CHRISTENSEN
KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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Ole Lynggaard A/S

Hellerupvej 15 B, 2900 Hellerup

Company reg. no. 83 02 49 17

Annual report

1 January - 31 December 2022

The annual report has been submitted and approved by the general meeting on the 15 May 2023.

Søren Ole Lynggaard
Chairman of the meeting

Contents

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the board of directors and the executive board have presented the annual report of Ole Lynggaard A/S for the financial year 1 January - 31 December 2022.

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

We consider the accounting policies appropriate and, in our opinion, the consolidated financial statements and the financial statements provide a fair presentation of the assets, equity and liabilities, and the financial position, consolidated and for the company, respectively, at 31 December 2022, and of the result of the activities, consolidated and of the company, respectively, during the financial year 1 January – 31 December 2022.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Hellerup, 15 May 2023

Executive board

Søren Ole Lynggaard	Charlotte Lynggaard

Board of directors

Lars-Erik Houmann Christensen	Charlotte Lynggaard	Ole Lynggaard
Troels Jensen	Søren Ole Lynggaard	Niels Erik Michel Normann

To the Shareholders of Ole Lynggaard A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Ole Lynggaard A/S for the financial year 1 January to 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under 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 2022, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company 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, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and the parent company 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 Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company 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 Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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 Management’s Review

Management is responsible for Management’s Review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover Management’s Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the consolidated financial statements and the parent company 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’s Review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 15 May 2023

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Torben Laurentz Wiberg
State Authorised Public Accountant
mne11651

Company information

The company	Ole Lynggaard A/S Hellerupvej 15 B 2900 Hellerup	
	Company reg. no.	83 02 49 17
	Financial year:	1 January - 31 December
Board of directors	Lars-Erik Houmann Christensen Charlotte Lynggaard Ole Lynggaard Troels Jensen Søren Ole Lynggaard Niels Erik Michel Normann	
Executive board	Søren Ole Lynggaard Charlotte Lynggaard	
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Østbanegade 123 2100 København Ø	
Subsidiaries	Ole Lynggard Retail ApS, Hellerup Ole Lynggaard Copenhagen GmbH (CH), Switzerland Ole Lynggaard Copenhagen GmbH (DE), Germany Ole Lynggaard Danmark ApS, Hellerup Ole Lynggaard Sverige ApS, Hellerup Ole Lynggaard Copenhagen Pty. Ltd., Australia Ole Lynggaard Copenhagen Sarl., France Ole Lynggaar Retail Norge AS, Norway	

Consolidated financial highlights

DKK in thousands.	2022	2021	2020	2019	2018
Income statement:					
Gross profit	114.870	111.492	94.890	88.369	87.566
Profit from operating activities	29.243	41.645	7.264	11.005	7.752
Net financials	-5.382	-807	-1.004	532	-2.135
Net profit or loss for the year	18.268	31.595	4.453	8.958	3.624
Statement of financial position:					
Balance sheet total	207.104	206.123	161.515	178.284	180.336
Investments in property, plant and equipment	-5.036	-5.036	-1.073	-7.171	-7.472
Equity	104.493	125.467	92.722	88.720	82.009
Cash flows:					
Operating activities	43.145	23.343	25.078	26.481	13.822
Investing activities	-22.459	-6.550	-1.258	-9.550	-8.102
Financing activities	-42.409	2.475	-23.744	-12.726	2.111
Total cash flows	-21.723	19.268	76	4.205	7.831
Changes in cash flow including short-term bank debts	-18.643	17.102	23.820	16.931	5.720
Employees:					
Average number of full-time employees	131	117	127	134	133
Key figures in %:					
Acid test ratio	178,4	244,7	224,3	165,4	151,3
Solvency ratio	50,5	60,9	57,4	49,6	45,3
Return on equity	15,9	29,0	5,3	10,5	4,6

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

Consolidated financial highlights

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Acid test ratio

$$\frac{\text{Current assets x 100}}{\text{Short term liabilities other than provisions}}$$

Solvency ratio

$$\frac{\text{Equity less non-controlling interests, closing balance x 100}}{\text{Total assets, closing balance}}$$

Return on equity

$$\frac{\text{*Profit x 100}}{\text{Average equity exclusive of non-controlling interests}}$$

***Profit** Net profit or loss for the year less non-controlling interests’ share hereof

The principal activities of the group

OLE LYNGGAARD COPENHAGEN is a family-owned, design based company that manufactures and sells jewellery of the highest class in Denmark as in export markets. The family company was founded by Ole Lynggaard in 1963.

We do this based on our position as a leading Scandinavian luxury brand, rooted in a passion for the unique design, styling and craftsmanship. Our idea is to make women of all ages feel beautiful and unique. Our vision is to establish a global status as the favorite luxury brand for the quality-conscious customer who demands Scandinavian jewellery design, which can please for generations.

Our mission is to inspire and create passion for our jewellery and brand worldwide by supplying products in a unique, timeless and functional design of the highest quality.

Approximately 160 talented and dedicated employees are gathered to bring this mission to life, of which approximately 45 jewellers work at the company's premises in Hellerup.

We want the company to grow in an organic and controlled way without compromising the company's very high standards of quality at all levels.

We will, in the coming years, with a close relationship with dealers and partners, and a constant focus on our values, pursue our strategy with the aim to ensure continued brand building and profitable growth, economic independence and an exciting and challeging workplace for our employees. We will continue to be a Danish family-owned company with constant focus on design, production and craftsmanship, where the family's close connection and ownership ensure the present company culture.

Development in activities and financial matters

The gross profit for the parent compagny for the year totals DKK 85.177 thousand against DKK 82.749 thousand last year. Income or loss from ordinary activities after tax totals DKK 18.268 thousand against DKK 31.595 thousand last year. Management considers the net profit or loss for the year satisfactory.

The gross profit for the group for the year totals DKK 114.870 thousand against DKK 111.492 thousand last year. Income or loss from ordinary activities after tax totals DKK 18.268 thousand against DKK 31.595 thousand last year. Management considers the net profit or loss for the year satisfactory.

Financial risks and the use of financial instruments

The company has an ongoing risk due to the volatility of the price of gold on various currencies. This risk is mitigated by the use af hedging instruments. The expected need for currency trade and gold is hedged for the coming year in November, giving the company the ability to fix prices for a full year.

Environmental issues

The company aims to be at the forefront on both external and internal environmental issues. Municipal approval of the company's process equipment, ventilation and safety have been achieved over many years.

Expected developments

Modest growth was expected in 2022 driven by organic growth in existing stores and markets but with great uncertainty about the late effects of the pandemic and the war in Europe. We experienced moderate growth in almost all markets and channels, resulting in a better turnover than expected - and a new all-time high turnover.

This year, we face new challenges with inflation and energy crises. It is impossible to predict the impact, but so far we are on the track. If it continues the way our expectations for 2023 are good. We do not expect growth in 2023 and with extraordinary expenses, among other things, in our 60 years anniversary, we believe in income from ordinary activities after tax will be between 15.000 and 20.000 DKK thousand.

Based on the current situation and the information available, Management expects the company to continue operations without significant structural changes.

Events occurring after the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Branches abroad

Alongside two Danish stores, the company operates own stores in Sweden, Australia, France and now Germany. In addition to this, the company has legal entities in Norway, Germany and Switzerland with a sales force working on behalf of the Danish parent company.

Income statement 1 January - 31 December

DKK thousand.

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Gross profit	**114.870**	**111.492**	**85.177**	**82.749**
2	Staff costs	-74.852	-63.858	-52.530	-49.469
	Depreciation, amortisation, and impairment	-10.775	-5.989	-7.497	-4.166
	Operating profit	**29.243**	**41.645**	**25.150**	**29.114**
	Income from equity investments in subsidiaries	0	0	1.572	9.461
	Other financial income from group enterprises	0	0	1.825	322
	Other financial income	518	264	344	6
3	Other financial expenses	-5.900	-1.071	-5.714	-1.007
	Pre-tax net profit or loss	**23.861**	**40.838**	**23.177**	**37.896**
	Tax on net profit or loss for the year	-5.593	-9.243	-4.909	-6.301
4	**Net profit or loss for the year**	**18.268**	**31.595**	**18.268**	**31.595**
	Break-down of the consolidated profit or loss:				
	Shareholders in Ole Lynggaard A/S	18.268	31.595		
		18.268	**31.595**		

Balance sheet at 31 December

DKK thousand.

Assets

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Non-current assets				
5	Completed development projects, including patents and similar rights arising from development projects	6.928	4.909	6.928	4.909
6	Acquired concessions, patents, licenses, trademarks, and similar rights	4.624	290	0	0
	Total intangible assets	11.552	5.199	6.928	4.909
7	Property	242	338	242	338
8	Plant and machinery	6.086	6.524	4.900	5.211
9	Other fixtures and fittings, tools and equipment	9.367	5.135	2.638	2.714
	Total property, plant, and equipment	15.695	11.997	7.780	8.263
10	Investments in group enterprises	0	0	23.126	31.682
11	Other financial instruments and equity investments	52	52	52	52
12	Deposits	3.834	2.314	2.334	1.429
	Total investments	3.886	2.366	25.512	33.163
	Total non-current assets	**31.133**	**19.562**	**40.220**	**46.335**
	Current assets				
	Raw materials and consumables	31.909	33.811	31.909	33.811
	Work in progress	5.223	7.487	5.223	7.487
	Manufactured goods and goods for resale	78.513	63.832	44.535	36.130
	Prepayments for goods	264	1.599	264	1.599
	Total inventories	115.909	106.729	81.931	79.027

Balance sheet at 31 December

DKK thousand.

	Assets	Group		Parent	
Note		2022	2021	2022	2021
	Trade receivables	34.783	27.934	34.714	26.903
	Receivables from group enterprises	0	0	34.497	22.625
13	Deferred tax assets	363	1.345	289	1.496
	Tax receivables from group enterprises	0	0	498	1.705
	Other receivables	650	2.711	277	2.212
14	Prepayments and accrued income	1.742	3.595	901	1.330
	Total receivables	37.538	35.585	71.176	56.271
	Cash on hand and demand deposits	22.524	44.247	8.488	19.964
	Total current assets	**175.971**	**186.561**	**161.595**	**155.262**
	Total assets	**207.104**	**206.123**	**201.815**	**201.597**

Balance sheet at 31 December

DKK thousand.

Equity and liabilities

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Equity				
15	Contributed capital	500	500	500	500
	Reserve for net revaluation according to the equity method	0	0	22.605	31.161
16	Reserve for foreign currency translation	141	269	0	0
	Reserve for hedging transactions	1.342	456	1.342	456
	Retained earnings	87.510	84.242	65.045	53.349
	Proposed dividend for the financial year	15.000	40.000	15.000	40.000
	Equity before non-controlling interest.	104.493	125.467	104.492	125.466
	Total equity	**104.493**	**125.467**	**104.492**	**125.466**
	Provisions				
17	Other provisions	155	300	0	0
	Total provisions	**155**	**300**	**0**	**0**
	Liabilities other than provisions				
18	Other payables	3.830	4.130	3.830	3.709
	Total long term liabilities other than provisions	3.830	4.130	3.830	3.709

Balance sheet at 31 December

DKK thousand.

Equity and liabilities

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Bank loans	19.958	23.038	19.958	23.038
	Prepayments received from customers	2.006	2.062	181	362
	Trade payables	26.105	24.215	24.624	23.502
	Payables to group enterprises	0	0	2.552	2.821
	Income tax payable	3.256	7.700	3.172	7.137
	Other payables	47.301	19.211	43.006	15.562
	Total short term liabilities other than provisions	98.626	76.226	93.493	72.422
	Total liabilities other than provisions	**102.456**	**80.356**	**97.323**	**76.131**
	Total equity and liabilities	**207.104**	**206.123**	**201.815**	**201.597**

1 Special items

20 Disclosures on fair value

19 Charges and security

21 Contingencies

22 Related parties

Consolidated statement of changes in equity

DKK thousand.

	Contributed capital	Reserve for net revaluation according to the equity method	Reserve for foreign currency translation	Reserve for hedging transactions	Retained earnings	Proposed dividend for the financial year	Non-controlling interests
Equity 1 January 2021	500	0	407	-832	92.647	0	0
Share of results	0	0	0	0	-8.405	40.000	0
Exchange rates adjustment in balances in subsidiaries	0	0	-138	0	0	0	0
Adjustment, market value financial contracts, after tax	0	0	0	1.288	0	0	0
Equity 1 2022	500	0	269	456	84.242	40.000	0
Distributed dividend	0	0	0	0	0	-40.000	0
Share of results	0	0	0	0	3.268	15.000	0
Exchange rates adjustment in balances in subsidiaries	0	0	-128	0	0	0	0
Adjustment, market value financial contracts, after tax	0	0	0	886	0	0	0
	500	**0**	**141**	**1.342**	**87.510**	**15.000**	**0**

Statement of changes in equity of the parent

DKK thousand.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Reserve for hedging transactions	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2021	500	23.296	-832	69.757	0	92.721
Share of results	0	8.003	0	-16.408	40.000	31.595
Fair value adjustments of hedging instruments for the year	0	0	1.288	0	0	1.288
Exchange rate adjustments	0	-138	0	0	0	-138
Equity 1 January 2022	500	31.161	456	53.349	40.000	125.466
Distributed dividend	0	0	0	0	-40.000	-40.000
Share of results	0	1.572	0	1.696	15.000	18.268
Fair value adjustments of hedging instruments for the year	0	0	886	0	0	886
Exchange rate adjustments	0	-128	0	0	0	-128
Distributed dividend	0	-10.000	0	10.000	0	0
	500	**22.605**	**1.342**	**65.045**	**15.000**	**104.492**

Statement of cash flows 1 January - 31 December

DKK thousand.

Note		Group 2022	2021
	Net profit or loss for the year	18.268	31.595
23	Adjustments	21.751	16.132
24	Change in working capital	17.780	-19.575
	Cash flows from operating activities before net financials	57.799	28.152
	Interest received, etc.	518	264
	Interest paid, etc.	-5.900	-1.071
	Cash flows from ordinary activities	52.417	27.345
	Income tax paid	-9.272	-4.002
	Cash flows from operating activities	**43.145**	**23.343**
	Purchase of intangible assets	-12.056	-1.585
	Purchase of property, plant, and equipment	-8.883	-5.036
	Sale of property, plant, and equipment	0	194
	Additions deposits	-1.520	-145
	Disposals deposits	0	22
	Cash flows from investment activities	**-22.459**	**-6.550**
	Repayments of long-term payables	-300	-979
	Dividend paid	-40.000	0
	Changes in short-term bank loans	-3.080	2.166
	Changes in hedging instruments	971	1.288
	Cash flows from investment activities	**-42.409**	**2.475**
	Change in cash and cash equivalents	**-21.723**	**19.268**
	Cash and cash equivalents at 1 January 2022	44.247	24.979
	Cash and cash equivalents at 31 December 2022	**22.524**	**44.247**
	Cash and cash equivalents		
	Cash on hand and demand deposits	22.524	44.247
	Cash and cash equivalents at 31 December 2022	**22.524**	**44.247**

DKK thousand.

1. Special items

In connection with the impairment test, the depreciation has been increased with DKK 1.800 thousand due to new software has been put in use in the beginning of 2023 and thus the old software is outdated.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	Group		Parent	
	2022	2021	2022	2021
Income:				
State compensation Denmark	0	1.033	0	0
State compensation foreign states	0	328	0	0
	0	1.361	0	0
Expenses:				
Impairment of non-current assets	-1.800	0	-1.800	0
	-1.800	0	-1.800	0
Special items are recognised in the following items in the financial statements:				
Other operating income	0	1.361	0	0
Depreciation, amortisation and impairment	1.800	0	1.800	0
Profit of special items, net	**1.800**	**1.361**	**1.800**	**0**

Notes

DKK thousand.

	Group 2022	2021	Parent 2022	2021
2. Staff costs				
Salaries and wages	64.950	56.110	46.299	44.176
Pension costs	6.744	5.704	5.484	4.749
Other costs for social security	2.558	1.637	224	197
Other staff costs	600	407	523	347
	74.852	**63.858**	**52.530**	**49.469**
Executive board	9.365	9.371	9.365	9.371
Board of directors	312	216	312	216
Executive board and board of directors	**9.677**	**9.587**	**9.677**	**9.587**
Average number of employees	131	117	101	90
3. Other financial expenses				
Financial costs, group enterprises	0	0	43	52
Other financial costs	5.900	1.071	5.671	955
	5.900	**1.071**	**5.714**	**1.007**

	Parent 2022	2021
4. Proposed distribution of net profit		
Reserves for net revaluation according to the equity method	1.572	8.003
Dividend for the financial year	15.000	40.000
Transferred to retained earnings	1.696	0
Allocated from retained earnings	0	-16.408
Total allocations and transfers	**18.268**	**31.595**

DKK thousand.

		Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
5.	**Completed development projects, including patents and similar rights arising from development projects**				
	Cost 1 January 2022	19.335	22.223	18.596	21.483
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	-9	-1	0	0
	Additions during the year	6.478	1.585	6.478	1.585
	Disposals during the year	-653	-4.472	-653	-4.472
	Cost 31 December 2022	**25.151**	**19.335**	**24.421**	**18.596**
	Amortisation and writedown 1 January 2022	-14.426	-17.277	-13.687	-16.537
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	9	1	0	0
	Amortisation for the year	-4.459	-1.622	-4.459	-1.622
	Depreciation, amortisation and writedown for the year, assets disposed of	653	4.472	653	4.472
	Amortisation and writedown 31 December 2022	**-18.223**	**-14.426**	**-17.493**	**-13.687**
	Carrying amount, 31 December 2022	**6.928**	**4.909**	**6.928**	**4.909**

Notes

DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
6.	**Acquired concessions, patents, licenses, trademarks, and similar rights**				
	Cost 1 January 2022	3.463	3.484	0	0
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	-129	-21	0	0
	Additions during the year	5.577	0	0	0
	Cost 31 December 2022	**8.911**	**3.463**	**0**	**0**
	Amortisation and writedown 1 January 2022	-3.173	-2.853	0	0
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	129	18	0	0
	Depreciation, amortisation and writedown for the year, assets disposed of	-1.243	-338	0	0
	Amortisation and writedown 31 December 2022	**-4.287**	**-3.173**	**0**	**0**
	Carrying amount, 31 December 2022	**4.624**	**290**	**0**	**0**
7.	**Property**				
	Cost 1 January 2022	1.542	1.542	1.542	1.542
	Cost 31 December 2022	**1.542**	**1.542**	**1.542**	**1.542**
	Depreciation and writedown 1 January 2022	-1.204	-1.058	-1.204	-1.058
	Depreciation for the year	-96	-146	-96	-146
	Depreciation and writedown 31 December 2022	**-1.300**	**-1.204**	**-1.300**	**-1.204**
	Carrying amount, 31 December 2022	**242**	**338**	**242**	**338**

DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
8.	**Plant and machinery**				
	Cost 1 January 2022	39.482	38.763	37.367	36.116
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	-97	-6	0	0
	Additions during the year	2.375	3.143	2.060	1.846
	Disposals during the year	0	-2.418	0	-595
	Cost 31 December 2022	**41.760**	**39.482**	**39.427**	**37.367**
	Depreciation and writedown 1 January 2022	-32.958	-33.272	-32.156	-30.778
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	23	6	0	0
	Depreciation for the year	-2.739	-2.109	-2.371	-1.973
	Reversal of depreciation, amortisation and writedown, assets disposed of	0	2.417	0	595
	Depreciation and writedown 31 December 2022	**-35.674**	**-32.958**	**-34.527**	**-32.156**
	Carrying amount, 31 December 2022	**6.086**	**6.524**	**4.900**	**5.211**

DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
9.	**Other fixtures and fittings, tools and equipment**				
	Cost 1 January 2022	18.074	19.940	9.065	9.914
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	-152	17	0	0
	Additions during the year	6.508	1.893	497	421
	Disposals during the year	-404	-3.776	0	-1.270
	Cost 31 December 2022	**24.026**	**18.074**	**9.562**	**9.065**
	Depreciation and writedown 1 January 2022	-12.939	-14.579	-6.351	-6.856
	Translation by use of the exchange rate valid on balance sheet date 31 December 2022	114	-23	0	0
	Depreciation for the year	-2.238	-1.919	-573	-571
	Reversal of depreciation, amortisation and writedown, assets disposed of	404	3.582	0	1.076
	Depreciation and writedown 31 December 2022	**-14.659**	**-12.939**	**-6.924**	**-6.351**
	Carrying amount, 31 December 2022	**9.367**	**5.135**	**2.638**	**2.714**

DKK thousand.

		Group 31/12 2022	31/12 2021	Parent 31/12 2022	31/12 2021
10.	**Investments in group enterprises**				
	Acquisition sum, opening balance 1 January 2022	0	0	521	521
	Cost 31 December 2022	**0**	**0**	**521**	**521**
	Revaluations, opening balance 1 January 2022	0	0	31.230	21.907
	Translation by use of the exchange rate valid on balanceday	0	0	-128	-137
	Results for the year before goodwill amortisation	0	0	1.572	9.460
	Dividend	0	0	-10.000	0
	Revaluation 31 December 2022	**0**	**0**	**22.674**	**31.230**
	Amortisation of goodwill, opening balance 1 January 2022	0	0	-69	-69
	Depreciation on goodwill 31 December 2022	**0**	**0**	**-69**	**-69**
	Carrying amount, 31 December 2022	**0**	**0**	**23.126**	**31.682**

Group enterprises:

	Domicile	**Equity interest**
Ole Lynggard Retail ApS	Hellerup	100 %
Ole Lynggaard Copenhagen GmbH (CH)	Switzerland	100 %
Ole Lynggaard Copenhagen GmbH (DE)	Germany	100 %
Ole Lynggaard Danmark ApS	Hellerup	100 %
Ole Lynggaard Sverige ApS	Hellerup	100 %
Ole Lynggaard Copenhagen Pty. Ltd.	Australia	100 %
Ole Lynggaard Copenhagen Sarl.	France	100 %
Ole Lynggaar Retail Norge AS	Norway	100 %

DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
11.	**Other financial instruments and equity investments**				
	Cost 1 January 2022	52	52	52	52
	Cost 31 December 2022	**52**	**52**	**52**	**52**
	Carrying amount, 31 December 2022	**52**	**52**	**52**	**52**

		Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
12.	**Deposits**				
	Cost 1 January 2022	2.314	2.191	1.429	1.287
	Additions during the year	1.520	145	905	142
	Disposals during the year	0	-22	0	0
	Cost 31 December 2022	**3.834**	**2.314**	**2.334**	**1.429**
	Carrying amount, 31 December 2022	**3.834**	**2.314**	**2.334**	**1.429**

		Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
13.	**Deferred tax assets**				
	Deferred tax assets 1 January 2022	1.345	1.807	1.496	1.900
	Adjustment deferred tax for the year	-732	-99	-957	-41
	Adjustment deferred tax financial contracts	-250	-363	-250	-363
		363	**1.345**	**289**	**1.496**
	The following items are subject to deferred tax:				
	Intangible assets	-1.524	-1.080	-1.524	-1.080
	Property, plant, and equipment	1.296	1.034	1.256	1.235
	Current assets	-29	0	-29	0
	Provisions	34	50	0	0
	Other debt	586	1.341	586	1.341
		363	**1.345**	**289**	**1.496**

DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
14.	**Prepayments and accrued income**				
	Prepaid expenses	1.742	3.595	901	1.330
		1.742	**3.595**	**901**	**1.330**

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
15.	**Contributed capital**				
	Contributed capital 1 January 2022	500	500	500	500
		500	**500**	**500**	**500**

The share capital consists of shares, each with a nominal value of DKK 1. No shares hold particular rights.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
16.	**Reserve for foreign currency translation**				
	Reserve for foreign currency translation 1 January 2022	269	407	0	0
	Foreign currency translation adjustments	-128	-138	0	0
		141	**269**	**0**	**0**

DKK thousand.

		Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
17.	**Other provisions**				
	Provisions for returns	155	300	0	0
		155	**300**	**0**	**0**

		Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
18.	**Other payables**				
	Total other payables	**3.830**	**4.130**	**3.830**	**3.709**
	Share of liabilities due after 5 years	0	0	0	0

19. Charges and security

For bank loans, the company has provided security in company assets representing a nominal value of DKK 20.000. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Inventories	81.667
Trade receivables	34.714

The bank has against third party provided payment bonds and warranties, totalling DKK 1.675 thousand.

The parent company has provided a surety bond for all debt to the bank in Ole Lynggaard Copenhagen GmbH.

20. Disclosures on fair value

Group

	Derived financial instruments
Fair value at 31 December 2022	123
Unrealised change in fair value of the year recognised in the equity	886

DKK thousand.

21. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into 6 leases. The remaining liability amounts to DKK 488 thousand at 31 December 2022, and remaining maturity of 2 to 38 months.

Lease on premises

Moreover, the company and its group enterprises have entered into 9 leases on premises. The total liability amounts to DKK 59.165 thousand at 31 December 2022, and the irrevocable periods are from 6 to 118 months.

Hedging instruments

The company makes use of hedging instruments used to hedge recognised and non-recognised transactions concerning foreign currency translation adjustments and raw materials. Terms for the open contracts at 31 December 2022 are less than 12 months. The market value of these open contracts is recognised in the balance sheet.

Recourse guarantee commitments:

The company has guaranteed the bank loans of the group company Ole Lynggaard Copenhagen GmbH. The bank loan in the company i DKK 0.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 3.172 .

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

DKK thousand.

22. Related parties

Controlling interest

Charlotte Lynggaard ApS	Shareholder
Søren Lynggaard ApS	Shareholder

Transactions

All transactions with related parties have taken place on market terms.

	Group 2022	2021
23. Adjustments		
Impairment of current assets	10.775	5.989
Other financial income	-518	-264
Other financial expenses	5.900	1.071
Tax on net profit or loss for the year	5.594	9.243
Other provisions	0	76
Other adjustments	0	17
	21.751	**16.132**

24. Change in working capital		
Change in inventories	-9.181	-21.526
Change in receivables	-2.935	-3.870
Change in trade payables and other payables	29.929	5.821
Other changes in working capital	-33	0
	17.780	**-19.575**

The annual report for Ole Lynggaard A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

Derivatives

For significant items with price risk in currenxy or precious metals, risk hedging takes place using hedging agreements for the year's expected positions in accordance with the budget.

At their initial recognition, derivatives are recognised at cost in the statement of financial position. Hereafter, they measured at fair value. Positive and negative fair values of derivatives are recognised under other receivables and payables, respectively.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the income statement together with changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derived financial instruments classified as hedging of future cash flows are recognised in other receivables or other payables, and in equity.

If the future transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or costs, amounts recognised in equity on a continuing basis are transferred to the income statement for the period in which the hedged item affected the income statement.

For derived financial statements that are no longer recognised as hedging instruments, changes in fair value are recognised in the income statement on a current basis.

The consolidated financial statements

The consolidated income statements comprise the parent company Ole Lynggaard A/S and those group enterprises of which Ole Lynggaard A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Non-controlling interests

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Staff cost, directly attributed to the development of production of goods are recognised in cost of inventories.

Incentive programmes

A bonus scheme for the retail manager has been established. The bonus scheme ended in 2022. The scheme provides the opportunity of achieving a bonus which is determined in proportion on the annual sales and the achieved bonus percentages is calculated from the result of the year before tax. The bonus can max. amount of 5% of the result for the year before tax.

In addition there are regular bonus schemes for traveling sales representatives. The bonus schemes ar calculated in proportion to their turnover.

The scheme is based on cash payment. However, the form of payment is optional – salary, pension, etc.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement of the parent as a proportional share of the group enterprises' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

External development of software are mesured at external cost with deduction of accummulated depreciation. Software development cast are amortised over the estimated useful life which is 10 years fra start of use of the system.

Aquired rights are measured at cost with decution of accummulated depreciation. Acquried rights are amortised on a straight-line basis over the estimated useful life which is 5 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying mount of the asset, depreciation is discontinued.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	10-50 years	0 %
Plant and machinery	5-10 years	0 %
Other fixtures and fittings, tools and equipment	3-5 years	0 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

All leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Other financial instruments and equity investments

Financial instruments and equity investments recognised under non-current assets comprise listed bonds and shares measured at fair value on the reporting date. Listed financial instruments are measured at market price.

Other unlisted financial instruments are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Reserve for foreign currency translation

The reserve for foreign currency translation arises when translating accounting items in foreign currency.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Reserve for hedging transactions

The reserve for hedging transactions arises when hedging instruments are subject to fair value adjustments.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

As administration company, Ole Lynggaard A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the group has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the group.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

On the acquisition of entities, provisions for restructuring within the acquired entity are included in the acquisition cost, and thereby in the goodwill or the consolidated goodwill, to the extent that they have been recognised in the financial statements of the acquired entity in advance of the acquisition. Provisions for restructuring are included to the extent that they have been decided at the date of acquisition at the latest and that the process have been commenced.

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and shortterm financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.

Charlotte Lynggaard

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Niels Erik Michel Normann

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Torben Laurentz Wiberg

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Underskrevet med MitID