Dansk Natursten A/S

Tronholmen 28B, DK-8960 Randers SØ

Annual Report for 2023

CVR No. 19 88 34 42

The Annual Report was presented and adopted at the Annual General Meeting of the company on 14/5 2024

Géry De Cloedt
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Dansk Natursten 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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Randers, 14 May 2024

Executive Board

Benn Laursen
Manager

Board of Directors

Géry De Cloedt Chairman	Mick Ivena J Neukermans Vice chairman	René Sloth Gosvig

Independent Auditor's report

To the shareholder of Dansk Natursten A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Dansk Natursten A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 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.

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, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for 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 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 Group´s and the Parent Company´s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Parent 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 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.

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 Group´s and the Parent Company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Parent 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Herning, 14 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Kim Vorret	Hans Jørgen Andersen
State Authorised Public Accountant	State Authorised Public Accountant
mne33256	mne30211

Company information

The Company	Dansk Natursten A/S Tronholmen 28B DK-8960 Randers SØ CVR No: 19 88 34 42 Financial period: 1 January - 31 December Municipality of reg. office: Randers
Board of Directors	Géry De Cloedt, chairman Mick Ivena J Neukermans, vice chairman René Sloth Gosvig
Executive Board	Benn Laursen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4 DK-7400 Herning
Bankers	Jyske Bank Østergade 4 8000 Aarhus C

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	76,255	64,299	35,817	38,023	21,930
Profit/loss of primary operations	47,644	34,836	7,724	18,452	7,175
Profit/loss of financial income and expenses	293	-289	-485	-581	-773
Net profit/loss for the year	38,142	27,612	5,953	14,528	4,919
Balance sheet					
Balance sheet total	230,165	158,204	154,072	143,778	111,777
Investment in property, plant and equipment	11,202	2,971	1,974	21,604	247
Equity	94,070	94,481	69,384	62,779	46,716
Cash flows					
Cash flows from:					
- operating activities	9,232	26,214	14,012	-1,898	22,545
- investing activities	-8,598	-1,502	-419	-22,114	-258
- financing activities	2,486	-24,383	-16,520	29,199	-25,876
Change in cash and cash equivalents for the year	3,120	329	-2,927	5,187	-3,589
Number of employees	30	30	24	20	18
Ratios					
Return on assets	20.7%	22.0%	5.0%	12.8%	6.4%
Solvency ratio	40.9%	59.7%	45.0%	43.7%	41.8%
Return on equity	40.5%	33.7%	9.0%	26.5%	11.3%

Management's review

Key activities

The object of the Company is to carry on trade and industry as well as related activities. As in previous years, the Company’s activities consisted of import and sale of crushed aggregates and granite.

Development in the year

The income statement of the Group for 2023 shows a profit of TDKK 38,142, and at 31 December 2023 the balance sheet of the Group shows a positive equity of TDKK 94,070.

The past year and follow-up on development expectations from last year

The result for the year has been better than budgeted, mainly due to more projects and higher demands compared to previous years.

Operating risks

It is Management's assessment that the Company is not exposed to any special risk apart from those generally existing in this line of business. Such risks are considered minimal and in line with previous years.

Foreign exchange risks

The Company's activities abroad, its profit an cash flow may be affected by rate movements in foreign currencies. The Company's foreign exchange policy is to hedge currency risks by entering into primarily forward exchange transactions.

No speculative foreign exchange transactions are entered.

Interest rate risks

The Company's interest rate risks are related to interest-bearing assets and liabilities. It is the Company's assessment, that normal changes in the interest rate level will not significantly affect earnings.

Credit risks

The Company has no significant risks regarding individual customers or business partners. The Company's policy in this area is, that all major customers, except municipalities etc., are regularly assessed and/or insured against losses.

Targets and expectations for the year ahead

Management expects a result for 2024 lower than 2023 due to lower activity an concerns about the market situation.

Research and development

The Company continuously develops the product program with adaptations to pre-existing products and the development of new solutions.

External environment

The Company is environmentally aware and works continuously to minimize the Company's environmental impact.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Gross profit		**76,255**	**64,299**	**69,684**	**58,402**
Staff expenses	1	-23,849	-25,392	-21,549	-23,387
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-4,523	-4,064	-4,384	-3,820
Other operating expenses		-239	-7	0	0
Profit/loss before financial income and expenses		**47,644**	**34,836**	**43,751**	**31,195**
Income from investments in subsidiaries		0	0	3,742	3,444
Financial income	2	1,495	612	1,643	807
Financial expenses	3	-1,202	-901	-1,202	-901
Profit/loss before tax		**47,937**	**34,547**	**47,934**	**34,545**
Tax on profit/loss for the year	4	-9,795	-6,935	-9,792	-6,933
Net profit/loss for the year	5	**38,142**	**27,612**	**38,142**	**27,612**

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Acquired concessions		294	364	294	364
Goodwill		0	0	0	0
Intangible assets	6	**294**	**364**	**294**	**364**
Other fixtures and fittings, tools and equipment		20,022	14,812	19,764	14,244
Leasehold improvements		822	1,065	822	1,065
Property, plant and equipment	7	**20,844**	**15,877**	**20,586**	**15,309**
Investments in subsidiaries	8	0	0	11,723	7,962
Deposits	9	510	558	510	558
Fixed asset investments		**510**	**558**	**12,233**	**8,520**
Fixed assets		**21,648**	**16,799**	**33,113**	**24,193**
Finished goods and goods for resale		41,393	35,043	35,683	32,465
Inventories		**41,393**	**35,043**	**35,683**	**32,465**
Trade receivables		134,133	68,425	130,499	61,086
Receivables from group enterprises		19,142	32,600	21,101	36,805
Other receivables		3,443	431	3,433	421
Prepayments	10	3,759	1,379	3,735	1,365
Receivables		**160,477**	**102,835**	**158,768**	**99,677**
Cash at bank and in hand		**6,647**	**3,527**	**1,165**	**44**
Current assets		**208,517**	**141,405**	**195,616**	**132,186**
Assets		**230,165**	**158,204**	**228,729**	**156,379**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Share capital		500	500	500	500
Reserve for net revaluation under the equity method		0	0	11,001	7,240
Reserve for hedging transactions		2,321	0	2,321	0
Other reserves		9	-10	0	0
Retained earnings		91,240	93,991	80,248	86,740
Equity		**94,070**	**94,481**	**94,070**	**94,480**
Provision for deferred tax	11	1,003	401	1,003	401
Provisions		**1,003**	**401**	**1,003**	**401**
Lease obligations		8,900	3,792	8,900	3,792
Long-term debt	12	**8,900**	**3,792**	**8,900**	**3,792**
Credit institutions		27,213	4,980	27,213	4,972
Lease obligations	12	2,014	3,177	2,014	3,177
Prepayments received from customers		8,589	941	8,554	920
Trade payables		28,137	22,127	27,427	22,050
Payables to group enterprises		19,351	2,151	19,351	1,334
Payables to group enterprises relating to corporation tax		9,622	5,973	9,622	5,973
Other payables		31,266	20,181	30,575	19,280
Short-term debt		**126,192**	**59,530**	**124,756**	**57,706**
Debt		**135,092**	**63,322**	**133,656**	**61,498**
Liabilities and equity		**230,165**	**158,204**	**228,729**	**156,379**

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Statement of changes in equity

Group

	Share capital	Reserve for hedging transactions	Other reserves	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	500	0	-10	93,990	94,480
Exchange adjustments	0	0	19	0	19
Extraordinary dividend paid	0	0	0	-40,892	-40,892
Fair value adjustment of hedging instruments, beginning of year	0	-388	0	0	-388
Fair value adjustment of hedging instruments, end of year	0	3,373	0	0	3,373
Tax on adjustment of hedging instruments for the year	0	-664	0	0	-664
Net profit/loss for the year	0	0	0	38,142	38,142
Equity at 31 December	**500**	**2,321**	**9**	**91,240**	**94,070**

Parent company

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	500	7,240	0	86,740	94,480
Exchange adjustments	0	19	0	0	19
Extraordinary dividend paid	0	0	0	-40,892	-40,892
Fair value adjustment of hedging instruments, beginning of year	0	0	-388	0	-388
Fair value adjustment of hedging instruments, end of year	0	0	3,373	0	3,373
Tax on adjustment of hedging instruments for the year	0	0	-664	0	-664
Net profit/loss for the year	0	3,742	0	34,400	38,142
Equity at 31 December	**500**	**11,001**	**2,321**	**80,248**	**94,070**

Cash flow statement 1 January - 31 December

	Note	Group 2023	Group 2022
		TDKK	TDKK
Result of the year		38,142	27,612
Adjustments	13	13,270	10,703
Change in working capital	14	-36,265	-5,875
Cash flow from operations before financial items		**15,147**	**32,440**
Financial income		1,495	612
Financial expenses		-1,202	-901
Cash flows from ordinary activities		**15,440**	**32,151**
Corporation tax paid		-6,208	-5,937
Cash flows from operating activities		**9,232**	**26,214**
Purchase of property, plant and equipment		-11,202	-2,973
Fixed asset investments made etc		1	1
Sale of property, plant and equipment		2,555	1,412
Sale of fixed asset investments made etc		48	58
Cash flows from investing activities		**-8,598**	**-1,502**
Repayment of loans from credit institutions		0	-8,817
Reduction of lease obligations		-5,507	-2,264
Repayment of payables to group enterprises		17,200	-13,302
Raising of loans from credit institutions		22,233	0
Lease obligations incurred		9,452	0
Dividend paid		-40,892	0
Cash flows from financing activities		**2,486**	**-24,383**
Change in cash and cash equivalents		**3,120**	**329**
Cash and cash equivalents at 1 January		3,527	3,198
Cash and cash equivalents at 31 December		**6,647**	**3,527**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		6,647	3,527
Cash and cash equivalents at 31 December		**6,647**	**3,527**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
1. Staff Expenses				
Wages and salaries	19,324	21,271	17,449	19,649
Pensions	3,279	3,099	3,279	3,099
Other social security expenses	811	707	386	324
Other staff expenses	435	315	435	315
	23,849	**25,392**	**21,549**	**23,387**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	**30**	**30**	**26**	**26**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
2. Financial income				
Interest received from group enterprises	1,387	524	1,535	719
Other financial income	108	88	108	88
	1,495	**612**	**1,643**	**807**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
3. Financial expenses				
Other financial expenses	1,202	901	1,202	901
	1,202	**901**	**1,202**	**901**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
4. Income tax expense				
Current tax for the year	9,856	5,975	9,853	5,973
Deferred tax for the year	603	250	603	250
	10,459	**6,225**	**10,456**	**6,223**
thus distributed:				
Income tax expense	9,795	6,935	9,792	6,933
Tax on equity movements	664	-710	664	-710
	10,459	**6,225**	**10,456**	**6,223**

	Parent company	
	2023	2022
	TDKK	TDKK
5. Profit allocation		
Extraordinary dividend paid	40,892	0
Reserve for net revaluation under the equity method	3,742	3,444
Transfer for the year to other reserves	0	0
Retained earnings	-6,492	24,168
	38,142	**27,612**

6. Intangible fixed assets

	Group		Parent company	
	Acquired concessions	Goodwill	Acquired concessions	Goodwill
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	512	9,600	502	9,600
Cost at 31 December	512	9,600	502	9,600
Impairment losses and amortisation at 1 January	145	9,600	138	9,600
Amortisation for the year	73	0	70	0
Impairment losses and amortisation at 31 December	218	9,600	208	9,600
Carrying amount at 31 December	**294**	**0**	**294**	**0**

Notes to the Financial Statements

7. Property, plant and equipment

	Group		Parent company	
	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	24,142	1,724	22,836	1,724
Additions for the year	11,202	0	11,148	0
Disposals for the year	-3,268	0	-3,268	0
Cost at 31 December	32,076	1,724	30,716	1,724
Impairment losses and depreciation at 1 January	9,328	658	8,592	658
Exchange adjustment	227	0	0	0
Depreciation for the year	4,210	244	4,071	244
Reversal of impairment and depreciation of sold assets	-1,711	0	-1,711	0
Impairment losses and depreciation at 31 December	12,054	902	10,952	902
Carrying amount at 31 December	**20,022**	**822**	**19,764**	**822**
Amortised over	1-10 years	4-8 years	1-10 years	4-8 years
Including assets under finance leases amounting to	12,801	0	12,801	0

	Parent company	
	2023	2022
	TDKK	TDKK

8. Investments in subsidiaries

	2023 TDKK	2022 TDKK
Cost at 1 January	723	723
Cost at 31 December	723	723
Value adjustments at 1 January	7,239	3,796
Exchange adjustment	19	-1
Net profit/loss for the year	3,742	3,444
Value adjustments at 31 December	11,000	7,239
Carrying amount at 31 December	**11,723**	**7,962**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
DC Resources Baltics SIA	Riga, Latvia	EUR 100,000	100%

9. Other fixed asset investments

	Group	Parent company
	Deposits	Deposits
	TDKK	TDKK
Cost at 1 January	558	558
Disposals for the year	-48	-48
Cost at 31 December	510	510
Carrying amount at 31 December	**510**	**510**

10. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions as well.

11. Provision for deferred tax

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Deferred tax liabilities at 1 January	401	150	401	150
Amounts recognised in the income statement for the year	603	250	603	250
Amounts recognised in equity for the year	-1	1	-1	1
Deferred tax liabilities at 31 December	**1,003**	**401**	**1,003**	**401**

12. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Lease obligations				
After 5 years	0	0	0	0
Between 1 and 5 years	8,900	3,792	8,900	3,792
Long-term part	8,900	3,792	8,900	3,792
Within 1 year	2,014	3,177	2,014	3,177
	10,914	**6,969**	**10,914**	**6,969**

Notes to the Financial Statements

13. Cash flow statement - Adjustments

	Group 2023	Group 2022
	TDKK	TDKK
Financial income	-1,495	-612
Financial expenses	1,202	901
Depreciation, amortisation and impairment losses, including losses and gains on sales	3,525	3,480
Tax on profit/loss for the year	9,795	6,935
Other adjustments	243	-1
	13,270	**10,703**

14. Cash flow statement - Change in working capital

	Group 2023	Group 2022
	TDKK	TDKK
Change in inventories	-6,350	-4,600
Change in receivables	-57,642	2,974
Change in trade payables, etc	24,742	-1,023
Fair value adjustments of hedging instruments	2,985	-3,226
	-36,265	**-5,875**

15. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Mortgage deeds registered to the mortgagor totalling kDKK 30,000, providing security on receivables from sales and services, and inventories at a total carrying amount of:	166,182	93,611	166,182	93,611

15. Contingent assets, liabilities and other financial obligations

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	538	724	538	724
Between 1 and 5 years	244	279	244	279
After 5 years	0	38	0	38
	782	**1,041**	**782**	**1,041**
Rental obligations, period of non-terminability, 1-6 (2022: 1-19) months	3,335	3,771	3,335	3,771
Guarantee obligations				
Payment guarantees regarding rent obligations	1,919	1,919	1,919	1,919

Other contingent liabilities

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 Thyborøn Nordsø Ral 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.

16. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Gery Jacques John Edmond Leopold De Cloedt, Chemin du Patier 36, 1936 Verbier, Schweiz	Board of Directors, Beneficial owner
DC Industrial NV-SA, Brussel, Belgien	Legal owner

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.

There have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration, all of which are concluded on arm's length terms, why they are not disclosed in accordance with section 98 c of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Group De Cloedt s.a.	Ixelles, Belgium

The Group Annual Report of Group De Cloedt s.a. may be obtained at the following address:
Rue Gachard 88 Bfk 12, 1050 Ixelles, Belgium

17. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

18. Accounting policies

The Annual Report of Dansk Natursten 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 remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TDKK.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Dansk Natursten A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.
- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”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.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Notes to the Financial Statements

Gross profit

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

Staff expenses

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.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

The Company is jointly taxed with Danish Group companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 year.

Establishing costs relating to consessions are measured at cost with deductions af accumulated amortization.

System amortization is applied over the period of use which is estimated to 7 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	1-10 years
Leasehold improvements	4-8 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of Deposits. Deposits are measured in the balance sheet at the lower of amortised cost and net realisable value.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company´s experience from previous years.

Notes to the Financial Statements

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

Notes to the Financial Statements

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity