Annual report for 2023

Euromaster Danmark A/S

Krøyer Kielbergs Vej 3, 1., 8660 Skanderborg

Central Business Registration 14 80 87 01

Adopted at the annual general meeting on
28 June 2024

Klaus Skovsen
chairman of the general meeting

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Euromaster Danmark A/S for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 December 2023 and of the results of the group and the company operations and consolidated cash flows for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Skanderborg, 28 June 2024

Board of directors

Henrik Wardinghus Nielsen
Chief Executive officer

Executive Board

Klaus Skovsen chairman	Henrik Wardinghus Nielsen	Michael Wardinghus Nielsen

Independent auditor's report

To the shareholder of Euromaster Danmark A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Euromaster Danmark A/S for the financial year 01.01.2023 – 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 – 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management's responsibilities for the consolidated financial statements and the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements and the parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the 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 parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information for the group's entities or business activities to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and conducting the audit of the group. We alone are 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 the management commentary
Management is responsible for the management commentary

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

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus C, 28 June 2024

Deloitte
Statsautoriseret Revisionsaktieselskab
CVR no. 33 96 35 56

Chris Middelhede
State Authorised Public Accountant
mne45823

Company details

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8660 Skanderborg

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Website:	www.euromaster.dk
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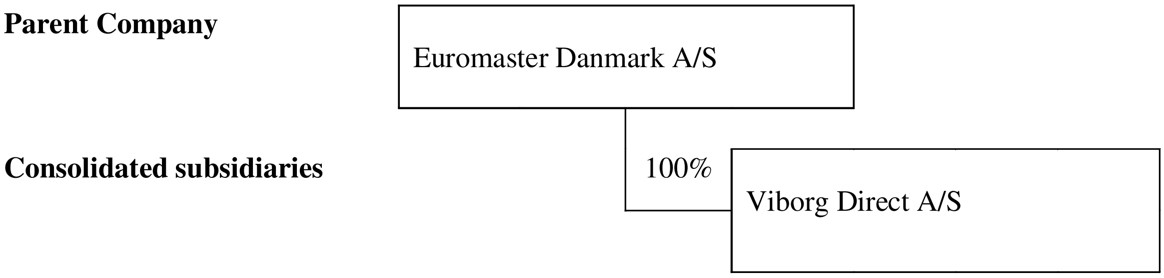
CVR-no.	14 80 87 01
Financial year:	1 January - 31 December 2023
Domicile:	Skanderborg

Board of directors
Klaus Skovsen, chairman
Henrik Wardinghus Nielsen
Michael Wardinghus Nielsen

Executive Board
Henrik Wardinghus Nielsen, director

Auditors
Deloitte
Statsautoriseret Revisionsaktieselskab
Værkmestergade 2
8000 Aarhus C

Group chart


Parent Company
Euromaster Danmark A/S
Consolidated subsidiaries
100%
Viborg Direct A/S

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Gross profit	77.992	88.496	100.468	82.098	85.389
Profit/loss before net financials	-39.232	-51.980	-27.235	-35.522	-36.597
Net financials	1.000	-1.041	-11.053	-4.203	-3.788
Profit/loss for the year	-44.620	-46.301	-38.288	-39.725	-39.718
Balance sheet total	158.557	243.703	235.423	211.689	233.480
Investment in property, plant and equipment	-6.434	-6.335	14.052	11.379	9.024
Equity	93.837	161.057	107.358	-14.354	25.371
Cash flows from:					
- operating activities	36.348	-25.389	-31.672	16.826	60.730
- investing activities	18.275	-5.200	-11.224	-9.159	-8.727
Financial ratios					
Return on assets	-19,5%	-21,3%	-11,6%	-16,8%	-15,7%
Solvency ratio	59,2%	66,1%	45,6%	-6,8%	10,9%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies..

Where the accounting policies have been changed, the comparatives for 2019 onwards have been restated. For an account of changes in accounting policies, see the summary of significant accounting policies.

Management's review

Business review

The Company’s primary activity comprises sale of tires and tyre related services on the Danish market. The Company also offers repair services on light vehicles.

The Company’s activities are executed through a national spread of centers, where private and business customers in two different segments are served.

The Company employs approx. 200 employees, depending on the seasons.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

Unusual matters

The group’s financial position at 31 December 2023 and the results of its operations and cash flow for the financial year ended 31 December are affected by unusual matters. It is noted that during the fiscal year, the group has divested its real estate company. As a result, the parent company has realized a gain on the sale of equity interests, which is presented in the consolidated financial statements as ‘Other operating income’ totaling 2,807 TDKK. Additionally, the parent company has sold 9 branches, negatively affecting both the parent company and the group report.

Financial review

The group's income statement for the year ended 31 December 2023 shows a loss of TDKK 44.620, and the balance sheet at 31 December 2023 shows equity of TDKK 93.837.

Significant events occurring after the end of the financial year

On 2 January 2024 Vulkan Holding ApS acquired the Company

Expected development of the company, including specific prerequisites and uncertainties

The management expects to stabilize the company in the coming year and significantly reduce the deficit. The company has initiated a long-term plan aimed at making the business profitable.

Impact on the external environment and measures taken to prevent, reduce or mitigate damage

At Euromaster Denmark A/S, we are committed to minimizing our impact on the environment by offering the best environmentally friendly tires available on the market. These tires are specifically designed to reduce environmental damage and promote sustainability.

By choosing the most environmentally friendly tires, our customers benefit from various advantages. These tires demonstrate exceptional performance in terms of:

Extended lifespan: The longevity of these tires means fewer replacements, resulting in reduced waste and resource consumption.
Fuel efficiency: Environmentally friendly tires are engineered to minimize rolling resistance, leading to improved fuel economy and reduced carbon emissions.
Reduced carbon footprint: Using these tires, helps decrease the overall carbon dioxide (CO2) emissions, contributing to a healthier environment.
Through our tire selection and promotion of eco-friendly options, Euromaster Denmark A/S actively takes measures to prevent, reduce, and mitigate environmental damage. We prioritize the use of tires that align with our commitment to sustainable practices, allowing us to contribute to a greener future.

Profit/(loss) for the year relative to the expectations most recently expressed

As expected by the management in last year's management report, this year's result has landed on par with the result in 2022.

Management's review

Policies on the underrepresented gender
Description of target figures for the underrepresented gender
Target figures for the underrepresented gender
Gender equality and diversity inclusion are integral parts of our corporate values and policies. We are committed to creating a workplace that promotes equal opportunities and fair treatment for all employees. Here is an overview of our policies and the progress made towards achieving our targets for the group companies:

Women in managerial positions:
In line with our Diversity Policy, we set a target of having women account for 30% of all managers by 2025. By the end of 2023 the share of women in management and supervisory positions was 30,1%.

To maintain this positive trend and break the glass ceiling, we have extended our commitment with a new target of 35% by 2030, along with a specific goal of having women account for 35% of "Group Manager" positions. The share of women in "Group Manager" positions reached 21,5% by the end of 2023.

Gender pay equality:
We apply a policy of non-discrimination and equal pay for equivalent roles and responsibilities. Since 2012, we have used an audited method for calculating wage data worldwide, allowing us to identify and close any pay gaps between men and women in equivalent positions.

In 2023, the overall gender wage gap stood at -2.54%, indicating a slight improvement from the previous year. This data was based on a sample of 37.500 employees with the same level of responsibility. The method used to calculate the gap is compa ration gap indicator, the same method as uses previous years,

Statement of policy for data ethics
Description of the disclosing of statement of policy for data ethics is not given, but is given on consolidated level

Link to statement of policy for data ethics

https://www.michelin.com/en/privacy-policy/

Income statement 1 January - 31 December

	Note	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Revenue	2	**273.620**	**356.400**	**273.620**	**356.400**
Other operating income		29.807	0	0	0
Raw materials and consumables		-159.566	-199.160	-159.567	-199.160
Other external expenses		-65.869	-68.744	-65.849	-73.952
Gross profit		**77.992**	**88.496**	**48.204**	**83.288**
Staff costs	4	-103.093	-125.938	-103.093	-125.938
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	5	-11.944	-15.224	-11.944	-13.943
Other operating costs		-2.187	686	-2.187	686
Profit/loss before net financials		**-39.232**	**-51.980**	**-69.020**	**-55.907**
Income from investments in subsidiaries		0	0	29.788	9.372
Financial income	6	1.519	57	1.519	54
Financial costs	7	-519	-1.098	-519	-1.040
Profit/loss before tax		**-38.232**	**-53.021**	**-38.232**	**-47.521**
Tax on profit/loss for the year	8	515	6.720	515	1.220
Profit/loss from continuing operations (broken down by type)		**-37.717**	**-46.301**	**-37.717**	**-46.301**
Discontinued operations	9	-6.903	0	-6.903	0
Profit/loss for the year		**-44.620**	**-46.301**	**-44.620**	**-46.301**
Distribution of profit	10				

Balance sheet 31 December

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Assets					
Land and buildings	11	14.871	40.222	14.871	17.945
Other fixtures and fittings, tools and equipment	11	9.024	14.816	9.024	14.815
Leasehold improvements	11	2.900	1.976	2.900	4.750
Tangible assets		**26.795**	**57.014**	**26.795**	**37.510**
Investments in subsidiaries	12	0	0	266	24.096
Fixed asset investments		**0**	**0**	**266**	**24.096**
Total non-current assets		**26.795**	**57.014**	**27.061**	**61.606**
Stocks		**35.444**	**63.132**	**35.444**	**63.132**
Trade receivables		36.620	56.357	36.621	56.359
Receivables from subsidiaries		1.452	37.557	1.452	38.202
Other receivables		10.014	8.623	10.012	8.623
Deferred tax asset		0	5.500	0	0
Prepayments		2.051	1.362	2.051	1.043
Receivables		**50.137**	**109.399**	**50.136**	**104.227**
Cash at bank and in hand		**46.181**	**14.158**	**46.181**	**13.920**
Total current assets		**131.762**	**186.689**	**131.761**	**181.279**
Total assets		**158.557**	**243.703**	**158.822**	**242.885**

Balance sheet 31 December

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Equity and liabilities					
Share capital		6.040	6.040	6.040	6.040
Retained earnings		87.797	155.017	87.797	155.017
Equity		**93.837**	**161.057**	**93.837**	**161.057**
Lease obligations		8.662	9.894	8.663	9.894
Holiday allowance		4.496	4.441	4.496	4.441
Total non-current liabilities	13	**13.158**	**14.335**	**13.159**	**14.335**
Short-term part of long-term debet	13	6.768	8.772	6.768	8.772
Prepayments received from customers		1.085	1.215	1.085	1.215
Trade payables		26.499	26.315	26.500	25.817
Payables to subsidiaries		6.087	11.368	6.408	11.708
Other payables		11.123	20.641	11.065	19.981
Total current liabilities		**51.562**	**68.311**	**51.826**	**67.493**
Total liabilities		**64.720**	**82.646**	**64.985**	**81.828**
Total equity and liabilities		**158.557**	**243.703**	**158.822**	**242.885**

Statement of changes in equity

Group

	Share capital	Retained earnings	Total
Equity at 1 January 2023	6.040	155.017	161.057
Extraordinary dividend paid	0	-22.600	-22.600
Net profit/loss for the year	0	-44.620	-44.620
Equity at 31 December 2023	**6.040**	**87.797**	**93.837**

	Share capital	Retained earnings	Total
Equity at 1 January 2022	6.030	101.328	107.358
Cash capital increase	10	99.990	100.000
Net profit/loss for the year	0	-46.301	-46.301
Equity at 31 December 2022	**6.040**	**155.017**	**161.057**

Statement of changes in equity

Parent company

	Share capital	Retained earnings	Total
Equity at 1 January 2023	6.040	155.017	161.057
Extraordinary dividend paid	0	-22.600	-22.600
Net profit/loss for the year	0	-44.620	-44.620
Equity at 31 December 2023	**6.040**	**87.797**	**93.837**

	Share capital	Retained earnings	Total
Equity at 1 January 2022	6.030	101.328	107.358
Cash capital increase	10	99.990	100.000
Net profit/loss for the year	0	-46.301	-46.301
Equity at 31 December 2022	**6.040**	**155.017**	**161.057**

Cash flow statement 1 January - 31 December

	Note	Group 2023	Group 2022
		TDKK	TDKK
Net profit/loss for the year		-44.620	-46.301
Adjustments	19	10.429	9.545
Change in working capital	20	69.024	10.970
Cash flows from operating activities before financial income and expenses		**34.833**	**-25.786**
Interest income and similar income		1.519	57
Interest expenses and similar charges		-519	-1.098
Cash flows from ordinary activities		**35.833**	**-26.827**
Corporation tax paid		515	1.438
Cash flows from operating activities		**36.348**	**-25.389**
Purchase of property, plant and equipment		-6.434	-6.335
Sale of property, plant and equipment		24.709	1.135
Cash flows from investing activities		**18.275**	**-5.200**

Cash flow statement 1 January - 31 December (continued)

	Note	Group 2023	Group 2022
		TDKK	TDKK
Reduction of lease obligations		0	-8.690
Repayment of payables to subsidiaries		0	-67.932
Cash capital increase		0	100.000
Dividend paid		-22.600	0
Cash flows from financing activities		**-22.600**	**23.378**
Change in cash and cash equivalents		**32.023**	**-7.211**
Cash and cash equivalents		14.158	21.369
Cash and cash equivalents		**46.181**	**14.158**
Analysis of cash and cash equivalents:			
Cash at bank and in hand		46.181	14.158
Cash and cash equivalents		**46.181**	**14.158**

Notes

1 Accounting policies

The annual report of Euromaster Danmark A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C , as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in TDKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group's and the parent company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the group's and the parent company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Recognition and measurement of business combinations

Recently acquired entities are recognised in the financial statements from the date of acquisition. Sold entities are recognised in the financial statements until the date of disposal. Comparative figures are not restated in respect of recently acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the time when the company actually gains control over the acquiree.

Notes

1 Accounting policies

The acquisition method is applied to the acquisition of new entities where the company gains control over the acquiree. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or emanate from a contractual right. Deferred tax on the revaluations made is recognised.

Positive differences (goodwill) between, on the one side, the purchase consideration, the value of non-controlling interests in the acquiree and the fair value of any previously acquired investments and, on the other side, the fair value of the acquired identifiable assets, liabilities and contingent liabilities are recognised as goodwill under ‘Intangible assets’. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of its useful life.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

On acquisition, goodwill is ascribed to / classed with the cash-generating unit, which subsequently forms a basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with another functional currency than the group's presentation currency are accounted for as assets and liabilities belonging to the foreign entity and are translated on initial recognition into the foreign entity's functional currency using the exchange rate at the date of the transaction.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is conditional upon future events or the fulfilment of agreed conditions, this part of the purchase consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of conditional purchase consideration are recognised in the income statement.

Expenses defrayed in connection with acquisitions are recognised in the income statement in the year in which they are defrayed.

If, at the date of acquisition, the identification or measurement of acquired assets, liabilities and/or contingent liabilities or the size of the purchase consideration are associated with uncertainty, initial recognition will be based on preliminarily calculated amounts. If it subsequently turns out that the identification or measurement of the purchase consideration, acquired assets, liabilities and/or contingent liabilities was not correct on initial recognition, the calculation will be adjusted with retrospective effect, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments made will be recognised as error.

Notes

1 Accounting policies

Consolidated financial statements

The consolidated financial statements comprise the parent company Euromaster Danmark and subsidiaries in which the parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered participating interests or associates, cf. the group chart.

The consolidated financial statements are prepared as a consolidation of the parent company's and subsidiaries' financial statements by aggregating uniform accounting items. On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date at which control is obtained. Entities sold during the year are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year’s revenue.

Notes

1 Accounting policies

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Income from investments in subsidiaries, associates and participating interests

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the parent company's income statement after full elimination of intra-group profits/losses.

Tax on profit/loss for the year

The parent company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Notes

1 Accounting policies

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	25 years
Other fixtures and fittings, toold and equipment	3-20 years
Leasehold improvements	2-25 years

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Leases

On initial recognition, lease assets are measured at the amount of the initial measurement of the lease liabilities, any lease payments made befare the commencement date less any lease incentives received, and any initial direct costs incurred by the lessee.

An estimate of costs to be incurred by the lessee in dismantling and removing the lease assets, or restoring the underlying assets, are recognised as a separate provision. The costs are added to the cost of the lease assets unless the liability is incurred to produce inventories in which case the costs are recognised in the cost of the manufactured goods. Subsequently, lease assets are measured at cost less accumulated depreciation and impairment losses.

lease assets are depreciated over the lower of the lease term and the useful life of the underlying assets. If the lease transfers the ownership of the lease assets by the end of the lease term or if the exercise of a purehase option is expected, the lease assets are depreciated over their useful life. Depreciation beg i ns at the commencement date.

lease assets are written down to the lower of recoverable amount and carrying amount.

lease assets are adjusted upon remeasurement of the lease liabilities; see below in the lease liability section.

1 Accounting policies

lease assets are recognised as fixed assets within the asset item in which the underlying assets of the lease would be recognised if the Entity owned them.

Fixed asset investments

Investments in subsidiaries, associates and participating interests

Investments in subsidiaries, associates and participating interests are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Investments in subsidiaries, associates and participating interests with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Receivables

Receivables are measured at amortised cost.

Notes

1 Accounting policies

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Income tax and deferred tax

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

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

The compensated absence commitment which the company's employees earn during the transitional period from 1 September 2019 to 31 August 2020, is administered by the company and is paid in to the Danish Holiday Fund before the employee reaches the pensionable age. Other debt is measured at amortised cost, which usually corresponds to the nominal value.

Notes

1 Accounting policies

Discontinuing operations

In the section on accounting policies related to the recognition and measurement of discontinued operations, the company follows the applicable accounting standards, including IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations," or corresponding local standards if the company reports under a different accounting framework. Discontinued operations are classified as such when they have either been sold or are classified as held for sale, and their operational results can be physically, operationally, and for accounting purposes, distinguished from the company's continuing operations.

Recognition of discontinued operations occurs when a segment of the business has either been sold or is specifically identified as being for sale, and the sale is expected to be completed within one year. The results of the discontinued operations are presented separately on the income statement, including any revenue, expenses, gains, or losses from the sale of the discontinued operations.

The measurement of discontinued operations is at the lower of carrying amount and fair value less costs to sell. Any impairments arising from this assessment are immediately recognized in the income statement under discontinued operations. Subsequent changes in the estimate of the fair value less costs to sell are also adjusted accordingly, to ensure that the discontinued operations are accurately measured up to the point of sale.

This accounting practice ensures that the financial reports provide a clear and fair overview of the company's financial performance and position, separated between continuing and discontinued operations.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Cash flow statement

The cash flow statement shows the group's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the group's cash and cash equivalents at the beginning and at the end of the year.

Notes

1 Accounting policies

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are stated as the group's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes. Dividend income from investments is recognised under 'Interest income and dividend received'.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the group's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial Highlights

Definitions of financial ratios.

Return on assets $\dfrac{\text{Profit/loss before financials x 100}}{\text{Average assets}}$

Solvency ratio $\dfrac{\text{Equity at year end x 100}}{\text{Total assets}}$

Notes

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
2 Revenue				
Revenue - Denmark	273.620	356.400	273.620	356.400
Total revenue	**273.620**	**356.400**	**273.620**	**356.400**

3 Other operating income

Other operating income entirely comes from the divestment of the group's activities.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
4 Staff costs				
Wages and salaries	94.755	115.847	94.755	115.847
Pensions	4.194	4.304	4.194	4.304
Other social security costs	4.144	5.787	4.144	5.787
	103.093	**125.938**	**103.093**	**125.938**
Number of fulltime employees on average	211	223	211	223

According to section 98 B(3) of the Danish Financial Statements Act, renumeration to the executive board has not been disclosed.

		Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
5	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**				
	Depreciation tangible assets	11.944	15.224	11.944	13.943
		11.944	**15.224**	**11.944**	**13.943**

		Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
6	**Financial income**				
	Interest received from subsidiaries	1.303	54	1.303	52
	Other financial income	216	3	216	2
		1.519	**57**	**1.519**	**54**

		Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
7	**Financial costs**				
	Financial expenses, group entities	2	107	2	55
	Other financial costs	517	991	517	985
		519	**1.098**	**519**	**1.040**

Notes

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
8 Tax on profit/loss for the year				
Current tax for the year	-515	-1.220	-515	-1.220
Deferred tax for the year	0	-5.500	0	0
	-515	**-6.720**	**-515**	**-1.220**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
9 Discontinued Operations				
DCO, Sale of goods	-52.897	0	-52.897	0
DCO, Cost of goods / Production costs	27.416	0	27.416	0
DCO, Wages	17.097	0	17.097	0
DCO, Other external expenses	14.439	0	14.439	0
DCO, Depreciation/Amortisation	848	0	848	0
Loss from Discontinued	**6.903**	**0**	**6.903**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
10 Distribution of profit				
Retained earnings	-44.620	-46.301	-44.620	-46.301
	-44.620	**-46.301**	**-44.620**	**-46.301**

11 Tangible assets

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2023	119.375	78.333	9.186
Additions for the year	5.417	1.101	218
Disposals for the year	-83.868	-22.231	0
Cost at 31 December 2023	40.924	57.203	9.404
Impairment losses and depreciation at 1 January 2023	79.151	63.518	7.210
Depreciation for the year	5.023	3.781	450
Reversal of impairment and depreciation of sold assets	-58.121	-19.120	-1.156
Impairment losses and depreciation at 31 December 2023	26.053	48.179	6.504
Carrying amount at 31 December 2023	**14.871**	**9.024**	**2.900**
Value of leased assets	14.871	0	0

11 Tangible assets (continued)

Parent company

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2023	51.350	78.333	16.281
Additions for the year	5.417	1.101	218
Disposals for the year	-15.843	-22.231	-5.136
Cost at 31 December 2023	40.924	57.203	11.363
Impairment losses and depreciation at 1 January 2023	33.405	63.518	11.531
Depreciation for the year	8.490	3.781	450
Reversal of impairment and depreciation of sold assets	-15.842	-19.120	-3.518
Impairment losses and depreciation at 31 December 2023	26.053	48.179	8.463
Carrying amount at 31 December 2023	**14.871**	**9.024**	**2.900**
Value of leased assets	14.871		

	Parent company	
	2023	2022
	TDKK	TDKK
12 Investments in subsidiaries		
Cost at 1 January 2023	11.600	11.600
Disposals for the year	-11.000	0
Cost at 31 December 2023	600	11.600
Revaluations at 1 January 2023	12.498	3.124
Net profit/loss for the year	-18	9.372
Revaluations of disposals of investments on demerger and sale of enterprise	-12.814	0
Revaluations at 31 December 2023	-334	12.496
Carrying amount at 31 December 2023	**266**	**24.096**

Group
Investments in subsidiaries are specified as follows:

Name	Registered office	Share capital	Ownership interest	Equity	Profit/loss for the year
Viborg Direct A/S	Skanderborg	600	100%	266	-18

Notes

13 Long term debt

Group	Debt at 1 January 2023	Debt at 31 December 2023	Instalment next year	Debt outstanding after 5 years
Lease obligations	9.894	8.662	6.768	0
Holiday allowance	4.441	4.496	0	0
	14.335	**13.158**	**6.768**	**0**

Parent Company	Debt at 1 January 2023	Debt at 31 December 2023	Instalment next year	Debt outstanding after 5 years
Lease obligations	9.894	8.663	6.768	0
Holiday allowance	4.441	4.496	0	0
	14.335	**13.159**	**6.768**	**0**

14 Other anomalies in the annual report

15 Contingent liabilities

Unrecognised rental and lease commitments
Commitments under rental or lease agreements until expiry in total 7.060 DK'000

16 Mortgages and collateral

A bank guarantee has been provided to third party interest totalling 181k DKK at 31.12.2023

17 Related parties and ownership structure

Controlling interest

Compagnie Générale des Etablissements Michelin, France, Ultimate Parent Comany
Euromaster Services et Management, France, Group Entreprise, controlling shareholder in Erumaster Danmark A/S

Transactions not conducted on arm's length terms

There have been no transactions within the year, that were not conducted on arm's length terms.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
18 Fee to auditors appointed at the general meeting				
Deloitte:				
Statutory audit services	450	241	450	241
Other assurance engagements	450	0	450	0
	900	**241**	**900**	**241**

	Group	
	2023	2022
	TDKK	TDKK
19 Cash flow statement - adjustments		
Financial income	-1.519	-57
Financial costs	519	1.098
Depreciation, amortisation and impairment losses	11.944	15.224
Tax on profit/loss for the year	-515	-6.720
	10.429	**9.545**

	Group 2023 TDKK	Group 2022 TDKK
20 Cash flow statement - change in working capital		
Change in inventories	27.688	-2.973
Change in receivables	59.263	11.542
Change in trade payables, etc.	-17.927	2.401
	69.024	**10.970**

Henrik Wardinghus Nielsen

Navnet returneret af dansk MitID var:
Henrik Wardinghus Nielsen
Direktør
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Underskrevet med MitID

Henrik Wardinghus Nielsen

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Underskrevet med MitID

Michael Wardinghus Nielsen

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Underskrevet med MitID

Klaus Skovsen

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Underskrevet med MitID

Klaus Skovsen

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Underskrevet med MitID

Chris Middelhede

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Tidspunkt for underskrift: 28-06-2024 kl.: 23:51:03
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