79.897
PROFIT FOR THE YEAR		492.765	-328.350
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		492.765	-328.350
TOTAL		492.765	-328.350

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2021 DKK	2020 DKK
Land and buildings.....		7.420.118	7.674.111
Other plants, machinery, tools and equipment.....		102.931	133.225
Property, plant and equipment.....	4	7.523.049	7.807.336
NON-CURRENT ASSETS.....		7.523.049	7.807.336
Finished goods and goods for resale.....		7.140.230	5.826.527
Inventories.....		7.140.230	5.826.527
Trade receivables.....		6.066.771	4.950.318
Receivables from group enterprises.....		0	28.740
Other receivables.....		6.106	30.377
Tax receivable joint taxation.....		0	81.242
Prepayments and accrued income.....		110.994	119.208
Receivables.....		6.183.871	5.209.885
Cash and cash equivalents.....		854.906	845.357
CURRENT ASSETS.....		14.179.007	11.881.769
ASSETS.....		21.702.056	19.689.105

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2021 DKK	2020 DKK
Share capital.....		1.200.000	1.200.000
Retained profit.....		11.050.894	10.558.129
EQUITY.....		12.250.894	11.758.129
Provision for deferred tax.....		23.635	24.628
PROVISIONS.....		23.635	24.628
Payables to group enterprises.....		212.500	2.550.000
Other liabilities.....		0	642.077
Non-current liabilities.....	5	212.500	3.192.077
Trade payables.....		1.054.551	1.512.825
Payables to group enterprises.....		4.286.546	430.945
Tax payable joint taxation.....		151.148	0
Other liabilities.....		3.722.782	2.770.501
Current liabilities.....		9.215.027	4.714.271
LIABILITIES.....		9.427.527	7.906.348
EQUITY AND LIABILITIES.....		21.702.056	19.689.105
 Contingencies etc.	 6		

EQUITY

	Share capital	Retained profit	Total
Equity at 1 January 2021.....	1.200.000	10.558.129	11.758.129
Proposed profit allocation.....		492.765	492.765
Equity at 31 December 2021	1.200.000	11.050.894	12.250.894

NOTES

	2021 DKK	2020 DKK	Note
Staff costs			1
Average number of employees	13	12	
Wages and salaries.....	8.156.435	7.514.355	
Pensions.....	559.107	394.209	
Social security costs.....	85.820	93.024	
Other staff costs.....	494.941	678.527	
	9.296.303	8.680.115	
Other financial expenses			2
Group enterprises.....	35.528	113.622	
Other interest expenses.....	73.392	95.829	
	108.920	209.451	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year.....	151.148	-81.242	
Adjustment of deferred tax.....	-993	1.345	
	150.155	-79.897	
Property, plant and equipment			4
	Land and buildings	Other plants, machinery, tools and equipment	
Cost at 1 January 2021.....	8.024.830	593.116	
Additions.....	0	25.140	
Cost at 31 December 2021.....	8.024.830	618.256	
Depreciation and impairment losses at 1 January 2021.....	350.719	459.891	
Depreciation for the year.....	253.993	55.434	
Depreciation and impairment losses at 31 December 2021....	604.712	515.325	
Carrying amount at 31 December 2021.....	7.420.118	102.931	
Long-term liabilities			5
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years
			31/12 2020 total liabilities
Payables to group enterprises.....	1.062.500	850.000	0 2.550.000
Other liabilities.....	0	0	0 642.077
	1.062.500	850.000	0 3.192.077

NOTES**Note****Contingencies etc.****6****Joint liabilities**

The company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Soudal A/S, which serves as management company for the joint taxation.

ACCOUNTING POLICIES

The Annual Report of LJUNGDAHL A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

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

INCOME STATEMENT

Net revenue

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

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

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts and operating lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay, pensions, and other costs for social security etc., for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities, as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the Income Statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Tangible fixed assets

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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

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

ACCOUNTING POLICIES

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

	Useful life	Residual value
Buildings.....	25 years	0 %
Other plant, fixtures and equipment.....	3-5 years	0 %

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

Impairment of fixed assets

The carrying amount of tangible assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

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

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories

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

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

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and direct production cost.

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

Receivables

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

Accruals, assets

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

ACCOUNTING POLICIES

Tax payable and deferred tax

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

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

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

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

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

Liabilities

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

Amortised cost for short-term liabilities usually corresponds to the nominal value.