



## Conaxess Trade Denmark A/S

Stamholmen 151, 4. mf  
2650 Hvidovre  
CVR No. 16015512

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 29.03.2023

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**Jacob Schilling**

Chairman of the General Meeting

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# Entity details

## Entity

Conaxess Trade Denmark A/S

Stamholmen 151, 4. mf

2650 Hvidovre

Business Registration No.: 16015512

Date of foundation: 10.06.1966

Registered office: Hvidovre

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Jacob Schilling

Nils Holger Haase

Uwe Thellmann

## Executive Board

Torben Bank Jensen

Jacob Schilling

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Conaxess Trade Denmark A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hvidovre, 29.03.2023

## Executive Board

**Torben Bank Jensen**

**Jacob Schilling**

## Board of Directors

**Jacob Schilling**

**Nils Holger Haase**

**Uwe Thellmann**

# Independent auditor's report

## To the shareholder of Conaxess Trade Denmark A/S

### Opinion

We have audited the financial statements of Conaxess Trade Denmark A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 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 financial statements" section of this auditor's report. We are independent of the Company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark,

we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 under the Danish Financial Statements Act.

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

Copenhagen, 29.03.2023

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Hans Tauby**

State Authorised Public Accountant  
Identification No (MNE) mne44339

# Management commentary

## Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
<b>Key figures</b>					
Revenue	555,454	502,353	492,608	579,905	619,632
Gross profit/loss	70,037	63,527	58,542	86,510	73,294
Operating profit/loss	14,934	6,713	(3,380)	2,417	(14,654)
Net financials	(3,105)	(2,504)	(4,777)	(2,988)	(1,936)
Profit/loss for the year	23,938	13,608	3,546	6,076	(7,564)
Total assets	286,740	372,019	379,357	369,488	412,796*
Investments in property, plant and equipment	1,727	2,691	3,732	4,829	1,706
Equity	157,228	133,290	121,728	118,182	112,106
<b>Ratios</b>					
Gross margin (%)	12.61	12.65	11.88	14.92	11.83
EBIT margin (%)	2.69	1.34	(0.69)	0.42	(2.36)
Return on equity (%)	16.48	10.67	2.96	5.28	(6.50)
Equity ratio (%)	45.99	34.36	32.09	31.99	27.20

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

\* In 2019, the Company changed its presentation of factoring receivables and liabilities including comparative figures for 2018, which has been reflected in the equity ratio for 2018-2021 as allowed by section 101(3) of the Danish Financial Statements Act.

Equity is adjusted in 2021 as mentioned in "Accounting Policies".

### Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

### EBIT margin (%):

$\frac{\text{Operating profit/loss}}{\text{Revenue}} * 100$

Revenue

### Return on equity (%):

$\frac{\text{Profit/loss for the year}}{\text{Average equity}} * 100$

Average equity



**Equity ratio (%):**

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

**Ratios reflect**

**Gross margin (%)**

*The portion of the revenue that the Company retains after incurring the direct costs associated with the goods sold*

**EBIT margin (%)**

*The Company's operating profitability*

**Return on equity**

*The Company's return on capital invested in the Company by the owner*

**Equity ratio**

*The financial strength of the Company*

### Primary activities

Conaxess Trade Denmark A/S is a sales and marketing company whose principal activity is sales of branded convenience goods to the Danish market, with main emphasis on food, confectionery and personal hygiene.

Other activities include sales and distribution of confectionery in travel markets, primarily in the Nordic region.

The Company owns 75% of Conaxess Trade Denmark Beverages A/S who distributes branded goods, with main emphasis on spirits, Ready to Drink, Ready to Serve, champagne and wines. In addition, the Company owns 44,95% of Borup Kemi A/S.

### Development in activities and finances

In 2022, the Company's revenue amounts to DKK 555,454 thousand against DKK 502,353 thousand last year. The income statement for 2022 shows a profit before tax of DKK 27,013 thousand against a profit of DKK 14,012 thousand last year, and the balance sheet at 31 December 2022 shows an equity of DKK 157,228 thousand. Results from ordinary activities are considered satisfactory. Operating profit has increased to DKK 14,934 thousand against DKK 6,713 thousand in 2021.

The COVID-19 pandemic had in 2022 insignificantly negative impact on the business. The profit for the year was positively affected by income from subsidiary totaling DKK 11,012 thousand and income from associate totaling DKK 4,172 thousand.

### Profit/loss for the year in relation to expected developments

A profit before tax of DKK 27,013 thousand (2021: DKK 14,012 thousand) was in line with Management's expectations.

### Uncertainty relating to recognition and measurement

There have been no uncertainties as to recognition or measurement in 2022.

### Unusual circumstances affecting recognition and measurement

None.

### Outlook

Results for 2023 are expected to be higher than for 2022 driven by positive effect from new brands and organic growth. Revenue, earnings and capital resources are expected to develop favorably in the years ahead, although 2023 will still be with focus on increasing earnings, adding principals and optimizing capital resources. To the extent possible, the Company is using the help and relief packages from the Government to lower costs and improve cash flows.

### Operating risks:

The constant competition from other providers are always present, but the Company has a wide customer base, and there is no risk that termination of the individual major customers or trading partners may threaten the Company's existence.

### Financial risks:

The Company's net interest bearing debt was DKK 0 thousand (2021: DKK 0 thousand) at year-end since the interest bearing receivables exceed the interest bearing debt.

**Exchange rate risks:**

The Company's operation is not affected significantly by currency fluctuations, due to income as well as expenses relating to the Company's activity mainly are settled in Danish kroner.

**Interest rate risks:**

The Company's cash and bank loans yield interest at current floating interest rates and the Company is, therefore, exposed to fluctuations in interest rates.

The Company monitors the interest rate risk, and assess the need to apply hedging instruments on a regular basis.

**Credit risks:**

The Company's credit risks relate primarily to the trade receivables. The maximum credit risk corresponds to the values recognized on the balance sheet.

The Company is not exposed to any significant risks relating to individual customers or trading partners. All customers are credit rated initially and on a test basis in connection with the ongoing evaluation of credit limits.

**Knowledge resources**

It is essential for the Company's continued growth to maintain and develop as well as attract skilled and dedicated staff with industry knowledge. Key employees participate in a bonus scheme, which is considered significant in relation to the retention of employees as well as for the sake of continued optimisation of the Company's business concepts, etc.

The average number of employees was 82 in 2022 (2021: 99). The average number of employees in 2022 is lower due to optimization.

**Environmental performance**

The Company makes active and forward-looking commitments to the environment and works actively with environmental management.

**Research and development activities**

None.

**Statutory report on corporate social responsibility****Business model:**

The sale and distribution of branded convenience goods to the Danish market take place considering the Company's Code of Conduct from 2017 and work is being done actively on this. The Company is acting on a desire to:

- Minimise the use of resources and their negative impact on our environment
- Ensure equality, dialogue, respect, health and safety regarding social conditions and employee relations
- Respect human rights, including labor rights
- Fighting corruption and bribery

In 2022 the company has implemented a full ESG report.

***Environmental policy, including to reduce climate impact***

Every time the Company uses resources, if there are more options, the activity that uses the least resources must be selected.

In 2018, minimum orders were introduced to reduce logistics costs and thus reduce the environmental impact.

#### ***Policy for social conditions and employee relations***

All employees must treat each other with respect and consideration. We do not accept harassment, discrimination or bullying and a safe working environment is a must.

In connection with ensuring that the Company complies with the EU General Data Protection Regulation (GDPR) and the Company's policy on anti-money laundering and anti-terrorist financing, a whistleblower scheme has been established.

No incidents have been registered in 2022.

#### ***Human rights policy***

The Company has joined the UN Universal Declaration of Human Rights, which states, among other things, that all people are born free and equal in dignity and rights.

The established whistleblower scheme can also be used if human rights are violated.

No incidents have been registered in 2022.

#### ***Anti-corruption and bribery policy***

The Company only offers, provides and accepts gifts, remuneration, invitations and services that are within the framework of regular hospitality.

At the same time as the establishment of the policy for money laundering and terrorist financing in 2018, a whistleblower scheme has been established.

There are no registered offers or request, which can be assumed to affect business-related transactions in 2022.

#### **Statutory report on the underrepresented gender**

In 2021, the proportion of women in top management was 25 %. Mid-level group consisted of 40 % women. In 2022, the proportion of women in top management is 25 % and on mid-level at 40 % which is only considered partially satisfactory with a target for both groups at 30 % or above.

As part of the Company's personnel policy, it is sought to promote equal career opportunities. The personnel policy supports the gender composition by individual career plans.

Furthermore, the Company seeks at least one representative of each gender among the final three candidates for a position in the Company's Management.

#### **Statutory report on data ethics policy**

The Company follows the law and regulations in respect to treat all acquired data in a respectful manner. The Company has a written down IT security policy, which also secure all external acquired data is handled safely. However the Company has not a written policy on data ethics, as solving the task of the Company does not require access to personal data, and generally acquired data are only used internally in the Company.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2022

	Notes	2022 DKK'000	2021 DKK '000
Revenue	1	555,454	502,353
Cost of sales		(441,928)	(406,705)
Other external expenses	2	(43,489)	(32,121)
<b>Gross profit/loss</b>		<b>70,037</b>	<b>63,527</b>
Staff costs	3	(52,287)	(55,654)
Depreciation, amortisation and impairment losses		(2,816)	(1,160)
<b>Operating profit/loss</b>		<b>14,934</b>	<b>6,713</b>
Income from investments in group enterprises		11,012	5,506
Income from investments in associates		4,172	4,297
Other financial income	4	4,332	6,369
Other financial expenses	5	(7,437)	(8,873)
<b>Profit/loss before tax</b>		<b>27,013</b>	<b>14,012</b>
Tax on profit/loss for the year	6	(3,075)	(404)
<b>Profit/loss for the year</b>	7	<b>23,938</b>	<b>13,608</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK'000	2021 DKK'000
Acquired intangible assets		66	101
Development projects in progress	9	8,779	8,765
<b>Intangible assets</b>	8	<b>8,845</b>	<b>8,866</b>
Other fixtures and fittings, tools and equipment		429	704
Leasehold improvements		1,298	1,987
<b>Property, plant and equipment</b>	10	<b>1,727</b>	<b>2,691</b>
Investments in group enterprises		34,767	23,755
Investments in associates		44,985	42,611
Other receivables		2,650	250
Deferred tax	12	6,007	10,927
<b>Financial assets</b>	11	<b>88,409</b>	<b>77,543</b>
<b>Fixed assets</b>		<b>98,981</b>	<b>89,100</b>
Manufactured goods and goods for resale		94,257	71,405
<b>Inventories</b>		<b>94,257</b>	<b>71,405</b>
Trade receivables	13	25,314	37,505
Receivables from group enterprises		44,826	160,215
Other receivables		23,362	13,794
<b>Receivables</b>		<b>93,502</b>	<b>211,514</b>
<b>Current assets</b>		<b>187,759</b>	<b>282,919</b>
<b>Assets</b>		<b>286,740</b>	<b>372,019</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK'000</b>	<b>2021 DKK'000</b>
Contributed capital		43,000	43,000
Reserve for net revaluation according to the equity method		74,161	60,707
Reserve for development expenditure		6,848	6,837
Retained earnings		364	22,746
Proposed dividend		32,855	0
<b>Equity</b>		<b>157,228</b>	<b>133,290</b>
Other payables		6,076	5,998
<b>Non-current liabilities other than provisions</b>		<b>6,076</b>	<b>5,998</b>
Bank loans		10,073	21,471
Trade payables		61,325	53,869
Payables to group enterprises		554	107,935
Other payables		51,484	49,456
<b>Current liabilities other than provisions</b>		<b>123,436</b>	<b>232,731</b>
<b>Liabilities other than provisions</b>		<b>129,512</b>	<b>238,729</b>
<b>Equity and liabilities</b>		<b>286,740</b>	<b>372,019</b>
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Assets charged and collateral	16		
Related parties with controlling interest	17		
Non-arm's length related party transactions	18		
Group relations	19		



# Statement of changes in equity for 2022

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Equity beginning of year	43,000	60,707	6,837	14,792	0
Corrections of material errors	0	0	0	7,954	0
<b>Adjusted equity, beginning of year</b>	<b>43,000</b>	<b>60,707</b>	<b>6,837</b>	<b>22,746</b>	<b>0</b>
Transfer to reserves	0	0	11	(11)	0
Profit/loss for the year	0	13,454	0	(22,371)	32,855
<b>Equity end of year</b>	<b>43,000</b>	<b>74,161</b>	<b>6,848</b>	<b>364</b>	<b>32,855</b>

  

	Total DKK'000
Equity beginning of year	125,336
Corrections of material errors	7,954
<b>Adjusted equity, beginning of year</b>	<b>133,290</b>
Transfer to reserves	0
Profit/loss for the year	23,938
<b>Equity end of year</b>	<b>157,228</b>

# Notes

## 1 Revenue

Information of revenue split into activities and geographical markets has been omitted with reference to the Danish Financial Statements Act § 96, because the information is assessed to do significant harm to the Company.

## 2 Fees to the auditor appointed by the Annual General Meeting

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Statutory audit services	329	308
Other assurance engagements	42	57
Other services	28	61
	<b>399</b>	<b>426</b>

## 3 Staff costs

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Wages and salaries	43,479	43,900
Pension costs	3,996	3,152
Other social security costs	729	742
Other staff costs	4,083	7,860
	<b>52,287</b>	<b>55,654</b>

Average number of full-time employees	82	99
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	<b>Remuneration of Management 2022 DKK'000</b>	<b>Remuneration of Management 2021 DKK'000</b>
Executive Board	3,228	2,957
	<b>3,228</b>	<b>2,957</b>

**4 Other financial income**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Financial income from group enterprises	4,152	6,079
Other interest income	180	290
	<b>4,332</b>	<b>6,369</b>

**5 Other financial expenses**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Financial expenses from group enterprises	2,265	3,263
Other financial expenses	5,172	5,610
	<b>7,437</b>	<b>8,873</b>

**6 Tax on profit/loss for the year**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Current tax	909	(954)
Change in deferred tax	2,166	1,358
	<b>3,075</b>	<b>404</b>

**7 Proposed distribution of profit and loss**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Ordinary dividend for the financial year	32,855	0
Retained earnings	(8,917)	13,608
	<b>23,938</b>	<b>13,608</b>

**8 Intangible assets**

	<b>Acquired intangible assets</b>	<b>Development projects in progress</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Cost beginning of year	1,385	8,765
Additions	0	14
Disposals	(526)	0
<b>Cost end of year</b>	<b>859</b>	<b>8,779</b>
Amortisation and impairment losses beginning of year	(1,284)	0
Amortisation for the year	(35)	0
Reversal regarding disposals	526	0
<b>Amortisation and impairment losses end of year</b>	<b>(793)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>66</b>	<b>8,779</b>

## 9 Development projects

Development projects in progress consists of costs to suppliers in relation to implementation of new ERP system. The new ERP system expects to be fully implemented in 2023. Management expects the development project to support the generation of positive cash flows the future. Therefore management has no indication of impairment.

## 10 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK'000</b>	<b>Leasehold improvements DKK'000</b>
Cost beginning of year	7,275	5,984
Disposals	(2,557)	(898)
<b>Cost end of year</b>	<b>4,718</b>	<b>5,086</b>
Depreciation and impairment losses beginning of year	(6,571)	(3,997)
Depreciation for the year	(275)	(689)
Reversal regarding disposals	2,557	898
<b>Depreciation and impairment losses end of year</b>	<b>(4,289)</b>	<b>(3,788)</b>
<b>Carrying amount end of year</b>	<b>429</b>	<b>1,298</b>

## 11 Financial assets

	<b>Investments in group enterprises DKK'000</b>	<b>Investments in associates DKK'000</b>	<b>Other receivables DKK'000</b>
Cost beginning of year	4,239	1,420	250
Additions	0	0	2,400
<b>Cost end of year</b>	<b>4,239</b>	<b>1,420</b>	<b>2,650</b>
Revaluations beginning of year	19,516	41,191	0
Share of profit/loss for the year	11,012	4,172	0
Dividend	0	(1,798)	0
<b>Revaluations end of year</b>	<b>30,528</b>	<b>43,565</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>34,767</b>	<b>44,985</b>	<b>2,650</b>

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>
Conaxess Trade Denmark Beverages A/S	Hvidovre	Aktieselskab	75.0
<b>Investments in associates</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>
Borup Kemi A/S	Borup	Aktieselskab	44.95

## 12 Deferred tax

	2022 DKK'000	2021 DKK'000
Intangible assets	0	(22)
Property, plant and equipment	1,050	1,200
Inventories	0	242
Tax losses carried forward	4,957	9,507
<b>Deferred tax</b>	<b>6,007</b>	<b>10,927</b>

	2022 DKK'000
<b>Changes during the year</b>	
Beginning of year	10,927
Adjustment previous year	(3,978)
Change in deferred tax	(942)
<b>End of year</b>	<b>6,007</b>

In the calculation of deferred tax, a tax rate of 22.0% was applied (2021: 22.0%).

## 13 Trade receivables

Out of the total trade receivables amounting to DKK 25,314 thousand, DKK 10,073 thousand comprise factored trade receivables. The factored trade receivables as well as the liability to the factoring bank, are derecognized when the factoring bank receives payment from the debtor.

## 14 Unrecognised rental and lease commitments

	2022 DKK'000	2021 DKK'000
Liabilities under rental or lease agreements until maturity in total	16,384	18,688

## 15 Contingent liabilities

The Company serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

## 16 Assets charged and collateral

The Company has provided security in the form of cash funds of DKK 250 thousand as of 31 December 2022 for Dansk Retursystem for recycling disposable beverage packaging made of plastic, aluminum and glass included in the Danish deposits and return system. The Company has also provided a security in form of cash funds of DKK 2,400 thousand as of 31 December 2022 to AL Finans as a part of the credit facility agreement.

As collateral for bank credit facilities, floating charge amounting to DKK 75,000 thousand has been provided in the Company's inventory with a book value of DKK 94,257 thousand.

As collateral for factoring bank, floating charge amounting to DKK 10,073 thousand has been provided in the Company's trade receivables with a book value of DKK 25,314 thousand.

The Company has restricted cash of DKK 7,436 thousand on behalf of a related entity, which has been included in receivables from group enterprises.

### **17 Related parties with controlling interest**

Conaxess Trade Holding AB, Lövströms allé 5, 172 66 Sundbyberg, Sweden owns 100% of the shares of the Company.

Conaxess Trade Holding AB, Lövströms allé 5, 172 66 Sundbyberg, Sweden is owned 100% by:

Conaxess Holding Sweden AB, Lövströms allé 5, 172 66 Sundbyberg, Sweden

which is owned 100% by:

Aurelius Gamma Invest GmbH, Ludwig-Ganghof-Straße 6, 82031 Grünwald, Germany

which is owned 100% by:

Aurelius Equity Opportunities SE & Co. KgaA, Ludwig-Ganghof-Straße 6, 82031 Grünwald, Germany

Thus the above mentioned entities have control over the Conaxess Trade Denmark A/S.

### **18 Non-arm's length related party transactions**

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

### **19 Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Aurelius Equity Opportunities SE & Co. KgaA, Ludwig-Ganghof-Straße 6, 82031 Grünwald, Germany

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Conaxess Trade Holding AB, Lövströms allé 5, 172 66 Sundbyberg, Sweden

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Correction to comparative figures

The company has recorded interest expenses to the parent company. in the periode 2015-2021 There has not been an actual obligation from the company to the parent company. The management became aware of this in 2022. This has led to following adjustment to comparative figures:

Equity: DKK 7,954 thousand

Receivables from group enterprises: DKK 7,954 thousand

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Income statement

### Revenue

Revenue from the sale of goods is recognised in the income statement when delivery is made and risk has passed to the buyer, and revenue from fees is recognised in the income statement when the service is performed. Revenue is recognised net of VAT, and duties and is measured at fair value of the consideration fixed.

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory

writedowns.

**Other external expenses**

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for distribution, logistics, premises, marketing costs, IT-costs and corporate costs. This item also includes write-downs of receivables recognized in current assets.

**Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

**Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

**Income from investments in associates**

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata elimination of intra-group profits or losses.

**Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises and currency gains.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and currency losses.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Company is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Intellectual property rights etc**

Intellectual property rights etc comprise acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are expensed as incurred. When recognising development projects as



intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### **Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5-8 years
Leasehold improvements	5-8 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

**Investments in associates**

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value.

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Investments in associates fall within the definitions of both participating interests and associates, yet in the financial statements they have been presented as investments in associates because this designation reflects more accurately the Company's involvement in the relevant entities.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of the assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Bank loan includes a factoring credit. Factoring credit is recognized as the share to which the factoring bank has recourse right, and is derecognized when the factoring bank receives payment from the debtor.

**Cash flow statement**

Cash flow statement has not been prepared for the Company as the cash flow is included in the cash flow statement of the consolidated financial statements of the ultimate parent company cf. the Danish Financial Statements Act § 86 (4).