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ARDEX SKANDINAVIA A/S
MARIELUNDVEJ 4, 2730 HERLEV
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 4 June 2024**

Christian Fuglsang Stigel

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. 11 70 92 14

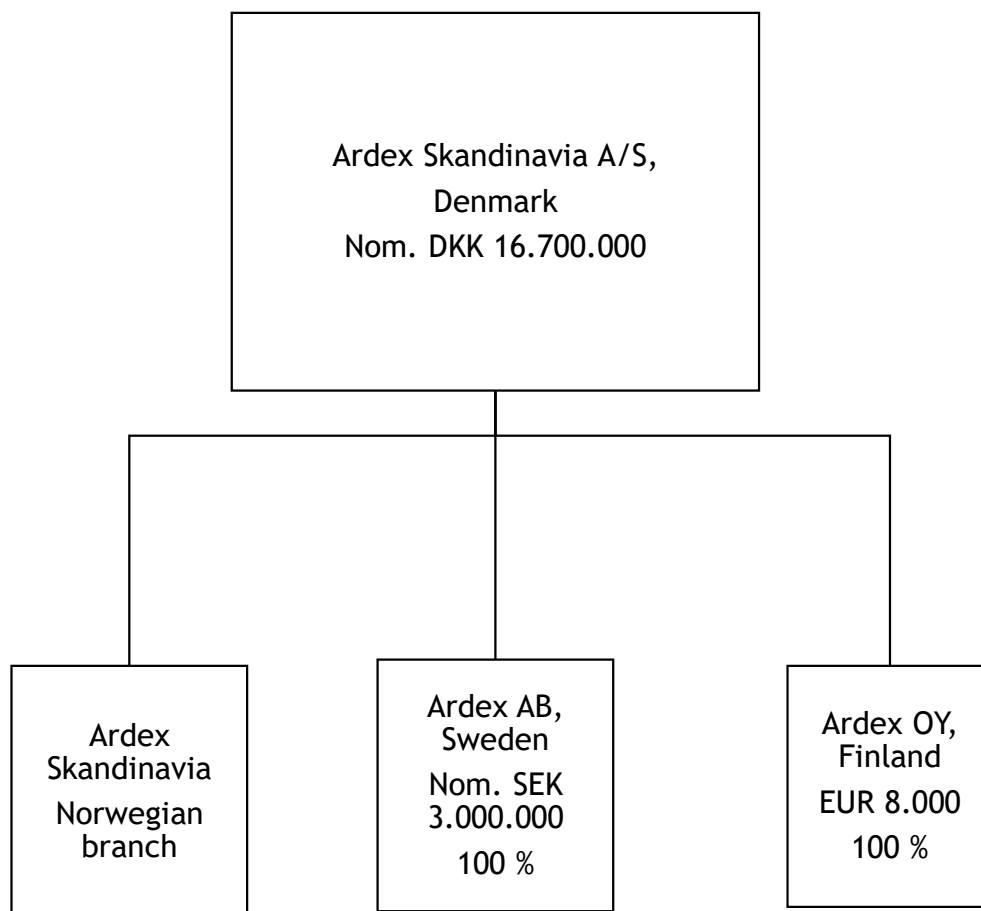
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COMPANY DETAILS

Company	Ardex Skandinavia A/S Marielundvej 4 2730 Herlev CVR No.: 11 70 92 14 Established: 14 April 1967 Municipality: Herlev Financial Year: 1 January - 31 December
Board of Directors	Marius Aulich, chairman Niels Ivar Wonsild Gorm Benthin Rosborg
Executive Board	Christian Fuglsang Stigel
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Danske Bank Holmens Kanal 2-12 1092 Copenhagen K

GROUP STRUCTURE



MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Ardex Skandinavia A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2023 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

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.

Herlev, 4 June 2024

Executive Board

Christian Fuglsang Stigel

Board of Directors

Marius Aulich
Chairman

Niels Ivar Wonsild

Gorm Benthin Rosborg

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Ardex Skandinavia A/S

Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Ardex Skandinavia A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2023 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2023 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 Annual Financial Statements of the Company" 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 (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 Consolidated Financial Statements and the Annual Financial Statements of the Company

Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Annual Financial Statements of the Company 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 Annual Financial Statements of the Company 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 the Annual Financial Statements of the Company.

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:

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements and the Annual Financial Statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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.

INDEPENDENT AUDITOR'S REPORT

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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, 4 June 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Ole C. K. Nielsen
State Authorised Public Accountant
MNE no. mne23299

FINANCIAL HIGHLIGHTS OF THE GROUP

	2023	2022	2021	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Income statement					
Net revenue.....	283.034	313.202	347.485	319.272	331.232
Gross profit/loss.....	89.595	111.167	125.693	120.096	122.153
Operating profit/loss of main activities..	29.321	51.014	61.758	60.947	62.069
Financial income and expenses, net.....	-3.110	-4.177	-3.567	-3.115	-2.353
Profit/loss for the year.....	19.870	36.254	45.241	45.325	46.911
Balance sheet					
Total assets.....	160.691	207.812	211.318	212.519	202.682
Equity.....	122.016	142.697	167.295	167.226	163.210
Invested capital.....	118.860	132.710	170.014	169.985	166.034
Cash flows					
Cash flows from operating activities.....	43.847	64.914	-2.623	50.128	56.350
Cash flows from investing activities.....	-1.089	-20.193	-2.542	-1.213	-5.644
Cash flows from financing activities.....	-40.000	-60.000	-45.000	-41.325	-42.112
Investment in property, plant and equipment.....	-1	-2	-2	-2	-6
Key ratios					
Gross margin.....	31.7	35.5	36.2	37.6	36.9
Equity ratio.....	75.9	68.7	79.2	78.7	80.5
Return on equity.....	15.0	23.4	27.0	27.4	29.2

The ratios stated in the list of key figures and ratios have been calculated as follows:

Gross margin:	$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$
Equity ratio:	$\frac{\text{Equity (ex. minorities), at year end} \times 100}{\text{Total equity and liabilities, at year end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities

The ARDEX Group's primary activity is production, trade and sales of smoothing Compounds, tile adhesives, rapid-drying cement, wet room solutions and many other specialty products to professionals. ARDEX Denmark primary sales area are the Nordic countries.

Our plant in Hedensted, Jutland covers our sales activities in all of the Nordic and Baltic countries.

Secondary we have a high level of consulting, training and exhibitions.

Our ARDEX academy in both Herlev and Hedensted receives course participants regularly throughout the year, mainly from Denmark, but also from the Nordic countries. The courses are product specific and welcome both new and existing customers, as well as schools. Winter and autumn are high season.

Strategy

It is ARDEX's strategy to deliver quality products and high quality service to customers within the construction industry. The products and service delivered primarily to the Nordic countries.

During the year, the company focused on strengthening its market position, expanding its product offerings and enhancing its operational efficiency.

The key events and developments during the year included:

- Launch of new products and services to expand the company's product offerings and strengthen its market position
- Expansion into new markets, to increase the company's geographical reach and revenue streams.
- Implementation of cost-cutting measures and process improvement to enhance operational efficiency and reduce costs.

Development in activities and financial and economic position

The income statement of the Parent Company shows a profit of DKK ('000) 19.720 and at 31 December 2023 a balance sheet of DKK ('000) 142.757 and an equity on a positive level of DKK ('000) 122.016.

Profit/loss for the year compared to the expected development

In 2022, we set an expectation of a solid financial performance and expects a revenue increase of 2-6 % and a low profit increase for the year 2023 of 1-2 %, due to the high raw material price increases, which we didn't achieved. This is as a result of a sales decline of around 9% in the construction industry and isn't satisfactory, together with a replacement in the Management team, a late effect of Corona decisions, high raw material costs development, and a bad currency development, results in much lower profit level as expected.

To avoid a more significantly decrease in earnings, Ardex has exceptionally been forced to increase sales prices during the year in both 2022 and 2023.

Except for the material costs, other operational expenses cost development was at an expected level.

Despite of the decrease in the result for the year, management believes that the result, due to the situation, for the year, was as expected.

Significant events after the end of the financial year

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

MANAGEMENT COMMENTARY

Financial risk

ARDEX Denmark only invests in itself, but the parent company has a Treasury department which handles the financial affairs globally. There is no policy on the use of surplus capital, but the capital is mostly used locally for future investments.

In 2022 and 2023, Ardex has exceptionally been forced to increase sales prices during the year in order to avoid a significantly decrease in earnings due to severe raw material price increases and to maintain the necessary liquidity. The decline in earnings has been significant, but still at a manageable level and earnings are expected to be recovered over the coming years.

Currency risk

Invoicing in local currency, ARDEX Denmark bear the currency risk.

Rarely, but if necessary, ARDEX hedges parts of the turnover invoiced at weak exchange rates. This is coordinated and decided in close cooperation with the parent company.

Credit risks

ARDEX insures 95% of all customers to reduce ongoing credit risk.

Market risks

ARDEX has been active on the Danish market since 1967 and has therefore gained contact with a large potential customer base.

The high product quality and high level of professionalism that ARDEX provides in its day-to-day operations is considered an important factor in relation to reducing the risk of loss of turnover.

Environmental situation

Ardex has a separate Environmental Policy under which we are committed to:

- Optimizing our use of material, avoiding unnecessary waste and use of resources
- Preventing pollution and support the use of renewable energy
- Incorporating the best practice where ever possible and financially feasible in new designs and initiatives
- Selecting suppliers who support our environmental philosophy
- Building a culture, training and motivating employees to show initiative, take action and suggest improvements of the environmental performance
- Meeting the environmental regulatory requirements where we operate
- Continuously improving our environmental management system and performance.

We measure our performance on a number of aspects related to the environment. All waste is sorted to take best possible care of the environment as well as chemicals are monitored and disposed according to guidelines.

Our commitments can be further investigated here: Sustainable Construction - ARDEX Group

Knowledge resources

Our employees are our strong point. We consider it crucial to attract the best employees and strive to offer the best working environment, training and support with the view to offering our employees the best development opportunities.

It is our experience that customers value our higher technical knowledge and experience, where we are often chosen as a supplier on the basis of this expertise.

MANAGEMENT COMMENTARY

Research and development activities

Through royalties, we support and encourage the constant development of new and more sustainable products in the future. The development activity is mainly carried out by our parent company.

During the year, the company focused on strengthening its market position, expanding its product offerings and enhancing its operational efficiency.

The key events and developments during the year included:

Launch of new products and services to expand the company's product offerings and strengthen its market position.

Future expectations

Looking ahead, the company remains focused on delivering strong financial performance and enhancing its market position. The company plans to continue expanding its product offerings and geographical reach, while maintaining a focus on cost management and operational efficiency. The company expects to deliver a solid financial performance, but the circumstances in the construction industry mean that we do not expect sales growth in 2024.

The goal is to reach our revenue budget within the range of DKK ('000) 260.000 to 275.000 despite the somewhat uncertain Swedish krone. The company expects an increased result of at least 10-15% for 2024, as we expect further measures to reduce costs.

Stable production, employees, cost management and the positive development, especially the Swedish krone, are further focus areas in 2024. To cover most of the electricity consumption at the head office, Solar cells are planned for 2024.

The Company's foreign branches

Our branch 'ARDEX Scandinavia Filial av utenlansk foretak in Norway' is included in this report and contributes a minor positive result.

Corporate social responsibility (CSR) report

Risks, Actions and Results

In relation to ARDEX suppliers there is i.e. risk of infringement of human rights and risks related to corruption and unethical behavior.

ARDEX works continuously through its choices of and demands for suppliers and business partners aware of risks of corruption, unethical behavior or violation of human rights. As a result of the ongoing work there is none registered objectionable conditions.

The company follows the Group initiatives for CSR and work with CSR as an integrated part of our daily business in areas such as general code of conduct, work environment policies, QC systems, environmental policy and ethical set of rules for sub suppliers etc.

Work environment

The working environment is a high priority throughout the group. Our working environment policy covers all basics topics to develop and maintain a good physical and mental working environment in ARDEX, so that the employees thrive and to counter the risk of employees becoming ill from a poor working environment.

In 2023, an option to access APV electronically was introduced for everyone, which has proven to be an effective tool that will be followed up in the coming years continuously.

Our commitments can be further investigated at "Code of conduct":

<https://www.ardex.com/about/buildingtomorrow/>

MANAGEMENT COMMENTARY

Corporate social responsibility (CSR) report (continued)

Human rights

Through our employee policy and efforts around well-being, working environment, education and equal rights we work daily to ensure the human rights of our employees. We want to be a safe workplace where employees are guaranteed their right to freedom of expression, freedom of association and freedom of religion, and where we respect each other's privacy.

Our commitments can be further investigated at "Code of conduct":

<https://www.ardex.com/about/buildingtomorrow/>

Anti-corruption and anti-bribery

ARDEX has a separate Anti-Corruption and Anti-Bribery Policy. ARDEX assumes a zero tolerance to any kind of bribery or other corrupt practices.

Our commitments can be further investigated at "Code of conduct":

<https://www.ardex.com/about/buildingtomorrow/>

Environmental principles

Ardex has a separate Environmental Policy under which we are committed to:

- Optimizing our use of material, avoiding unnecessary waste and use of resources
- Preventing pollution and support the use of renewable energy
- Incorporating the best practice wherever possible and financially feasible in new designs and initiatives
- Selecting suppliers who support our environmental philosophy
- Building a culture, training and motivating employees to show initiative, take action and suggest improvements of the environmental performance
- Meeting the environmental regulatory requirements where we operate
- Continuously improving our environmental management system and performance.

We measure our performance on a number of aspects related to the environment. All waste is sorted to take best possible care of the environment as well as chemicals are monitored and disposed according to guidelines.

Our commitments can be further investigated at "Ardex Goes Zero" and "Sustainable Development Goals":

<https://www.ardex.com/about/buildingtomorrow/>

Sustainability

In regards to sustainability the company aim to reach a reduction of at least 5% of its impact to nature per year and reference is made company' public website for detailed information:
<https://www.ardex.dk/ardex/baeredygtighed/>.

We have initiated a change from virgin plastic to reused plastic on our biggest share of packaging's during 2021 and this work will continue in the coming years. We have recently implemented (November 2022) solar panels to cover our plants electricity needs and produced 215 MWh in 2023.

Our commitments can be further investigated here: Sustainable Construction - ARDEX Group

<https://www.ardex.com/about/buildingtomorrow/>

MANAGEMENT COMMENTARY

Corporate social responsibility (CSR) report (continued)

Corona virus impact

We have not had any significant impact on sales. We lifted all the restrictions mid-2022. The final consequences regarding the corona effect is eliminated in 2023.

Russian war in Ukraine

We are affected in many aspects from the war in Ukraine. Primarily we are affected by huge price increases on all raw materials especially due to restricted access to some raw materials, but mostly from increasing energy prices. We have also increasing production and transportation costs due to the increases in energy. We have increased our prices significantly to overcome the pricing issues and have managed to source an important raw material from Ukraine elsewhere going forward, so we assess that this war will have impact on our future business, but that we are able to manage it on a good level to continue profitable business in the coming years.

Report of target figures and policies for the under-represented gender

Gender distribution within Management

	2023
Number of members of the supreme management body.....	3
Under-represented gender, share in % of the supreme management body.....	0%
Number of people at other management levels.....	6
Under-represented gender, share in % at other management levels.....	33%

Of the total number of persons at the other management levels, the under-represented gender comprises 33% which meet the criterion for equal distribution of men and women. Hence, the Company is not subject to the obligation of setting a target figure and preparing a policy for the gender distribution of the other management levels.

Target figures for the supreme management body

	2023
Target figures in % for the supreme management body.....	25%
Year, in which the target figures are expected to be met.....	2025

Status of meeting the target figures set for the supreme management body

It is a groupwide focus to increase our gender diversity and the company is following the groupwide initiatives to measure gender diversity and carrying out initiatives for increasing the amount of females employed in the group to reach a more dynamic and diversified business environment. A measurement for this is a program for female talent management. Target figures are 25% in all organizational levels.

In the upper management, despite attempts, we have not succeeded in hiring a representative from the underrepresented gender.

Historically, the management's duration of employment is of such a nature that it is not possible to estimate a target figure for the fulfillment of a change.

MANAGEMENT COMMENTARY

Data ethics

As a part of compliance with general GDPR legislation, ARDEX has developed a policy on data ethics. The policy for data ethics deals with i.e., when and how data is stores and distributed in connection with recruitment and trade with customers and suppliers.

ARDEX's processing of data is done with respect for privacy and under the protection of personal information. Additionally, it is important for ARDEX that the processing of data is done with respect for the basics legal guarantees. Reference is made to groupwide policy for data handling and privacy; <https://ardex.com/privacy-policy>

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
NET REVENUE	1	283.034	313.202	260.521	251.992
Other operating income.....		846	428	191	150
Cost of sales.....		-140.934	-153.107	-173.389	-147.601
Other external expenses.....	2	-53.351	-49.356	-30.909	-28.921
GROSS PROFIT/LOSS		89.595	111.167	56.414	75.620
Staff costs.....	3	-54.817	-54.343	-32.705	-32.183
Depreciation, amortisation and impairment losses.....		-5.457	-5.810	-4.613	-4.141
OPERATING PROFIT		29.321	51.014	19.096	39.296
Income from investments in subsidiaries.....		0	0	7.547	8.881
Other financial income.....		556	112	354	89
Other financial expenses.....		-3.666	-4.289	-3.619	-4.255
PROFIT BEFORE TAX		26.211	46.837	23.378	44.011
Tax on profit/loss for the year.....	4	-6.341	-10.583	-3.658	-7.901
PROFIT FOR THE YEAR	5	19.870	36.254	19.720	36.110

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Development projects completed. Intangible assets	6	60 60	420 420	0 0	215 215
Land and buildings..... Other plants, machinery, tools and equipment.....		27.903 15.513	29.828 17.597	27.903 14.522	29.828 16.154
Property, plant and equipment ..	7	43.416	47.425	42.425	45.982
Equity investments in group enterprises.....		0	0	9.576	10.652
Financial non-current assets	8	0	0	9.576	10.652
NON-CURRENT ASSETS		43.476	47.845	52.001	56.849
Raw materials and consumables... Work in progress.....		15.771 6.752	22.338 7.327	15.765 6.752	22.322 7.327
Finished goods and goods for resale.....		18.009	25.894	10.452	18.971
Inventories		40.532	55.559	32.969	48.620
Trade receivables..... Receivables from group enterprises.....		27.907 5.553	32.066 28.999	10.367 17.987	7.481 28.999
Other receivables..... Corporation tax receivable.....		2.076 497	2.941 2.877	733 0	1.959 0
Joint tax contribution receivable.. Prepayments and accrued income.		131 1.189	91 862	131 1.189	91 862
Receivables	9	37.353	67.836	30.407	39.392
Cash and cash equivalents		39.330	36.572	27.380	18.890
CURRENT ASSETS		117.215	159.967	90.756	106.902
ASSETS		160.691	207.812	142.757	163.751

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Share Capital.....	10	16.700	16.700	16.700	16.700
Reserve for net revaluation according to equity value.....		0	0	6.233	7.308
Reserve for development costs.....		59	421	0	215
Retained earnings.....		105.257	85.576	99.083	78.474
Proposed dividend.....		0	40.000	0	40.000
EQUITY.....		122.016	142.697	122.016	142.697
Provision for deferred tax.....	11	2.801	2.848	2.801	2.848
PROVISIONS.....		2.801	2.848	2.801	2.848
Trade payables.....		9.434	7.834	7.432	6.070
Payables to group enterprises.....		4.168	16.509	3.085	851
Corporation tax.....		816	5.861	816	5.861
Other liabilities.....		21.252	31.807	6.403	5.169
Accruals and deferred income.....	12	204	256	204	255
Current liabilities.....		35.874	62.267	17.940	18.206
LIABILITIES.....		35.874	62.267	17.940	18.206
EQUITY AND LIABILITIES.....		160.691	207.812	142.757	163.751
Contingencies etc.	13				
Related parties	14				

EQUITY

	Group				
	Share Capital	Reserve for development costs	Retained earnings	Proposed dividend	Total
Equity at 1 January 2023.....	16.700	420	85.577	40.000	142.697
Proposed profit allocation, cf. Note 5.....			19.870		19.870
Transactions with owners					
Dividend paid.....				-40.000	-40.000
Other legal bindings					
Capitalized development costs.....		-361	361		0
Foreign exchange adjustments.....			-551		-551
Equity at 31 December 2023.....	16.700	59	105.257	0	122.016

	Parent Company					
	Share Capital	Reserve for net revaluation according to equity va	Reserve for development costs	Retained earnings	Proposed dividend	Total
Equity at 1 January 2023.....	16.700	7.309	214	78.474	40.000	142.697
Proposed profit allocation, cf. note 5.....		-1.076		20.796		19.720
Transactions with owners						
Dividend paid.....					-40.000	-40.000
Other legal bindings						
Capitalized development costs.....			-214	214		0
Foreign exchange adjustments.....				-401		-401
Equity at 31 December 2023.....	16.700	6.233	0	99.083	0	122.016

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2023 DKK '000	2022 DKK '000
Profit/loss for the year.....	19.871	36.258
Depreciation and amortisation, reversed.....	4.372	5.536
exchange gains, reversed.....	0	-1.017
Tax on profit/loss, reversed.....	6.341	10.583
Corporation tax paid.....	-4.001	-13.551
Change in inventories.....	15.027	-15.060
Change in receivables (ex tax).....	28.970	17.763
Change in other provisions.....	486	130
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	-27.219	24.272
CASH FLOWS FROM OPERATING ACTIVITY.....	43.847	64.914
Purchase of property, plant and equipment.....	-1.089	-20.193
CASH FLOWS FROM INVESTING ACTIVITY.....	-1.089	-20.193
Dividends paid in the financial year.....	-40.000	-60.000
CASH FLOWS FROM FINANCING ACTIVITY.....	-40.000	-60.000
CHANGE IN CASH AND CASH EQUIVALENTS.....	2.758	-15.279
Cash and cash equivalents at 1. januar.....	36.572	51.851
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	39.330	36.572
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	39.330	36.572
CASH AND CASH EQUIVALENTS.....	39.330	36.572

NOTES

	Group		Parent Company		Note
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	
Net revenue					1
Revenue, Denmark.....	103.772	52.154	103.772	111.920	
Revenue, Europe.....	198.069	218.294	100.382	111.612	
Revenue, countries outside Europe..	5.581	63.867	63.322	29.917	
Trade discounts granted.....	-28.820	-30.460	-11.371	-11.356	
Exchange rate adjustments.....	2.530	2.026	2.514	2.024	
Inventory of finished goods, end of year.....	1.902	7.321	1.902	7.875	
	283.034	313.202	260.521	251.992	
Segment details (geography)					
Revenue, Denmark.....	104.827	57.502	104.562	58.248	
Revenue, Europe.....	173.353	192.595	93.101	137.812	
Revenue, countries outside Europe..	4.854	63.105	62.858	55.932	
	283.034	313.202	260.521	251.992	
Segment details (activities)					
Wholesellers.....	254.491	281.868	244.955	235.204	
Professional Craftsman.....	25.430	27.976	12.453	13.430	
End-users.....	3.113	3.358	3.113	3.358	
	283.034	313.202	260.521	251.992	
Fee to statutory auditor					2
Total fee					
BDO.....	394	687	255	541	
	394	687	255	541	
Specification of fee					
Statutory audit.....	309	299	170	166	
Other services.....	61	86	61	73	
Tax consultancy.....	24	302	24	302	
	394	687	255	541	

NOTES

	Group		Parent Company		Note
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	
Staff costs					3
Average number of full time employees	98	100	58	60	
Wages and salaries.....	46.772	46.194	32.197	31.676	
Pensions.....	3.020	3.175	0	0	
Social security costs.....	4.646	4.621	129	154	
Other staff costs.....	379	353	379	353	
	54.817	54.343	32.705	32.183	
Remuneration of Management and Board of Directors.....	6.692	6.692	0	3.003	
	6.692	6.692	0	3.003	
Information on management remuneration has been omitted in accordance with the exception provision in the Annual Accounts Act § 98 b, subsection 3 No. 2					
Tax on profit/loss for the year					4
Calculated tax on taxable income of the year.....	6.388	10.453	3.705	7.771	
Adjustment of deferred tax.....	-47	130	-47	130	
	6.341	10.583	3.658	7.901	
Proposed distribution of profit					5
Proposed dividend for the year.....	0	40.000	0	40.000	
Extraordinary dividend.....	0	60.000	0	60.000	
Allocation to reserve for net revaluation according to equity va..	0	0	-1.076	-911	
Retained earnings.....	19.870	-63.746	20.796	-62.979	
	19.870	36.254	19.720	36.110	
Intangible assets					6
				Group	
				Development projects completed	
Cost at 1 January 2023.....				4.569	
Exchange adjustment at closing rate.....				-6	
Cost at 31 December 2023.....				4.563	
Amortisation at 1 January 2023.....				4.144	
Amortisation for the year.....				359	
Amortisation at 31 December 2023.....				4.503	
Carrying amount at 31 December 2023.....				60	

The company's development costs include development of a new ERP system. The development progresses as planned and the use of it started in June 2018.

NOTES

Note

Intangible fixed assets (continued)

6

	Parent Company
	Development projects completed
Cost at 1 January 2023.....	3.243
Cost at 31 December 2023.....	3.243
Amortisation at 1 January 2023.....	3.028
Amortisation for the year.....	215
Amortisation at 31 December 2023.....	3.243
Carrying amount at 31 December 2023.....	0

The company's development costs include development of a new ERP system. The development progresses as planned and the use of it started in June 2018.

Property, plant and equipment

7

	Group	
	Land and buildings	Other plants, machinery, tools and equipment
Cost at 1 January 2023.....	57.562	51.260
Exchange adjustment at closing rate.....	0	-97
Additions.....	0	1.089
Disposals.....	0	-1.017
Cost at 31 December 2023.....	57.562	51.235
Depreciation and impairment losses at 1 January 2023.....	27.733	33.717
Reversal of depreciation of assets disposed of.....	0	-1.014
Depreciation for the year.....	1.926	3.019
Depreciation and impairment losses at 31 December 2023...	29.659	35.722
Carrying amount at 31 December 2023.....	27.903	15.513

NOTES

Note

Tangible fixed assets (continued)

7

	Parent Company	
	Land and buildings	Other plants, machinery, tools and equipment
Cost at 1 January 2023.....	57.562	43.478
Additions.....	0	399
Disposals.....	0	-174
Cost at 31 December 2023.....	57.562	43.703
Depreciation and impairment losses at 1 January 2023.....	27.733	27.378
Reversal of depreciation of assets disposed of.....	0	-174
Depreciation for the year.....	1.926	1.977
Depreciation and impairment losses at 31 December 2023...	29.659	29.181
Carrying amount at 31 December 2023.....	27.903	14.522

NOTES

				Note
Financial non-current assets				8
			Parent Company	
			<u>Equity investments in group enterprises</u>	
Cost at 1 January 2023.....			3.343	
Cost at 31 December 2023.....			3.343	
Revaluation at 1 January 2023.....			7.309	
Exchange adjustment.....			-84	
Dividend.....			-8.539	
Profit/loss for the year.....			7.547	
Revaluation at 31 December 2023.....			6.233	
Carrying amount at 31 December 2023.....			9.576	
Investments in subsidiaries (DKK '000)				
Name and domicil	Equity	Profit/loss for the year	Ownership	
Ardex Arki AB, Stockholm.....	6.603	4.559	100 %	
Ardex OY, Espoo.....	3.846	3.056	100 %	
	<u>Group</u>		<u>Parent Company</u>	
	2023	2022	2023	2022
	DKK '000	DKK '000	DKK '000	DKK '000
Prepayments and accrued income				9
Costs.....	1.189	862	1.189	862
	1.189	862	1.189	862
Consists of prepaid expenses related to 2024.				
			2023	2022
			DKK '000	DKK '000
Share Capital				10
Allocation of share capital:				
A-shares, 33.400 unit in the denomination of 500 DKK.....			16.700	16.700
			16.700	16.700

NOTES

	Group		Parent Company		Note
	2023	2022	2023	2022	
	DKK '000	DKK '000	DKK '000	DKK '000	
Provision for deferred tax					11
The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.					
Deferred tax is related to					
Development projects.....	-101	-156	-101	-156	
Land and buildings.....	1.019	1.111	1.019	1.111	
Operating equipment.....	1.927	1.937	1.927	1.937	
Warranties.....	-44	-44	-44	-44	
	2.801	2.848	2.801	2.848	
Deferred tax, beginning of year.....	2.848	2.718	2.848	2.718	
Deferred tax of the year, income statement.....	-47	130	-47	130	
Provision for deferred tax 31 December 2023.....	2.801	2.848	2.801	2.848	
Accruals and deferred income					12
Provisions for payroll, tec.					
Contingencies etc.					13
Contingent liabilities					
The company has entered into operating lease agreements with a remaining lease of DKK ('000) 2,200.					
Related parties					14
The Company's related parties include:					
Controlling interest					
Ardex Balticum-Holding GmbH, Friedrich Ebert Strasse 45, 5853 Witten-Annen, Germany.					
Transactions with related parties					
The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.					

ACCOUNTING POLICIES

The Annual Report of Ardex Skandinavia A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C.

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

Consolidated Financial Statements

The consolidated financial statements include the parent company Ardex Skandinavia A/S and its subsidiaries in which Ardex Skandinavia A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group structure.

The consolidated financial statements consolidate the financial statements of the parent company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' market value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the balance sheet at the proportional share of the value of the enterprises, calculated under the accounting policies of the parent company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the income statement after elimination of the proportional share of internal gains and losses.

INCOME STATEMENT

Net revenue

Net revenue from 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, duties and less discounts related to the sale.

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 operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets.

Other external expenses

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

Staff costs

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

Income from investments in subsidiaries

The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

ACCOUNTING POLICIES

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

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and write-down. 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. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

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.....	15-40 years	25-50 %
Production plant and machinery.....	5-16 years	0 %
Other plant, fixtures and equipment.....	3-8 years	0-30 %

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.

ACCOUNTING POLICIES

Financial non-current assets

Investments in are measured in the company's balance sheet under the equity method.

Investments in are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Profit and loss at disposal of investments in subsidiaries are determined as the difference between the net selling price and the carrying amount of the disposed investment at the time of sale, including non-depreciated excess values and goodwill. Profit and loss are recognised in the Income Statement under income from investments.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the company's has a legal or actual liability to cover the subsidiaries deficit.

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, 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 net realisable value is lower than the carrying amount, it is written down to the lower value.

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, it is 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 indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

ACCOUNTING POLICIES

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets

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

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.

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.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

ACCOUNTING POLICIES

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include bank overdraft and cash in hand.

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