

# Annual report for 2023

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## Swisspearl Danmark Holding A/S

Gasværksvej 24, 1., 9000 Aalborg

CVR no. 18 33 67 74

Adopted at the annual general meeting on 27  
June 2024

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Morten Nygaard Smed Sørensen  
chairman

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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 Swisspearl Danmark Holding 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 financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations 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.

Aalborg, 27 June 2024

### Executive board

|   |  |
|---|--|
| Morten Nygaard Smed Sørensen<br>Executive Officer | Aleksandar Horvat<br>Executive Officer |
|---|--|

### Supervisory board

|                          |                              |                   |
|--------------------------|------------------------------|-------------------|
| Marco Wenger<br>chairman | Morten Nygaard Smed Sørensen | Aleksandar Horvat |
|--------------------------|------------------------------|-------------------|

|                  |  |  |
|------------------|--|--|
| Christiane Wäger | Carsten Ejberg Jensen<br>employee representative | Henrik Gaardsøe<br>employee representative |
|------------------|--|--|

|  |
|--|
| Henrik Wittorff Kristiansen<br>employee representative |
|--|

## **Independent auditor's report**

### ***To the shareholder of Swisspearl Danmark Holding A/S***

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of Swisspearl Danmark Holding A/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes ('the financial statements').

#### **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 financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for 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.

#### **Statement on management's review**

Management is responsible for management's review.

Our opinion on the 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 financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

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

## **Independent auditor's report**

### **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 the 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, disclosing, as applicable, matters related to going concern and 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.

## Independent auditor's report

- 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 contents of the financial statements, including the disclosures, 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.

Hellerup, 27 June 2024

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

Kristian Højgaard Carlsen  
State Authorised Public Accountant  
MNE no. mne44112

## Company details

Swisspearl Danmark Holding A/S  
Gasværksvej 24, 1.  
9000 Aalborg

CVR-no. 18 33 67 74

Financial year: 1 January - 31 December 2023

Incorporated: 1. January 1995

Domicile: Aalborg

### Supervisory Board

Marco Wenger, chairman

Morten Nygaard Smed Sørensen

Aleksandar Horvat

Christiane Wäger

Carsten Ejberg Jensen, employee representative

Henrik Gaardsøe, employee representative

Henrik Wittorff Kristiansen, employee representative

### Executive Board

Morten Nygaard Smed Sørensen

Aleksandar Horvat

### Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44

2900 Hellerup

## Financial highlights

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

|   | 2023      | 2022      | 2021      | 2020      | 2019      |
|---|-----------|-----------|-----------|-----------|-----------|
|   | TDKK      | TDKK      | TDKK      | TDKK      | TDKK      |
| <b>Key figures</b>                          |           |           |           |           |           |
| Gross profit/loss                           | -155,615  | -114,761  | 150,425   | 117,664   | 24,086    |
| Profit/loss before net financials           | -215,093  | -183,761  | 82,858    | 42,862    | -44,494   |
| Net financials                              | 154,947   | 113,040   | 92,357    | 58,831    | 36,042    |
| Profit/loss for the year                    | -14,815   | -33,552   | 154,283   | 134,878   | -8,474    |
| Balance sheet total                         | 2,220,756 | 1,964,370 | 1,921,224 | 1,954,381 | 1,675,120 |
| Investment in property, plant and equipment | 1,479     | 2,080     | 5,931     | 2,080     | 3,690     |
| Equity                                      | 1,215,532 | 1,227,140 | 1,266,201 | 1,107,406 | 998,012   |
| Number of employees                         | 53        | 63        | 58        | 56        | 47        |
| <b>Financial ratios</b>                     |           |           |           |           |           |
| Solvency ratio                              | 54.7%     | 62.5%     | 65.9%     | 56.7%     | 59.6%     |
| Return on equity                            | -1.2%     | -2.7%     | 13.0%     | 12.8%     | -0.8%     |

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.



## **Management's review**

### **Business review**

The Swisspearl Danmark Holding Group is a key manufacturer and distributor of fibre-cement products for all kinds of exterior and interior protective surfaces. The market focus is Europe and export markets. Swisspearl Danmark Holding A/S is a 100% owned subsidiary of Swisspearl Danmark Group A/S and the Swisspearl Danmark Holding's primary activity is to manage shared functions within Group. Furthermore, the company holds the shares in the subsidiaries stated in note 8.

### **Financial review**

The company's income statement for the year ended 31 December 2023 shows a loss of TDKK 14,815, and the balance sheet at 31 December 2023 shows equity of TDKK 1,215,532.

The negative performance can primarily be attributed to the inflationary impact on energy prices and raw materials, as well as an increase in warranty provisions in the subsidiaries.

### **Significant events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

### **Outlook**

The outlook assumes stable developments in the markets in which we operate despite anticipating market volatility and economical headwinds.

Overall we expect a better result in 2024 through income from investments in subsidiaries.

### **Knowledge resources**

The Company's future success depends in part on its ability to hire, assimilate and retain highly qualified personnel. Cembrit also depends on know-how in its business. The Company emphasizes on the protection of its know-how when working with third parties.

### **Research and development activities**

Swisspearl conducts ongoing product development. Swisspearl wants to continue and strengthen these activities going forward. Part of the product development is performed in a branch in the Czech Republic.

### **Forward-looking statements**

Statements in the Annual Report 2023 concerning the future reflect the company's current expectations about future events and financial results. Statements concerning the future are naturally subject to uncertainty, and actual results may differ from expected results. Differences may be caused by, but are not limited to, economic and financial market developments, developments in product demand, competitive conditions etc. The company disclaims any liability to update or adjust statements in the Annual Report 2023 about future or possible reasons for differences between actual and anticipated results except where required by legislation.

## **Management's review**

### **Special risks**

Risk will always play an important part in our business, and we maintain focus on the identification, mitigation and management of risks in our day-to-day work. Swisspearl's business is cyclical by nature. When the level of activity in the industry is high, the primary focus is on new building rather than renovation. However, the expectation is that the renovation business will partly compensate for any decline in the European construction industry in the event of a down-turn in the economy.

## Accounting policies

The Annual Report of Swisspearl Danmark Holding A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

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

The annual report for 2023 is presented in TDKK

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### 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 company 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 company 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.

## Income statement

### Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of other income and other external expenses.

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

## Accounting policies

### Other external expenses

Other external expenses comprise expenses relating to the Company's core activities, including expenses relating 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 comprise interest income and expenses, realised and unrealised exchange adjustments as well as extra payments and repayment under the onaccount taxation scheme.

### Income from investments in subsidiaries

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement according to the equity method and after full elimination of intragroup profits/losses.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

## Accounting policies

### Balance sheet

#### Intangible assets

##### *Development projects, patents and licences*

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover production costs, selling costs and administrative expenses and development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is up to 10 years.

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 5 years. Licences are amortised over the period of the agreement, but not exceeding 5 years.

#### Tangible assets

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

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

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

## Accounting policies

|  | Useful life | Residual value |
|--|-------------|----------------|
| Plant and machinery                              | 10-16 years | 0 %            |
| Other fixtures and fittings, tools and equipment | 3-15 years  | 0 %            |

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

### 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 and associates are measured in the parent company financial statements using the equity method.

Investments in participating interests that are not associates are measured at cost in the parent company financial statements.

Associates are measured using the equity method, and participating interests that are not associates are measured at cost in the consolidated financial statements.

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.

## Accounting policies

### Impairment of fixed assets

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

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

### Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

### Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

### 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.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

## Accounting policies

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

### 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.

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.

### Foreign currency translation

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

### Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in 'Other receivables' or 'Other payables', respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

### Cash flow statement

No cash flow statement has been prepared for the parent company, as the parent company's cash flows are included in the consolidated cash flow statement, see section 86(4) of the Danish Financial Statements Act.



## Accounting policies

### Financial Highlights

Definitions of financial ratios.

|                  |   |
|------------------|---|
| Solvency ratio   | $\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$        |
| Return on equity | $\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$ |

## Income statement 1 January 2023 - 31 December 2023

|  | <u>Note</u> | <u>2023</u><br>TDKK   | <u>2022</u><br>TDKK   |
|--|-------------|-----------------------|-----------------------|
| <b>Gross profit</b>  |             | <b>-155,615</b>       | <b>-114,761</b>       |
| Staff costs  | 1           | -44,295               | -52,250               |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment |             | <u>-15,183</u>        | <u>-16,750</u>        |
| <b>Profit/loss before net financials</b>   |             | <b>-215,093</b>       | <b>-183,761</b>       |
| Income from investments in subsidiaries  |             | 160,664               | 106,009               |
| Financial income   | 2           | 53,099                | 36,161                |
| Financial costs  | 3           | <u>-58,816</u>        | <u>-29,130</u>        |
| <b>Profit/loss before tax</b>  |             | <b>-60,146</b>        | <b>-70,721</b>        |
| Tax on profit/loss for the year  | 4           | <u>45,331</u>         | <u>37,169</u>         |
| <b>Profit/loss for the year</b>  |             | <b><u>-14,815</u></b> | <b><u>-33,552</u></b> |
| Distribution of profit   | 5           |                       |                       |

## Balance sheet at 31 December 2023

|  | <u>Note</u> | <u>2023</u><br>TDKK            | <u>2022</u><br>TDKK            |
|--|-------------|--------------------------------|--------------------------------|
| <b>Assets</b>                                    |             |                                |                                |
| Completed development projects                   |             | 0                              | 1,317                          |
| Acquired patents                                 |             | 85                             | 145                            |
| Acquired other similar rights                    |             | 26,364                         | 34,077                         |
| Development projects in progress                 |             | 26,506                         | 23,907                         |
| <b>Intangible assets</b>                         | 6           | <b><u>52,955</u></b>           | <b><u>59,446</u></b>           |
| Plant and machinery                              | 7           | 888                            | 1,295                          |
| Other fixtures and fittings, tools and equipment | 7           | 8,805                          | 10,238                         |
| <b>Tangible assets</b>                           |             | <b><u>9,693</u></b>            | <b><u>11,533</u></b>           |
| Investments in subsidiaries                      | 8           | 1,314,812                      | 1,135,504                      |
| <b>Fixed asset investments</b>                   |             | <b><u>1,314,812</u></b>        | <b><u>1,135,504</u></b>        |
| <b>Total non-current assets</b>                  |             | <b><u>1,377,460</u></b>        | <b><u>1,206,483</u></b>        |
| Receivables from group enterprises               |             | 662,147                        | 623,498                        |
| Other receivables                                |             | 5,315                          | 4,146                          |
| Deferred tax asset                               | 10          | 157,091                        | 130,179                        |
| Corporation tax                                  |             | 260                            | 0                              |
| Joint taxation contributions receivable          |             | 18,419                         | 0                              |
| <b>Receivables</b>                               |             | <b><u>843,232</u></b>          | <b><u>757,823</u></b>          |
| <b>Cash at bank and in hand</b>                  |             | <b><u>64</u></b>               | <b><u>64</u></b>               |
| <b>Total current assets</b>                      |             | <b><u>843,296</u></b>          | <b><u>757,887</u></b>          |
| <b>Total assets</b>                              |             | <b><u><u>2,220,756</u></u></b> | <b><u><u>1,964,370</u></u></b> |

## Balance sheet at 31 December 2023

|   | <u>Note</u> | <u>2023</u><br>TDKK            | <u>2022</u><br>TDKK            |
|---|-------------|--------------------------------|--------------------------------|
| <b>Equity and liabilities</b>                       |             |                                |                                |
| Share capital                                       |             | 83,000                         | 83,000                         |
| Reserve for net revaluation under the equity method |             | 764                            | 0                              |
| Reserve for development expenditure                 |             | 20,675                         | 13,159                         |
| Reserve for current value of hedging                |             | 0                              | 888                            |
| Retained earnings                                   |             | <u>1,111,093</u>               | <u>1,130,093</u>               |
| <b>Equity</b>                                       | 9           | <u><b>1,215,532</b></u>        | <u><b>1,227,140</b></u>        |
| Payables to group enterprises                       |             | 979,937                        | 695,750                        |
| Joint taxation contributions payable                |             | 0                              | 4,791                          |
| Other payables                                      |             | <u>25,287</u>                  | <u>36,689</u>                  |
| <b>Total current liabilities</b>                    |             | <u><b>1,005,224</b></u>        | <u><b>737,230</b></u>          |
| <b>Total liabilities</b>                            |             | <u><b>1,005,224</b></u>        | <u><b>737,230</b></u>          |
| <b>Total equity and liabilities</b>                 |             | <u><u><b>2,220,756</b></u></u> | <u><u><b>1,964,370</b></u></u> |
| Rent and lease liabilities                          | 11          |                                |                                |
| Contingent liabilities                              | 12          |                                |                                |
| Related parties and ownership structure             | 13          |                                |                                |

## Statement of changes in equity

|  | Share capital | Reserve for net revaluation under the equity method | Reserve for development expenditure | Reserve for current value of hedging | Retained earnings | Total            |
|--|---------------|---|-------------------------------------|--------------------------------------|-------------------|------------------|
| Equity at 1 January 2023                     | 83,000        | 0   | 13,159                              | 888                                  | 1,130,093         | 1,227,140        |
| Exchange adjustment, foreign                 | 0             | 0   | 0                                   | 0                                    | 5,255             | 5,255            |
| Fair value adjustment of hedging instruments | 0             | 0   | 0                                   | -2,048                               | 0                 | -2,048           |
| Transfers, reserves                          | 0             | 0   | 7,516                               | 0                                    | -7,516            | 0                |
| Dissolution of reserves                      | 0             | 0   | 0                                   | 1,160                                | -1,160            | 0                |
| Net profit/loss for the year                 | 0             | 764   | 0                                   | 0                                    | -15,579           | -14,815          |
| <b>Equity at 31 December 2023</b>            | <b>83,000</b> | <b>764</b>  | <b>20,675</b>                       | <b>0</b>                             | <b>1,111,093</b>  | <b>1,215,532</b> |

## Notes

|   | 2023<br>TDKK  | 2022<br>TDKK  |
|---|---------------|---------------|
| <b>1 Staff costs</b>  |               |               |
| Wages and salaries  | 40,704        | 47,753        |
| Pensions  | 2,984         | 3,571         |
| Other social security costs                                     | 607           | 926           |
|   | <u>44,295</u> | <u>52,250</u> |
| <br>  |               |               |
| Including remuneration to the executive and supervisory boards: |               |               |
| Executive Board   | 883           | 9,991         |
| Supervisory Board   | 30            | 30            |
|   | <u>913</u>    | <u>10,021</u> |
| <br>  |               |               |
| Number of fulltime employees on average                         | <u>53</u>     | <u>63</u>     |
| <br>  |               |               |
| <b>2 Financial income</b>                                       |               |               |
| Interest received from group enterprises                        | 38,127        | 36,161        |
| Exchange gains  | 14,972        | 0             |
|   | <u>53,099</u> | <u>36,161</u> |
| <br>  |               |               |
| <b>3 Financial costs</b>  |               |               |
| Interest paid to group enterprises                              | 33,682        | 22,706        |
| Other financial costs   | 25,134        | 14,190        |
| Exchange loss   | 0             | -7,766        |
|   | <u>58,816</u> | <u>29,130</u> |

## Notes

|   | <u>2023</u><br>TDKK   | <u>2022</u><br>TDKK   |
|---|-----------------------|-----------------------|
| <b>4 Tax on profit/loss for the year</b>            |                       |                       |
| Current tax for the year                            | -18,419               | -2,528                |
| Deferred tax for the year                           | <u>-26,912</u>        | <u>-34,641</u>        |
|   | <u><b>-45,331</b></u> | <u><b>-37,169</b></u> |
| <br>  |                       |                       |
| <b>5 Distribution of profit</b>                     |                       |                       |
| Reserve for net revaluation under the equity method | 764                   | 0                     |
| Retained earnings                                   | <u>-15,579</u>        | <u>-33,552</u>        |
|   | <u><b>-14,815</b></u> | <u><b>-33,552</b></u> |

## Notes

### 6 Intangible assets

|  | Completed<br>development<br>projects | Acquired<br>patents | Acquired other<br>similar rights | Development<br>projects in<br>progress |
|--|--------------------------------------|---------------------|----------------------------------|--|
| Cost at 1 January 2023                                       | 10,630                               | 9,423               | 165,901                          | 31,197                                 |
| Additions for the year                                       | 0                                    | 0                   | 1,009                            | 4,362                                  |
| Transfers for the year                                       | 0                                    | 0                   | 0                                | 0                                      |
| Cost at 31 December 2023                                     | <u>10,630</u>                        | <u>9,423</u>        | <u>166,910</u>                   | <u>35,559</u>                          |
| Impairment losses and<br>amortisation at 1 January 2023      | 9,313                                | 9,278               | 131,824                          | 7,290                                  |
| Amortisation for the year                                    | 1,317                                | 60                  | 8,722                            | 1,763                                  |
| Transfers for the year                                       | 0                                    | 0                   | 0                                | 0                                      |
| Impairment losses and<br>amortisation at 31 December<br>2023 | <u>10,630</u>                        | <u>9,338</u>        | <u>140,546</u>                   | <u>9,053</u>                           |
| <b>Carrying amount at 31<br/>December 2023</b>               | <b><u>0</u></b>                      | <b><u>85</u></b>    | <b><u>26,364</u></b>             | <b><u>26,506</u></b>                   |

The development projects is mainly inventing new products or optimize the old products. The development projects are recognized as a result of the expected positive effects that the projects contribute to the company.



## Notes

### 7 Tangible assets

|  | Plant and<br>machinery   | Other fixtures<br>and fittings,<br>tools and<br>equipment |
|--|--------------------------|---|
| Cost at 1 January 2023                                 | 6,107                    | 26,891  |
| Additions for the year                                 | 0                        | 1,479   |
| Cost at 31 December 2023                               | <u>6,107</u>             | <u>28,370</u>   |
| Impairment losses and depreciation at 1 January 2023   | 4,812                    | 16,650  |
| Depreciation for the year                              | 407                      | 2,915   |
| Impairment losses and depreciation at 31 December 2023 | <u>5,219</u>             | <u>19,565</u>   |
| <b>Carrying amount at 31 December 2023</b>             | <b><u><u>888</u></u></b> | <b><u><u>8,805</u></u></b>                                |

## Notes

|   | <u>2023</u>                    | <u>2022</u>                    |
|---|--------------------------------|--------------------------------|
|   | TDKK                           | TDKK                           |
| <b>8 Investments in subsidiaries</b>  |                                |                                |
| Cost at 1 January 2023  | 1,294,193                      | 1,294,193                      |
| Additions for the year  | <u>19,855</u>                  | <u>0</u>                       |
| Cost at 31 December 2023  | <u>1,314,048</u>               | <u>1,294,193</u>               |
| Revaluations at 1 January 2023  | -158,689                       | -254,183                       |
| Exchange adjustment   | 5,255                          | -5,627                         |
| Net profit/loss for the year  | 160,664                        | 106,009                        |
| Dividend to the parent company  | -4,418                         | -5,621                         |
| Fair value adjustment of hedging instruments for the year                               | <u>-2,048</u>                  | <u>733</u>                     |
| Revaluations at 31 December 2023  | <u>764</u>                     | <u>-158,689</u>                |
| <b>Carrying amount at 31 December 2023</b>  | <b><u><u>1,314,812</u></u></b> | <b><u><u>1,135,504</u></u></b> |
| Remaining positive difference included in the above carrying amount at 31 December 2023 | <u>6,906</u>                   | <u>0</u>                       |

## Notes

Investments in subsidiaries are specified as follows:

| Name                                  | Registered office | Ownership interest |
|---------------------------------------|-------------------|--------------------|
| Swisspearl Danmark A/S                | Denmark           | 100%               |
| Swisspearl závod Ceska republika a.s. | Czech Republic    | 100%               |
| Swisspearl Suomi Oy                   | Finland           | 100%               |
| Swisspearl Tuotanto Soumi Oy          | Finland           | 100%               |
| Swisspearl Produkcja Polska S. A.     | Poland            | 100%               |
| Swisspearl GB Ltd.                    | Great Britain     | 100%               |
| Swisspearl Polska SP. z o.o.          | Poland            | 100%               |
| Swisspearl Sverige AB                 | Sweden            | 100%               |
| Swisspearl Norge AS                   | Norway            | 100%               |
| Swisspearl Magyarország Gyártó Kft.   | Hungary           | 100%               |
| Swisspearl Belgium NV                 | Belgium           | 100%               |
| Swisspearl Ireland Ltd.               | Ireland           | 100%               |
| Swisspearl Deutschland GmbH           | Germany           | 100%               |
| Swisspearl Nederland BV               | Netherlands       | 100%               |
| Swisspearl Nordic AB                  | Sweden            | 100%               |
| Swisspearl Nordic AS                  | Norway            | 100%               |

## Notes

### 9 Equity

The share capital consists of 1 share of a nominal value of TDKK 83,000. No shares carry any special rights.

|   | 2023<br>TDKK                 | 2022<br>TDKK                 |
|---|------------------------------|------------------------------|
| <b>10 Provision for deferred tax</b>                    |                              |                              |
| Deferred tax asset at 1 January 2023                    | 130,179                      | 95,538                       |
| Amounts recognised in the income statement for the year | <u>26,912</u>                | <u>34,641</u>                |
| <b>Deferred tax asset at 31 December 2023</b>           | <b><u><u>157,091</u></u></b> | <b><u><u>130,179</u></u></b> |

The tax assets are generated by loss carry forwards. The tax loss are expected to be used against future positive taxable income within a reasonably foreseeable future.

### 11 Rent and lease liabilities

Operating lease liabilities.

Total future lease payments:

|                       |                            |                            |
|-----------------------|----------------------------|----------------------------|
| Within 1 year         | 2,119                      | 2,530                      |
| Between 1 and 5 years | 5,277                      | 6,511                      |
| After 5 years         | <u>0</u>                   | <u>0</u>                   |
|                       | <b><u><u>7,396</u></u></b> | <b><u><u>9,041</u></u></b> |

## Notes

### 12 Contingent liabilities

Willingness has been expressed to support a few subsidiaries. Swisspearl Danmark Holding A/S has as the principal a contingent liability consisting of a residual risk in relation to the individual subsidiaries.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Swisspearl Nordic A/S, which is the management company of the joint taxation purposes.

Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

### 13 Related parties and ownership structure

#### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

#### Consolidated financial statements

The Company is included in the consolidated financial statements of the parent company Swisspearl Nordic A/S

The group report of Swisspearl Nordic A/S can be obtained at the following address:

[www.swisspearl.com](http://www.swisspearl.com)