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ARDEX SKANDINAVIA A/S
MARIELUNDVEJ 4, 2730 HERLEV
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 28 April 2023**

Michael Nielsen

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

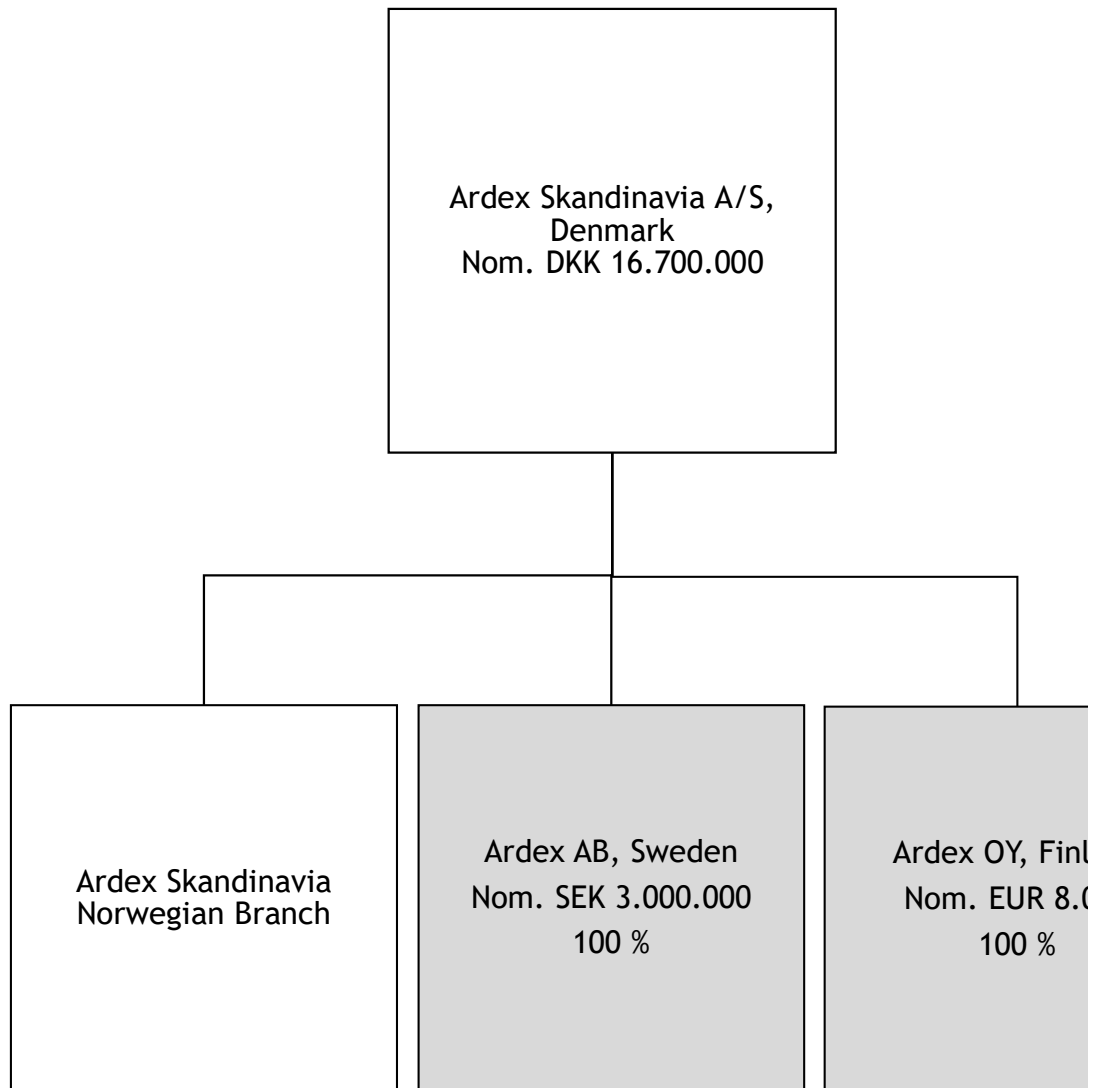
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COMPANY DETAILS

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 Michael Nielsen Gorm Benthin Rosborg
Executive Board	Michael Nielsen
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 2022.

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 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

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, 28 April 2023

Executive Board

Michael Nielsen

Board of Directors

Marius Aulich
Chairman

Michael Nielsen

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 2022, 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 2022 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 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 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, 28 April 2023

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

	2022	2021	2020	2019	2018
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Income statement					
Net revenue.....	313.202	347.485	319.272	331.232	332.536
Gross profit/loss.....	111.171	125.693	120.096	122.153	124.910
Operating profit/loss of main activities...	51.018	61.758	60.947	62.069	60.384
Financial income and expenses, net.....	-4.177	-3.567	-3.115	-2.353	273
Profit/loss for the year.....	36.258	45.241	45.325	46.911	47.513
Balance sheet					
Total assets.....	207.815	211.318	212.519	202.682	198.673
Equity.....	142.696	167.295	167.226	163.210	158.422
Invested capital.....	0	170.014	169.985	166.034	161.212
Cash flows					
Cash flows from operating activities.....	64.914	-2.623	50.128	56.350	39.273
Cash flows from investing activities.....	-20.193	-2.542	-1.213	-5.644	-4.326
Cash flows from financing activities.....	-60.000	-45.000	-41.325	-42.112	-41.500
Investment in property, plant and equipment.....	-3	-2	-2	-6	-658
Key ratios					
Gross margin.....	35.5	36.2	37.6	36.9	37.6
Equity ratio.....	68.7	79.2	78.7	80.5	79.7
Return on equity.....	23.4	27.0	27.4	29.2	30.3

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.

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

ARDEX Denmark primarily sales area are the Nordic countries.

Development in activities and financial and economic position

The income statement of the Parent Company shows a profit of DKK ('000) 36,110 and at 31 December 2022 the balance sheet of the Company shows equity of DKK ('000) 142.696.

Revenue was close to equal compared to 2021, but due to explosive raw material price increases, the profit was below the normal level. Despite of the decrease in the result for the year, management believes that the result, due to the situation, for the year is satisfactory and was expected.

Due to high investments in, warehouse, solar panels and productivity fixed assets has increased DKK ('000) 14.657.

Profit/loss for the year compared to the expected development

The result for the year was as expected. Reference is made to the paragraph above.

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.

Financial risk

Invoicing in local currency ARDEX Denmark bears the currency risk.

Environmental situation

The Group seeks currently to minimise any damaging effects that the Group's activities may have on the external environment. We will, by our influence on our suppliers, seek to ensure a sustainable manufacture of the raw materials that the enterprise uses in its products.

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.

MANAGEMENT COMMENTARY

Research and development activities

No research and development are performed by ARDEX Denmark, only by its 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
- 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.

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 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.

The Company's foreign branches

The company has a branch in Oslo, Norway. The branch is included in the financial statements of the parent company.

Corporate social responsibility (CSR) report

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. Reference is made to company's public website for detailed information: www.ardex.dk/ardex. 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's 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.

Corona virus impact

We have not had any significant impact on sales. We lifted all the restrictions mid-2022.

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.

Sustainability

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

MANAGEMENT COMMENTARY

Corporate social responsibility (CSR) report (continued)

- 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; <https://ardex.com/about/sustainability/>

Anti-corruption and anti-bribery

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

Target figures and policy for the underrepresented gender

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.

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	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
NET REVENUE	1	313.202	347.485	251.992	285.990
Cost of sales.....		-153.107	-146.242	-147.601	-171.045
Other operating income.....		432	228	150	85
Other external expenses.....	2	-49.356	-75.778	-28.921	-26.735
GROSS PROFIT/LOSS		111.171	125.693	75.620	88.295
Staff costs.....	3	-54.343	-58.287	-32.183	-34.803
Depreciation, amortisation and impairment losses.....		-5.810	-5.648	-4.141	-3.904
OPERATING PROFIT		51.018	61.758	39.296	49.588
Income from investments in subsidiaries.....		0	0	8.881	9.419
Other financial income.....		112	72	89	72
Other financial expenses.....		-4.289	-3.639	-4.255	-3.581
PROFIT BEFORE TAX		46.841	58.191	44.011	55.498
Tax on profit/loss for the year.....	4	-10.583	-12.950	-7.901	-10.257
PROFIT FOR THE YEAR	5	36.258	45.241	36.110	45.241

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Development projects completed..		420	1.327	215	852
Intangible assets.....	6	420	1.327	215	852
Land and buildings.....		29.828	15.089	29.828	15.089
Other plants, machinery, tools and equipment.....		17.597	16.772	16.154	13.818
Property, plant and equipment...	7	47.425	31.861	45.982	28.907
Equity investments in group enterprises.....		0	0	10.652	11.561
Financial non-current assets.....	8	0	0	10.652	11.561
NON-CURRENT ASSETS.....		47.845	33.188	56.849	41.320
Raw materials and consumables....		22.338	15.667	22.322	15.653
Work in progress.....		7.327	4.762	7.327	4.762
Finished goods and goods for resale.....		25.894	20.073	18.971	12.695
Inventories.....		55.559	40.502	48.620	33.110
Trade receivables.....		32.066	34.063	7.481	9.664
Receivables from group enterprises.....		28.999	45.000	28.999	76.564
Other receivables.....		2.944	2.077	1.958	1.168
Corporation tax receivable.....		2.877	3.139	0	0
Joint tax contribution receivable..		91	0	91	0
Prepayments and accrued income..	9	862	1.498	862	1.498
Receivables.....		67.839	85.777	39.391	88.894
Cash and cash equivalents.....		36.572	51.851	18.890	35.295
CURRENT ASSETS.....		159.970	178.130	106.901	157.299
ASSETS.....		207.815	211.318	163.750	198.619

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Share capital.....	10	16.700	16.700	16.700	16.700
Reserve for net revaluation according to equity value.....		0	0	7.308	8.219
Reserve for development costs.....		421	1.326	215	851
Retained earnings.....		85.575	149.269	78.473	141.526
Proposed dividend.....		40.000	0	40.000	0
EQUITY.....		142.696	167.295	142.696	167.296
Provision for deferred tax.....	11	2.848	2.719	2.848	2.719
PROVISIONS.....		2.848	2.719	2.848	2.719
Trade payables.....		7.834	12.581	6.070	10.359
Payables to group enterprises.....		16.509	1.832	851	1.058
Corporation tax.....		5.861	8.214	5.861	8.214
Other liabilities.....		31.811	17.449	5.169	7.749
Accruals and deferred income.....	12	256	1.228	255	1.224
Current liabilities.....		62.271	41.304	18.206	28.604
LIABILITIES.....		62.271	41.304	18.206	28.604
EQUITY AND LIABILITIES.....		207.815	211.318	163.750	198.619
Contingencies etc.	13				
Related parties	14				
Fee to statutory auditor	2				

EQUITY

	Group				
	Share capital	Reserve for development costs	Retained earnings	Proposed dividend	Total
Equity at 1 January 2022.....	16.700	1.327	149.270	0	167.297
Proposed profit allocation, cf. Note 5.....			-63.742	100.000	36.258
Transactions with owners					
Extraordinary dividend paid.....				-60.000	-60.000
Other legal bindings					
Capitalized development costs.....		-906	906		0
Foreign exchange adjustments.....			-859		-859
Equity at 31 December 2022.....	16.700	421	85.575	40.000	142.696

	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 2022.....	16.700	8.219	852	141.526	0	167.297
Proposed profit allocation, cf. note 5.....		-911		-62.979	100.000	36.110
Transactions with owners						
Extraordinary dividend paid.					-60.000	-60.000
Other legal bindings						
Capitalized development costs.....			-637	637		0
Foreign exchange adjustments.....				-711		-711
Equity at 31 December 2022.....	16.700	7.308	215	78.473	40.000	142.696

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2022 DKK '000	2021 DKK '000
Profit/loss for the year.....	36.258	45.241
Depreciation and amortisation, reversed.....	5.536	5.240
exchange gains, reversed.....	-1.017	0
Tax on profit/loss, reversed.....	10.583	12.950
Corporation tax paid.....	-13.551	-12.950
Change in inventories.....	-15.060	-6.852
Change in receivables (ex tax).....	17.763	-41.675
Change in other provisions.....	130	-1.913
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	24.272	-2.664
CASH FLOWS FROM OPERATING ACTIVITY.....	64.914	-2.623
Purchase of intangible assets.....	0	14
Purchase of property, plant and equipment.....	-20.193	0
Sale of property, plant and equipment.....	0	-2.556
CASH FLOWS FROM INVESTING ACTIVITY.....	-20.193	-2.542
Dividends paid in the financial year.....	-60.000	-45.000
CASH FLOWS FROM FINANCING ACTIVITY.....	-60.000	-45.000
CHANGE IN CASH AND CASH EQUIVALENTS.....	-15.279	-50.165
Cash and cash equivalents at 1. januar.....	51.851	102.016
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	36.572	51.851
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	36.572	51.851
CASH AND CASH EQUIVALENTS.....	36.572	51.851

NOTES

	Group		Parent Company		Note
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
Net revenue					1
Revenue, Denmark.....	52.154	49.909	111.920	102.503	
Revenue, Europe.....	218.294	252.108	111.612	117.550	
Revenue, countries outside Europe..	63.867	69.457	29.917	70.531	
Trade discounts granted.....	-30.460	-28.648	-11.356	-9.246	
Exchange rate adjustments.....	2.026	2.596	2.024	2.589	
Inventory of finished goods, end of year.....	7.321	2.063	7.875	2.063	
	313.202	347.485	251.992	285.990	
Segment details (geography)					
Revenue, Denmark.....	57.502	51.084	58.248	97.909	
Revenue, Europe.....	192.595	227.281	137.812	117.550	
Revenue, countries outside Europe..	63.105	69.120	55.932	70.531	
	313.202	347.485	251.992	285.990	
Fee to statutory auditor					2
Samlet honorar:					
BDO.....	687	360	541	360	
	687	360	541	360	
Specifikation af honorar:					
Statutory audit.....	299	230	166	230	
Other services.....	86	130	73	130	
Tax consultancy.....	302	0	302	0	
	687	360	541	360	
Staff costs					3
Average number of employees	100	98	60	58	
Wages and salaries.....	46.194	44.709	31.676	29.628	
Pensions.....	3.175	6.614	0	3.139	
Social security costs.....	4.621	6.439	154	1.511	
Other staff costs.....	353	525	353	525	
	54.343	58.287	32.183	34.803	
Remuneration of Management and Board of Directors.....	6.692	2.462	3.003	2.031	
	6.692	2.462	3.003	2.031	

Information on management remuneration has been omitted in accordance with the exception provision in the Annual Accounts Act § 98 b, subsection 3 No. 2

NOTES

	Group		Parent Company		Note
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
Tax on profit/loss for the year					4
Calculated tax on taxable income of the year.....	10.453	12.992	7.771	10.299	
Adjustment of deferred tax.....	130	-42	130	-42	
	10.583	12.950	7.901	10.257	
Proposed distribution of profit					5
Proposed dividend for the year.....	40.000	0	40.000	0	
Extraordinary dividend.....	60.000	3.000	60.000	3.000	
Allocation to reserve for net revaluation according to equity va..	0	0	-911	-22.892	
Retained earnings.....	-63.742	42.241	-62.979	65.133	
	36.258	45.241	36.110	45.241	

Intangible assets

6

	Group
	Development projects completed
Cost at 1 January 2022.....	4.598
Exchange adjustment at closing rate.....	-35
Cost at 31 December 2022.....	4.563
Amortisation at 1 January 2022.....	3.271
Amortisation for the year.....	872
Amortisation at 31 December 2022.....	4.143
Carrying amount at 31 December 2022.....	420

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.

	Parent Company
	Development projects completed
Cost at 1 January 2022.....	3.243
Cost at 31 December 2022.....	3.243
Amortisation at 1 January 2022.....	2.391
Amortisation for the year.....	637
Amortisation at 31 December 2022.....	3.028
Carrying amount at 31 December 2022.....	215

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

Property, plant and equipment

7

	<u>Group</u>	
	Land and buildings	Other plants, machinery, tools and equipment
Cost at 1 January 2022.....	41.533	47.974
Exchange adjustment at closing rate.....	0	-474
Additions.....	16.028	4.165
Disposals.....	0	-54
Cost at 31 December 2022.....	57.561	51.611
Depreciation and impairment losses at 1 January 2022.....	26.445	31.202
Reversal of depreciation of assets disposed of.....	0	-54
Depreciation for the year.....	1.288	2.866
Depreciation and impairment losses at 31 December 2022...	27.733	34.014
Carrying amount at 31 December 2022.....	29.828	17.597
	<u>Parent Company</u>	
	Land and buildings	Other plants, machinery, tools and equipment
Cost at 1 January 2022.....	41.533	39.728
Exchange adjustment at closing rate.....	0	-10
Additions.....	16.028	4.165
Disposals.....	0	-54
Cost at 31 December 2022.....	57.561	43.829
Depreciation and impairment losses at 1 January 2022.....	26.445	25.911
Reversal of depreciation of assets disposed of.....	0	-54
Depreciation for the year.....	1.288	1.818
Depreciation and impairment losses at 31 December 2022...	27.733	27.675
Carrying amount at 31 December 2022.....	29.828	16.154

NOTES

				Note
Financial non-current assets				8
			Parent Company	
			<u>Equity investments in group enterprises</u>	
Cost at 1 January 2022.....			3.343	
Cost at 31 December 2022.....			3.343	
Revaluation at 1 January 2022.....			8.219	
Exchange adjustment.....			-515	
Dividend.....			-9.276	
Profit/loss for the year.....			8.881	
Revaluation at 31 December 2022.....			7.309	
Carrying amount at 31 December 2022.....			10.652	
Investments in subsidiaries (DKK '000)				
Name and domicil	Equity	Profit/loss for the year	Ownership	
Ardex Arki AB, Stockholm.....	6.706	4.961	100 %	
Ardex OY, Espoo.....	4.752	3.952	100 %	
	<u>Group</u>		<u>Parent Company</u>	
	2022	2021	2022	2021
	DKK '000	DKK '000	DKK '000	DKK '000
Prepayments and accrued income				9
Costs.....	862	1.498	862	1.498
	862	1.498	862	1.498
Consists of prepaid expenses related to 2022.				
			2022	2021
			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

Note

Provision for deferred tax

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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.

	Group		Parent Company	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Udskudt skat vedrører:				
Development projects.....	-156	88	-156	88
Land and buildings.....	1.111	1.068	1.111	1.068
Operating equipment.....	1.937	1.814	1.937	1.814
Warranties.....	-44	-251	-44	-251
	2.848	2.719	2.848	2.719
Deferred tax, beginning of year.....	2.719	2.761	2.719	2.761
Deferred tax of the year, income statement.....	129	-42	129	-42
5438.....	2.848	2.719	2.848	2.719

Accruals and deferred income

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Provisions for payroll, etc.

Contingencies etc.

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Contingent liabilities

The company has entered into operating lease agreements with a remaining lease of DKK ('000) 2,200.

Related parties

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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 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large-size enterprises.

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.

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.

Cost of sales

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

Other external expenses

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

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.

Receivables

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

Accruals, assets

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

ACCOUNTING POLICIES

Tax payable and deferred tax

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

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.

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.